

**AHLATCI METAL RAFINERI A.S.
INDEPENDENT REASONABLE
ASSURANCE REPORT
ON THE REFINER'S COMPLIANCE
REPORT FOR THE PERIOD
1 JANUARY TO 31 DECEMBER 2023**

**To the Board of Directors Ahlatçı Metal Refinery
Independent Reasonable Assurance Report on Ahlatçı Metal Refiner's Compliance Report**

Introduction

We were engaged by the Management of Ahlatçı Metal Refinery (Ahlatçı Metal or the Company) to provide a reasonable assurance on its 27 May 2024 dated Refiner's Compliance Report for the year ended 31 December 2023.

Scope of our work

The objective of this engagement is to provide an opinion on whether the Ahlatçı Metal Refiner's Compliance Report describes fairly the activities undertaken during the year to demonstrate compliance, and whether management's overall conclusion has been drawn in accordance with the requirement of the Emirates Bullion Market Committee Rules for Risk Based Due Diligence (EBC for RBDG) in the Gold Supply Chain version 1/ 2021 (the "EBC Rules") and with Annex-2 the EBC Review Protocol on Responsible Sourcing of Gold (the "EBC Review Protocol") both obtained from the EBC website.

Management's responsibilities

The management and the compliance officer of the Company is responsible for preparation and presentation of the Refiner's Compliance Report per the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain. This responsibility includes conformance with Rules 1 to 5 of the EBC Rules. The criteria identified by the management as relevant for demonstrating compliance with the EBC Rules for RBDG and with Annex-2 the EBC Review Protocol are the activities described within the Refiner's Compliance Report.

Auditor's responsibilities

Our responsibility is to carry out a reasonable assurance engagement to express an opinion as to whether the Refiner's Compliance Report, in all material respects, describes fairly the activities undertaken during the year to demonstrate compliance, and that management's overall conclusion contained therein is in accordance with the requirements of the Guidance.

We conducted our engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board and EBC Rules for Risk Based Due Diligence in the Gold Supply Chain Version 1/ 2021 and its Annex 2- EBC Review Protocol on Responsible Sourcing of Gold. This standard requires that we plan and perform this engagement to obtain reasonable assurance.

Our work has been undertaken so that we report to Ahlatçı Metal Refinery on those matters that we have agreed to state to them in this report. Our tests are related to Ahlatçı Metal Refinery rather than performed to meet the needs of any particular customer.

Our report must not be recited or referred to in whole or in part in any other document nor made available, copied, or recited to any other party, in any circumstances, without our express prior written permission. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Ahlatçı Metal Refinery for our work, this report, or the opinions we have formed.

Subject matter

This report covers the Ahlatçı Metal Refinery general level of compliance in accordance with the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain (EBC Rules for RBDG / Version 1 / 2021) issued by Emirates Bullion Market Committee for market participants in the gold industry and its Annex 2 - EBC Review Protocol as described in Refiner's Report as at 27 May 2024.

Reasonable assurance procedures performed

We designed and performed our work to obtain all the evidence, information and explanations considered necessary in relation to the above scope. These procedures included:

- Site visits to Ahlatçı Metal Refinery to evaluate if the management system is in place as described in the compliance report
- Enquiries off relevant staff at the corporate office responsible for the preparation of the Report.
- Assessment to understand Ahlatçı Metal Refinery's processes, and risk management procedures around the gold supply chain in place.
- Testing on a sample basis to evaluate whether the requirements of EBC Rules for RBDG Version 1/ 2021 and EBC Review Protocol are being executed and followed by Ahlatçı Metal Refinery.
- Assessing the suitability of the policies, procedures, and internal management that Ahlatçı Metal Refinery has in place to conform to the Guidance.
- Review of a selection of the supporting documentation, including gold supplier counterparties' due diligence file and transaction's documentation and furthermore the due diligence documents and risk assessment for the upstream of its suppliers.
- Enquiries of relevant staff responsible for supply chain management
- Test a selection of the underlying processes and controls which support the information in the Report.
- Review of the presentation of the Report to ensure consistency with our findings.

We believe that the evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Scope based on Reasonable assurance:

The review procedures undertaken by us will cover to the followings:

1. We have observed that Ahlatçı Metal Refinery has established a robust sustainable Supply Chain Management System. Ahlatçı's Gold Supply Chain Policy includes a scope, distributed responsibilities and has customer acceptance policy. The Policy is well defined and robust, and the KYC requirements found adequate taking into consideration the application of Rule 1.1 to 1.19.

The Implementation of the policies and procedures were verified and found sufficient in satisfying the requirements laid out under rule 1.1 to 1.19.

2. a) Audit observations in relation to transactions:

- (i) the number of transactions audited, and the number of high-risk transactions audited;

We have observed that all the transactions of Ahlatçı Metal Refinery were comprised from non-high risks transactions. Ahlatçı Metal had 2862 transactions in 2023 and 79,51% of the transactions were done with 4 related parties companies in 284 transactions, 7 transactions were done with foreign clients directly which constituted of 3,61% of the total volume and rest 2571 transactions were done by 2088 different local firms and real persons which also comprises 16,88 % of total transactions. 2081 units of these clients are coming from the system of Ahlatçı Refinery which is called ATOM (Gold Savings Creation Model). The system is integrated with the banks in Turkey and all these real person clients are opening a gold bank account in any bank in Turkey and then those gold transferred to the Ahlatçı Refinery. The banks are responsible from the KYC procedures at the first hand.

Ahlatçı Refinery had transactions with many suppliers in 2023 and 15 units of all these suppliers including the related party firms were constituted 90,63 % of all transactions amount. These firms were comprised from non-high risks countries and firms.

- (ii) the percentage of transactions audited as compared to the total number of transactions during the period subject to Review;

Since Ahlatçı Refinery has no high risk client's transactions, we audited 86 KYC files out of 2088 different local firms and real persons which is 3 % of non-high risks suppliers transactions and 7 clients which were 100% of the Refinery's within the period 1 January 2023- 31 December 2023 which was subject to audit.

- (iii) the total number of customer onboarding (KYC) files reviewed by the reviewer;

Ahlatçı Refinery has no new suppliers in 2023 except the real person clients coming through the banks via ATOM system which is explained above.

We collected and audited KYC files of 100 % of the old customers except the ATOM clients.

(iv) the total volume of Mined Gold and/or Recycled Gold in relation to the transactions audited;

As recorded in our comprehensive management report.

(v) the sampling rules or methods used:

Following a risk-based approach samples were selected considering the high volume transactions and high-value Customers/suppliers including new suppliers, Country of Origin, and material type.

(vi) the total volumes of cash transactions (if any) and its usage in excess of government thresholds as applicable in the Accredited Member's place of domicile:

Ahlatçı Metal has established a strong policy for cash payments. Any transactions above the permitted limits of Law is reported as per the AML-CFT laws of Turkey which is determined by The Financial Crimes Investigation Board of Turkey.

Verified the transactions made against vouchers traceable to supply of gold and sale of gold and found none in excess of government thresholds.

(vii) the total volumes of unrelated third party payments (i.e. cash, bank transfers and metal accounts held with bullion banks) and physical gold and/or precious metal deliveries in unusual circumstances that are not consistent with local and/or International market practices (for example, value, quantity, quality, profit):

This was verified and found none.

(viii) adequacy and implementation of track and trace mechanism from mine/supplier to Sale and/or physical delivery to the Accredited Member's suppliers:

This was verified on the sampled transactions, they were found adequate and satisfactory.

(b) in relation to geographical considerations:

We audited the transactions according to their geographical source and the sampling covers all the countries.

We audited the geographical origin of the gold transactions and if they are Mined or Recyclable Gold.

Ahlatçı Metal Refinery has no transactions which is related to a sanctioned and/or embargoed country, entity, or individual

(c) in relation to risk assessment, the alignment of the risk assessment methodology with Rule 2 and any deviations from those requirements of Rule 2; and

None. The risk assessment verified and found to be sufficient.

(d) the number of transactions and/or suppliers where enhanced due diligence was conducted during the period subject to Review.

Ahlatçı Metal Refinery has no transactions with high risks suppliers.

3. In respect of Rule 3, the Review Report must detail the adequacy and implementation of the Risk Control Plan.

Ahlatçı Metal has identified and assessed the risks in the supply chain. Ahlatçı Metals uses a strong management system to identify and assess the risks associated with gold which they distribute, transport, export, and/or purchase. Ahlatçı Metal within 1 January 2023 – 31 December 2023 reporting period, has continued to initiate previously developed Gold Supply Chain Company Policy in compliance with the model as set forth in Emirates Bullion Committee Rules for Risk Based Due Diligence (EBC for RBDG) in the Gold Supply Chain version 1/2021 (the “EBC Rules”) and with Annex-2 the EBC Review Protocol on Responsible Sourcing of Gold and commenced the initiation of such Guidance. In accordance with the principles of such policy, the control and monitoring of all supply chain through implementation of risk-based due diligence, assessment of risk, and process for accepting the metals with gold content in compliance with customer acceptance have been performed.

Ahlatçı Metal’s implementation of risk control plan was verified and found adequate in respect of Rule 3.

4. In respect of Rule 4, the Review Report must include a detailed assessment and rating of compliance with the Rules for RBDG in accordance with the EBC Review Protocol (Annex 2).

Ahlatçı Metal is reporting annually on its measures implemented for responsible supply chain due diligence and that the measures being reported are consistent with the independent third party audit review program findings as detailed in and referring to Rule 5 of the EBC Rules and fulfilling objectives of the review program as detailed in the EBC review protocol (Annex 2).

Ahlatçı Metal also made an agreement with PKF Aday Bağımsız Denetim A.Ş. a member firm of PKF International, in order to obtain an independent third-party audit report related with gold and precious metals due diligence practices. Ahlatçı Metal will make this report available on its www.ahlatcimetal.com.tr website.

5. In respect of Rule 5,

the Review Report must provide confirmation as to the Accredited Member’s public disclosure on the Accredited Member’s website of the relevant Review Reports in accordance with EBC Review Protocol in Annex2 and Policy as described in Rule 1.3.

a) Ahlatçı Metal has implemented and maintained a robust documented policy and detailed process which includes common principles, standards and processes for responsible supply chain management. The policy is consistent with the standard set forth in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chain and cover all the minimum requirements.

b) Whether a corrective action plan or measures have been recommended.

We have not recommended any corrective action plan for the activities of 01.01.-31.12.2023.

c) Assessment of the actions taken/corrective actions implemented over the previous corrective action plan or measures recommended.

None.

Inherent limitations

Non-financial information, such as that included in the Refiner's Compliance Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The methods used by Refiners to comply with the Guidance may differ. It is important to read the Ahlatçı Metals A.Ş.'s Gold Supply Chain Policy available on Ahlatçı's website <https://www.ahlatcimetal.com.tr>.

Our testing of the accuracy of selected qualitative statements in the Refiner's Compliance Report relating to the material issues (such as management assertions and performance claims) were done through interviews and Ahlatçı's document reviews.

The authenticity of documents produced by gold supplying counterparties was not checked by contacting the respective government organisations.

Independence and competency statement

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board of Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in the Audit Guidance to carry out the assurance engagement.

Opinion

In our opinion, in all material respects, the accompanying Refiner's Compliance Report dated 27 May 2024 for the period from 1 January to 31 December 2023 prepared by the directors describes fairly the level of general compliance and management's overall conclusion contained therein is in accordance with the requirements of the *EBC Rules on Risk Based Due Diligence in the Gold Supply Chain (EBC Rules for RBDG / Version 1/2021) and its Annex 2 - EBC Review Protocol*.

İstanbul- Türkiye, 08.06.2024

PKF Aday Bağımsız Denetim A.Ş.
(A Member of PKF International)



Abdulkadir SAYICI
Sorumlu Denetçi



AHLATCI METAL RAFİNERİ A.Ş.' EBC COMPLIANCE REPORT

The Emirates Bullion Market Committee (EBC) Rules for Risk Based Dure Diligence in the Gold Supply Chain Version 1/2021- EBC Rules for RBDG has been established for EBC Accredited member Refiners to adopt high standards of due diligence in order to combat systematics or widespread abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering to combat terrorist financing practice.

This report summarizes how Ahlatcı Metal Rafineri A.Ş. (Ahlatci Metal Refinery) has complied with the requirements of the EBC Rules for RBDG.

TABLE 1: REFINERY INFORMATION

Refinery Name:	Ahlatcı Metal Rafineri A.Ş.
Location:	Pınarcay OSB Mh. OSB 1 Cd. No:60/2 Çorum, Türkiye
Reporting Period:	1 st January 2023 – 31 st December 2023
Contact Details:	kurumsal@ahlatci.com.tr
Senior Manager Responsible for the report:	Ahmet AHLATCI

The tables and statements which are listed below are Ahlatci Metal Refinery' statement of compliance and explanations regarding its operations and applications in accordance with the Emirates Bullion Market Committee (EBC) Rules for Risk Based Due Diligence in the Gold Supply Chain Version 1/2021- EBC Rules for RBDG requirements.

RULE 1. SUPPLY CHAIN MANAGEMENT SYSTEMS

Rule 1.1 Overriding Principle

Each Accredited Member conducting business in the supply chain relating to Mined Gold and Recycled Gold must implement and maintain systems and procedures which are sufficiently robust to conduct effective due diligence on the Accredited Member's supply chain. The complexity of the management system should depend on the volume of business, location, type of supplies processed, and complexity in the supply chain.

Members should evaluate the objectives of their management system against performance to ensure attainment of the expected outcome in a periodic manner.

An internal management system has been set up to define the governance, roles and responsibilities, internal audit, communication, and Senior Management review as per the adopted policy. The assigned Compliance Officer on Holding level designs and supervises the overall process. He is supported by the business unit's Compliance Officers, which are responsible for implementing and enforcing these policies within our organization and further fine tuning the





process with corresponding operating procedures. He also performs the day-to-day KYC checks. The Compliance Officer is assigned with the right competence and knowledge to manage the entire process and has a direct reporting line to the executive committee.

Our corporate auditing team also ensures that our policies and standards are applied through-out our organization.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery is committed to responsible sourcing and supply chain management as a well-known company that works in the gold and precious metals industry.

Ahlatci Metal Refinery commits to adhere to following the guidelines and codes:

- EBC Rules for Risk Based Due Diligence in the Gold Supply Chain
- OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas
- Gold Supplement to the OECD Due Diligence Guidance
- LBMA Responsible Gold Guidance

Ahlatci Metal Refinery is committed to follow the Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organization Compliance Policy (AML-CFT Policy), Anti-Bribery and Corruption Policy, and Supply Chain Policy, which are consistent with the requirements set out in the OECD Due Diligence Guidance and the EBC Rules for RBDG. All policies are approved by the Senior Management and updated on a regular basis.

Ahlatci Metal Refinery has designed its responsibility and commitment to risk-based due diligence, screening, and monitoring of transactions accordingly. Furthermore, Ahlatci Metal Refinery has adopted policies and procedures that cover in-depth all aspects of our internal and external processes, including KYC documentation, risk assessment, supply chain assessment, and risk mitigation. This serves as guidance to all departments involved in the supply chain to successfully comply with the company's policies.

Internal audit and independent third-party assurances are conducted periodically to verify and ensure that the policy and procedures are consistently implemented, and proper controls have been established. These periodic assessments help to ensure that the policies and procedures in place are being followed effectively, and appropriate controls are established to mitigate the risks. Further, it helps to identify any gaps in the controls, and helps to maintain the integrity and reliability of the organization's internal controls.

All of the company's personnel have been informed about the Ahlatci Metal Refinery Supply Chain Policy. All department members involved with or in charge of the supply chain for precious metals receive regular training, as does the management group.

Senior Management establishes and authorizes very reasonable and cautious policies, procedures, and guidelines related to responsible sourcing; the on-duty Compliance Officer is in charge of carrying out the policy, procedure, and guidelines.

AHLATCI METAL REFINERY

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Ahlatci Metal Refinery policies and procedures are reviewed and updated annually according to legislative developments pertaining to supply chain, anti-money laundering, and counter-terrorist financing.

Rule 1.2. Supply Chain

Any reference to the "supply chain" or "suppliers" in these Rules shall include clients, suppliers, agents, intermediaries and any other relevant entities participating in supply of gold to the Accredited Member.

Any reference to an "ultimate beneficial owner (UBO)" shall mean any natural person holding 25% or more of the share capital in any corporate entity.

Has an appropriate management structure been established in order to support the Gold Supply Chain Due Diligence?

Compliance Statement: Fully Compliant

During the reporting period, Ahlatci Metal Refinery used the Business Policy, Supply Chain Policy, and AML/CFT Policy, which included terms supply chain, suppliers, and ultimate beneficial owner. Any reference to the "supply chain" or "suppliers" includes clients, suppliers, agents, intermediaries, and any other relevant entities participating in supply of precious metals of Ahlatci Metal Refinery. Also, any reference to an "ultimate beneficial owner (UBO)" means any natural person holding 25% or more of the share capital in any corporate entity.

Rule 1.3. Policy and Process Implementation

Each Accredited Member must implement and maintain a robust documented policy and detailed processes (Policy) to include common principles, standards and processes for responsible supply chain management. The Policy should be consistent with the standard set forth in the model supply chain policy in Annex II of the OECD Guidance and should, as a minimum, include the following:

- a. Scope
- b. Responsibilities
- c. Criteria for supply chain due diligence
- d. Main elements of Know-Your Customer (KYC) processes
- e. Risk management
- f. Monitoring and surveillance
- g. Training

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery is committed to rules and regulations the precious metals sector, adhere to internationally recognized best practices and market standards. Operate in accordance with the following Guidance and Standards:





- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas
- Gold Supplement to the OECD Due Diligence Guidance
- EBC Rules for Risk Based Due Diligence in the Gold Supply Chain
- LBMA Responsible Gold Guidance

The processes, procedures and controls outlined in these documents are mandatory and shall apply to all employees, all clients including suppliers, buyers, sellers, miners, refiners, financial institutions, gold & precious metals trading companies.

Ahlatci Metal Refinery's each employee's job description outlines their specific roles and responsibilities are conducted responsible sourcing and due diligence process.

In order to carry out an effective risk assessment, starting from the first point of origin where the gold is supplied, Ahlatci Metal Refinery conducts a detailed identity scan of the customer and asks for documentation of business and commercial relations. At this stage, it determines whether the customer has any illegal tendencies and efforts such as money laundering, fraud or financing of terrorism. It researches, obtains details by checking business and financial data, and develops customer frequency analysis with additional documents such as mining license for gold coming from both mines and small-scale enterprises, mine capacity, data on mining practices, documents determining the origin of the mine, gold import/export licenses. It takes additional precautions for its customers in the High-Risk Category, conducts on-site visits and additional research if necessary, and decides whether to start trading as a result.

Ahlatci Metal Refinery conducts the KYC process according to key elements such as identification (ID), verification (VR), and KYC steps, which are established by senior management and applied by the compliance officer.

Ahlatci Metal Refinery obtains and records competent evidence of the full identity of the client, UBO, representative capacity, occupation, country of origin of precious metals, business purpose of clients, legal capacity, as well as other identifying information on all clients using the document detailed by the KYC checklist.

Ahlatci Metal Refinery is checking all UBO and company names on the sanctions list with a third-party tool to ensure that companies or UBOs are not listed on official sanctions lists before conducting business relations and the annual KYC review after conducting business.

We make every effort to make certain that the supply chain and reputation of Ahlatci Metal Refinery are not negatively impacted by ensuring that we source only from suppliers that adhere to the highest standards of good practice. We closely engage with all our suppliers for obtaining – further supply chain information and supporting them in achieving ethical and conflict free sourcing in precious metal industry. We conduct the KYC and due diligence process at periodic interval and transaction monitoring on a regular basis.

We are conducted supplier assessment screening relevant internationally recorded transgressions, adverse media news including sanctions, regulatory compliance, bribery corruption and fraud.

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Building and nurturing good relationships with suppliers, and other stakeholder groups (through involvement and dialogue) is critical in raising understanding of possible economic, social, and environmental challenges facing the business. High-risk economic, social, and environmental consequences are typically sensitive, diversified, or unprecedented. We may from time-to-time undertake site visits or facility inspections to build a stronger bond with our supply chain partners and verify a supplier's conformance with Ahlatci Metal Refinery Supply Chain Policy. Furthermore, Ahlatci Metal Refinery has established a clear policy to disengage from suppliers who are unwilling or unresponsive with respect to implementing corrective action plans.

Ahlatci Metal Refinery oversees the activity of its customers in relation to Business Relationships that have been established. This includes auditing transactions that have been carried out during the relationship using a risk-based methodology to make sure that they align with the information, activity types, and risk profiles of the customers.

In keeping with the level of risk involved, Ahlatci Metal Refinery evaluates the specifics of the transactions examined and obtains sufficient information on the counterparty in order to determine whether the transaction appear such as; Normal, Reasonable or Legitimate type according to customer's due diligence information or profile.

Ahlatci Metal Refinery makes sure that its personnel have the knowledge and abilities needed to support the company's continuous efforts to achieve an ethical supply chain by investing in employee training and development. Furthermore, the compliance officer of Ahlatci Metal Refinery and governance organizations held several training courses for the management team and all employees who worked in or had responsibilities pertaining to the precious metals supply chain.

Rule 1.4. Minimum KYC Requirements

For the purposes of these Rules for RBDG, the standards of KYC requirements set out in the Applicable Laws and Regulations shall be considered as the minimum KYC standards (Minimum KYC Standards) to be achieved by the Accredited Members.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery has conducted KYC requirements set out according to applicable laws and regulations.

Rule 1.5. Implementation of KYC Systems and Processes

Each Accredited Member shall ensure that its Policy and the implementation of its Policy shall fully satisfy the Minimum KYC Standards and any other KYC requirements set out in these Rules for RBDG.

Compliance Statement: Fully Compliant

It is mandatory for Ahlatci Metal Refinery to apply all the provisions of its Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations (AML/CFT)





Compliance Policy, which defines the KYC Process and the minimum KYC Requirements for onboarding clients.

Identification (ID), Verification (VR), and Know-Your-Customer (KYC) together form the first key step in the Procedures and Controls and is carried out before onboarding any client. Following applicant screening and background information check, along with review of business plan, source of funds and expected levels of activity, an initial decision is made with respect to the application status, that is the client may be accepted, rejected, or more information may be required.

The Compliance Department of Ahlatci Metal Refinery is independent. The Compliance department is headed by the Compliance Officer, who is responsible for the effective implementation of the KYC systems and process.

Rule 1.6. Specific KYC Requirements

Each Accredited Member shall ensure that its Policy and the implementation of its Policy shall be adequate to identify:

- (a) Each supplier and supplier's supplier where applicable;
- (b) Each supplier's legal and operating structure;
- (c) Each supplier's UBO;

Compliance Statement: Fully Compliant

As a part of our due diligence process, Ahlatci metal Refinery is able to identify each supplier and supplier's supplier where applicable. Depending on the nature and source of the gold, we may ask for additional supporting documentation in order to be able to determine the origin of precious metals. In case of mined metal, we acquire the KYC documentations for all relevant parties in the supply chain, including the suppliers, aggregators, and the mines.

As a part of our onboarding process, each prospective supplier is required to fill an KYC-AML Questionary. These forms capture all the relevant information about the supplier's legal and operating structure. This information is further verified with all the legal and ID documentations provided by the suppliers. Furthermore, wherever possible the legal and operating structure of each supplier is confirmed through official government sources providing such information.

Each Supplier has to provide information about their UBO(s). After verifying all legal documentations of the supplier, an organizational chart is prepared for each supplier, which identifies the UBO(s) for that supplier. It is mandatory for each supplier to provide the ID documentations of every UBO(s) before the supplier is onboarded.

Rule 1.7. Specific KYC Requirements

Each Accredited Member shall keep records of, and continually on an ongoing basis update, the following information:

- a. for every supplier or UBO that is a natural person, his/her:
 - (i) full name (as shown on a national identity card or passport);





- (ii) nationality;
 - (iii) physical address (place of residence and original domicile);
 - (iv) employer details (if any);
 - (v) a complete and accurate copy of a valid identity card or passport (any copy should be certified);
- b. for every supplier or UBO of a supplier that is a corporate entity:
- i. its legal status and category of entity;
 - ii. its full name;
 - iii. its domicile or country of registration;
 - iv. a description of its principal business activities;
 - v. the address of its registered office and principal place of business (if different);
 - vi. the KYC requirements of each legally authorised representative that is a natural person (in accordance with (a) above);
 - vii. a copy of the instrument(s) authorising each of its legally authorised representatives;
 - viii. the KYC requirements of each UBO (in accordance with (a) above for natural persons and in accordance with this (b) for corporate entities), except for government entities and publicly listed companies for which such information is publicly available;
 - ix. a copy of its constitutional documents; and
 - x. a copy of its valid commercial or professional licence or registration.

Compliance Statement: Fully Compliant

Identification (ID), Verification (VR), and Know-Your-Customer (KYC) are key elements of an effective due diligence program. Ahlatci Metal Refinery obtains and records competent evidence of the full identity of the client, UBO, representative capacity, occupation, country of origin of precious metals, business purpose of clients, legal capacity, as well as other identifying information on all clients using the document detailed by the KYC checklist.

Ahlatci Metal Refinery is required to conduct KYC and due diligence procedure when:

- Establishing a new business relationship
- Carrying out occasional transactions above the applicable designated threshold
- There is suspicion of contributing to conflict, money laundering, terrorist financing, Human Rights abuses, or environmental violations
- If Ahlatci Metal Refinery has doubts about the veracity or adequacy of the previously obtained customer identification data
- It is necessary to obtain additional information from existing customers based on the conduct of the account

For every supplier or UBO that is a natural person, Ahlatci Metal Refinery keep records of, and continually, on an ongoing basis, update his/her:

- full name (as shown on a national identity card or passport);
- nationality;
- physical address (place of residence and original domicile);

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- employer details (if any);
- a complete and accurate copy of a valid identity card or passport

For every supplier or UBO of a supplier that is a corporate entity, Ahlatci Metal Refinery keep records of, and continually on an ongoing basis update:

- its legal status and category of entity;
- its full name;
- its domicile or country of registration;
- a description of its principal business activities;
- the address of its registered office and principal place of business (if different);
- the KYC requirements of each legally authorised representative that is a natural person;
- a copy of the instrument(s) authorising each of its legally authorised representatives;
- the KYC requirements of each UBO, except for government entities and publicly listed companies for which such information is publicly available;
- a copy of its constitutional documents;
- a copy of its valid commercial or professional licence or registration.

Rule 1.8. KYC Requirements for Politically Exposed Persons

If a supplier or any UBO of a supplier is considered to be a politically exposed person (PEP), each Accredited Member must document and follow specific internal escalation procedures to ensure that the matter is addressed at the appropriate internal authority level and dealt with in accordance with the Minimum KYC Standards.

In addition to meeting the Minimum KYC Standards, each Accredited Member must establish the source of wealth of PEPs and their families and associated persons and are required to implement adequate transaction monitoring systems for the transactions of PEPs, as further described in the Applicable Laws and Regulations.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery has created defining the customer who is PEPs. According to regulations and guidance which are obligated to defined the PEPs, PEP is identified Ahlatci Metal Refinery assigns a rating of high risk to the customer. The Compliance Officer must obtain the approval of the Senior Management before engaging in business with the customer. Compliance Officer conduct enhanced due diligence and ensures reasonable measures are taken to establish source of wealth and source of funds. Also, Compliance Officer is tracking the PEPs for the purpose of reporting and monitoring.

In accordance of laws, Ahlatci Metal Refinery's Compliance Officer must be conducting enhanced due diligence process to PEPs relatives and their family includes the source of wealth.

Rule 1.9. Appointment of a Dedicated Supply Chain Officer

Each Accredited Member must appoint a person to carry out the role of a dedicated compliance or risk officer (Supply Chain Officer). The Supply Chain Officer must:



- (a) be a senior member of staff of the Accredited Member;
- (b) have the necessary competence, knowledge, experience and training in supply chain due diligence and KYC processes;
- (c) be provided with all resources necessary to perform his/her functions and role in accordance with these Rules;
- (d) be able to communicate critical information to Senior Management, staff and suppliers.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery Compliance Officer has been since 25th January 2023. Our Compliance Officer and the Compliance team members have the necessary competence, knowledge, experience, and training. Our Compliance Officer has over 15 years of experience and a strong background in Anti-Money Laundering and Supply Chain Compliance. He has attended various trainings and webinars on AML and supply chain.

The Compliance Officer has been given adequate resources and management support to establish and maintain a robust supply chain management system with the use of the following resources and compliance toolkits:

- Trainings
- Refinitiv World Check Subscription
- Google alerts and research
- Conflict Barometer
- World Gold Council
- Financial Action Task Force (FATF)
- RAND Europe (European Commission) List
- Dodd Frank Act
- U.S. Department of State - Trafficking in Person Report
- Other Reference Materials

The Compliance Officer is responsible for preparing the Annual Business Responsible Report. During the annual review, the Senior Management team evaluates each supply chain to determine whether to maintain the business relationship with a particular supplier.

Rule 1.10. Functions and Duties of the Supply Chain Officer

The Supply Chain Officer shall:

- (a) review and sign off on each gold supply chain due diligence exercise;
- (b) continually monitor and assess the Accredited Member's supply chain due diligence processes;
- (c) ensure that the Policy and each associated due diligence exercise carried out by an Accredited Member are adequate for the purposes of these Rules for RBDG;
- (d) train staff and promote awareness within the Accredited Member's organisation with respect to responsible supply chain due diligence, the Accredited Member's Policy, KYC requirements and applicable laws;





(e) update the Policy and related processes as and when required.

Compliance Statement: Fully Compliant

The Compliance Officer is responsible for reviewing and signing off the KYC-AML Questionary Form, Customer Risk Matrix, Compliance Review, Transaction Monitoring.

It is the responsibility of the Compliance Officer to continually monitor and assess Ahlatci Metal Refinery supply chain due diligence processes. The Compliance Officer works closely with and has a direct access to all staff exposed in the supply chain.

The Compliance Officer ensures that the Policy and each associated due diligence exercise carried out by Ahlatci Metal Refinery are adequate for the purposes of these Rules for RBDG.

Training employees and raising awareness of responsible supply chain due diligence, the Ahlatci Metal Refinery Policy, KYC regulations, and relevant laws are the responsibilities of the Compliance Officer at Ahlatci Metal Refinery.

The Compliance Officer is in responsible for updating the Policy and related procedures when required to make sure that the Ahlatci Metal Refinery's due diligence procedure complies with all applicable laws and regulations.

Rule 1.11. Appointment of a Compliance Officer

Each Accredited Member may be required to appoint a "Compliance Officer" (Compliance Officer) to carry out the functions of such role as set out in the Applicable Laws and Regulations. For the purposes of these Rules, the Compliance Officer may be the same person as the Supply Chain Officer.

Compliance Statement: Fully Compliant

The independent Compliance Officer has appointed on 25th January 2023. He is responsible for the implementation and supervision of the Supply Chain Due Diligence Program at Ahlatci Metal Refinery.

Rule 1.12. Functions and Duties of the Compliance Officer

Each Accredited Member shall ensure that its Compliance Officer is familiar with and carries out its role and function in accordance with the requirements of the applicable laws and regulations.

Compliance Statement: Fully Compliant

The Compliance Officer's roles and responsibilities is clearly defined and includes the following:

- Implementing and Supervising Ahlatci Metal Refinery' Supply Chain Policy, and AML/CFT Policy, which sets out the company's responsibility and process to attain a responsible supply chain
- Assisting with the development of policies, procedures, and training plans
- Conducting due diligence for each supply chain





- Conducting due diligence for each country in the supply chain and understanding the risks associated
- Customer onboarding and KYC documentation
- Conducting Customer Due Diligence and Enhanced Due Diligence
- Communicating sourcing policy to the suppliers and ensuring the compliance of the same by them
- Liaising with other companies to obtain documents and information as required
- Monitoring day-to-day transactions of Ahlatci Metal Refinery for any unusual, structured, suspicious, and blacklisted ones
- Monitoring money laundering and tracing structured transactions
- Monitoring of suspicious accounts periodically
- Providing guidance to the Compliance Team on how to identify suspicious activities and transactions
- Providing support and advice to other departments in relation to the application of the Supply Chain Due Diligence Program
- Providing training to the entire staff of the organization
- Reviewing and addressing Watch list and alerts
- Liaising with compliance department of other companies
- Liaising with government authorities, regulators, and industry programme representatives
- Conducting Site Visits
- Creating sound internal controls and monitoring adherence to them
- Be proactive in creating a preventative or due diligence programme ensuring the Programmes are fit for purpose
- Regularly report on the state of the company's compliance effectiveness, identifying areas of risk, recommend solutions, and obtain guidance & support to implement improvements
- Monitor compliance activities of all departments to identify different trends
- Obtaining feedbacks from all participants in the supply chain
- Maintaining records as required by Ahlatci Metal Refinery as required by applicable laws.

Rule 1.13. Records of Internal Inventory and Transactional Documentation

Each Accredited Member must develop and maintain internal documentation and records of supply chain due diligence to cover internal inventory and transactional documentation which shall include:

- a. details of physical form, type (i.e. Mined Gold and/, or Recycled Gold) and physical description of gold including any imprints and/or hallmarks;
- b. details of weight and purity of gold after proper internal verification and/or third-party verification;
- c. full KYC due diligence of all suppliers including their due diligence practices e.g. information on suppliers' due diligence process and KYC requirements. Accredited Members shall encourage their suppliers to, adopt processes and policies similar to the Policy and the Minimum KYC Standards;
- d. the unique reference number of each entry/input and exit/output;
- e. the name, stamp and logo of the refiner/producer/manufacturer (if applicable);
- f. the year of refining/production (if applicable);

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- g. the dates of applicable purchases and sales including financial transaction information (such as payment amount, currency, mode of payment, etc.);
- h. an inventory list classified as per supplier;
- i. a "Track and Trace" mechanism for tracing products back to purchased material, which shall include (where applicable):
 - (i) shipping/transportation documents;
 - (ii) sales documents with specific lot numbers;
 - (iii) mining licence(s) and related permissions (for mined gold);
 - (iv) import/export licence(s) and form(s); and
 - (v) reconciliation of documentation.

Compliance Statement: Fully Compliant

Ahlataci Metal Refinery has put in place a comprehensive internal system of due diligence, control, and transparency over precious metal supply chain, including traceability. In compliance with EBC rules for records of internal inventory and transactional documents, Ahlataci Metal Refinery uses a manual and database filing system. Each client has an account with Ahlataci Metal Refinery that contains each client's KYC documents such as beneficial owners' identity, business license, sources of metals, an approximate amount of metals to be sent in the refinery, authorized signatories, and bank details as well as the transaction history of the client that serves as a reference for verifying the customer's consistency and supply chain.

For each shipment that is approved by the Compliance Department, contains shipment unique reference number, type of precious metal, customer invoice weight, precious metals before and after melting weight and purity report from laboratory and XRF.

For each shipment that is approved by the Compliance Department, the shipment is opened under a CCTV camera in the presence of Quality Check Officer and the Production Supervisor. A visual inspection is performed by the Quality Check Officer to verify the type of precious metal. Thereafter, the gross weight of the precious metal is measured, and indicative purity is determined using the XRF to verify the type of metal.

As a part of our onboarding process, the Supply Chain due diligence policy and procedures are discussed with the suppliers and our commitment and expectations with respect to responsible sourcing of precious metals is clearly communicated to the client. Ahlataci Metal Refinery Supply Chain Policy is shared with all clients who wish to work with Ahlataci Metal Refinery and a written confirmation is obtained from them that they will comply with all the provisions of the policy.

The shipment details are entered into the accounting system and a unique shipment reference number is generated that is used throughout the process to serves as shipment tracking and tracing number. For all deliveries, a Delivery Note is issued that contains transaction reference number, date of delivery, type of metal delivered, weight and purity of the metal, and bar numbers.

Ahlataci Metal Refinery Final Products are imprinted with Ahlataci Metal Refinery' logo, unique serial number, weight, and purity.



Each final product produced by Ahlatci Metal Refinery is affixed with a product certificate that mentions the date of production. All finished products are well recorded and tracked to whom we delivered. For all deliveries, a Delivery Note is issued that contains transaction reference number, date of delivery, type of metal delivered, weight and purity of the metal, and bar numbers.

All purchases and sales are recorded on the accounting system along with financial information such as payment amount, currency, and mode of payment.

Each supplier is registered on the accounting system with a unique account code. All relevant information about each shipment received from a supplier is entered into the system. The purchase, sales, metal receipt and metal returned are all recorded in the accounting system.

Ahlatci Metal Refinery has been designed a tracker system includes unique reference numbers to identify incoming/outgoing transactions and shipments. In compliance with EBC rules for records of internal inventory and transactional documents, Ahlatci Metal Refinery uses a manual and database filing system. We are collecting the following documents (which is applicable):

- Commercial /Export Invoice from Supplier
- Airway Bill
- Packing List
- Certificate of Origin
- Customer Declaration stating the Origin of Precious Metals, Type of Gold, Sub-classification of Recycled / Mined Gold, Mine Details (if applicable)
- Delivery Order
- Bill of Entry
- Analysis Report
- Tax Invoice issued by Ahlatci for Refining
- Precious Metal Delivery Note
- Metal Receipt Confirmation / Logistics Company Delivery Confirmation
- Tax Receipt Stock
- Tax Invoice from Client

Rule 1.14. Record Keeping

Each Accredited Member must keep relevant records, files, documents, papers, communications and forms related to its compliance with these Rules for RBDG and its KYC obligations for at least five (5) years from the latest of:

- a. the date of the most recent transaction in respect of the latest material intake from a supplier;
- b. the date of conclusion of a complete inspection by an EBC approved reviewer;
- c. the date of closing of the account of the supplier or termination of the relationship with the supplier;
- d. date of closing of an investigation on a particular transaction or supplier.

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Compliance Statement: Fully Compliant

As Ahlatci Metal Refinery, we keep relevant records, files, documents, communications, and forms related to its compliance with these Rules for RBDG and its KYC obligations, including the following:

- All clients' documentation as provided in KYC checklist and/or correspondences, including the documents obtained during client due diligence and/or enhanced due diligence
- All shipping/transportation documents for each shipment
- All Compliance Approval documents
- All documentation concerning a Red Flag together with any response or follow up
- All Purchase and Sales documents

Rule 1.15. Enhanced Relationships with Suppliers

Each Accredited Member must continually attempt to enhance communications and relationships with each of its suppliers and encourage each supplier to commit to a supply chain policy consistent with the Rules for RBDG and Annex II of the OECD Guidance. This can be achieved through the following means:

- (a) maintaining adequate KYC due diligence processes for suppliers in accordance with these Rules for RBDG, and reviewing suppliers' own due diligence practices;
- (b) establishing long-term relationships with each supplier;
- (c) sharing with each supplier the Rules for RBDG and the Accredited Member's obligations under the Rules for RBDG;
- (d) communicating expectations that each supplier commits to the compliance and undertakes mineral supply chain due diligence and risk management consistent with the Rules for RBDG and Annex II of the OECD Guidance;
- (e) incorporating the provisions of the Rules for RBDG and audit and monitoring rights into contracts and/or agreements and KYC forms with each supplier;
- (f) considering ways to support and build capabilities of suppliers to ensure compliance with the Accredited Member's Policy and the Rules for RBDG.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery' Supply Chain Policy outlines the company's responsibility and commitment for conducting risk-based due diligence, screening and monitoring of transactions and governance in place accordingly, in order to achieve a responsible supply chain of precious metals. The company has adopted a comprehensive on-going, proactive, and reactive process that is being implemented and maintained by the Compliance Department.

Full KYC due diligence of all suppliers including their due diligence practices, for example, information on suppliers' due diligence process and KYC requirements are regularly reviewed and evaluated to ensure that our suppliers are following the industry best practices and standards and complying with the provision of our Supply Chain Policy and the EBC Rules for RBDG.

Ahlatci Metal Refinery is focused on building long-term sustainable business relationships with each supplier. With a focus on building strong relationships with our customers, the Senior Management



drives the core values as building trust with our suppliers, our products quality and purity, cost efficient without compromising on quality.

Ahlataci Metal Refinery' Supply Chain Policy and EBC Rules for RBDG is shared with all clients who wish to work with Ahlatci Metal Refinery and a written confirmation is obtained from them that they will comply with all the provisions of the policy and EBC Rules for RBDG.

Ahlataci Metal Refinery only works with those suppliers who commits to achieve Rules for RBDG and Annex II of the OECD Guidance.

As a part of our onboarding process, each prospective supplier is required to fill an KYC-AML Questionary Form. The KYC-AML Questionary Form contains a declaration where the supplier undertakes to have understood and comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the LBMA Responsible Gold Guidance and the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain.

A collaborative approach between refineries and the precious metals suppliers is key to raising awareness about and mitigating the risks involved in the precious metals Industry. In order to inform our suppliers on the OECD principles, EBC Rules for RBDG, regulatory requirements, best practices, and supervisory expectations, Ahlatci Metal Refinery has used communication.

Rule 1.16. Uncooperative Suppliers

If any Accredited Member reasonably concludes that a supplier is not providing a sufficient degree of cooperation to enable it to carry out its obligations under the Rules for RBDG (Uncooperative Supplier), the Accredited Member is recommended to seek disengagement from such supplier and is required to:

- (a) document the Accredited Member's efforts in accordance with these Rules (including Rule 1.15);
- (b) report the matter to the Executive Office of the EBC, upon request by the Executive Office of the EBC;
- (c) details of such disengagement of suppliers should be included in the management report by the EBC approved reviewer.

Compliance Statement: Fully Compliant

Ahlataci Metal Refinery has developed a robust supply chain management and due diligence system that includes a mechanism for identifying and reporting uncooperative suppliers and/or suspicious activities or transactions. All employees of Ahlatci Metal Refinery knows or suspects anything suspicious about a client or a transaction, the matter is promptly reported to the Compliance Officer. All employees are required to ensure that they do not warn customers that information relating to them has been or is in the process of being reported, or communicate, directly or indirectly, such information to any other person.



Ahlatci Metal Refinery has established a process for mandatory reporting of Uncooperative Suppliers and suspicious activities/transactions to the FIU through the system, the Executive Office for Control and Non-Proliferation (EOCN), and to the Executive Office of the EBC.

The details of all disengagements with Uncooperative Supplier will be included in the management report by the EBC approved reviewer.

Rule 1.17. Security Requirements

Each Policy must include adequate security requirements to ensure compliance with these Rules for RBDG, in particular, in relation to material sourced from LSM or ASM mining companies. These requirements may include any of the following:

- (a) using identifiable sealed security boxes for each shipment to avoid any tampering or removal of content;
- (b) physically segregating different shipments until verification is adequately completed and confirmed in accordance with Rule 1.13;
- (c) reporting any inconsistencies to Senior Management, the Supply Chain Officer and/or the Compliance Officer (as appropriate);
- (d) regarding any supplier with whom problematic issues recur as an Uncooperative Supplier in accordance with these Rules for RBDG;
- (e) ensuring that any assessor of a shipment is independent from any conflict of interest;
- (f) if applicable, verify a supplier's participation in the Extractive Industry Transparency Initiative (EITI)

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery has implemented an extensive internal system of security, transparency, control, and due diligence to guarantee adherence to EBC Rules for RBDG.

For each shipment that is approved by the Compliance Department, the shipment is opened under a CCTV camera in the presence of Quality Check Officer and the Production Supervisor. A visual inspection is performed by the Quality Check Officer to verify the type of precious metal. Thereafter, the gross weight of the precious metal is measured, and indicative purity is determined using the XRF to verify the type of metal.

Each shipment is kept in a secured place in identifiable sealed security boxes to avoid any tampering or removal of content. The seal of the security boxes is broken by the Production Supervisor, in the presence of the Quality Check Officer.

All shipments are physically segregated until the Quality Check Officer passes the shipment and the Compliance Officer verifies all the information related to shipment.

Ahlatci Metal Refinery has implemented a robust risk management system designed to identify and report any potential risks or suspicious activities/transactions to the Compliance Officer and Senior Management. This system comprises a comprehensive risk control plan that includes the necessary protocols and procedures for handling and reporting identified risks. The responsibility of monitoring, analysing, and reporting risks falls under the purview of the Compliance Officer and the Senior

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Management. They are tasked with reviewing any reported risks, investigating suspicious activities/transactions, and ensuring that the necessary steps are taken to mitigate and manage any identified risks.

Ahlatci Metal Refinery ensures that any assessor of a shipment is independent from any conflict of interest. There are various independent departments, such as Compliance, Quality Check, Production and Laboratory, involved in assessing a shipment to minimize the possibility of conflict of interest.

Rule 1.18. Cooperation with law enforcement agencies

Each Accredited Member must cooperate fully and transparently at all times with law enforcement agencies and customs officials (Officials) regarding gold transactions. Each Accredited Member must provide any necessary access to information required by Officials, regarding shipments that cross international borders, or shipments to which an Official has jurisdiction, in compliance with applicable laws.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery has a strict policy to always cooperate fully and transparently with law enforcement agencies and customs officials regarding all transactions. As a responsible organisation in the precious metals industry, Ahlatci Metal Refinery is willing to provide any necessary access to information required by Officials, regarding shipments that cross international borders, or shipments to which an Official has jurisdiction, in compliance with applicable laws.

Rule 1.19. Grievance Mechanism

Each Accredited Member must establish a grievance mechanism for internal and external stakeholders who are impacted by the Accredited Member's operations to enable those stakeholders to voice concerns relating to an Accredited Member's risk management processes and supply chain policy to the Senior Management.

Compliance Statement: Fully Compliant

Compliance transition points are formed for the purpose of notifying the incompliance detected during the gold supply chain process, and in-house communication system has been established for putting into practice an early risk diagnosis and preventive/corrective activity implementation by instituting a fast communication system (mevzuatuyum@ahlatci.com.tr) which will enable direct access to managers and compliance department on the existing internet network.

RULE 2. SUPPLY CHAIN RISK IDENTIFICATION AND ASSESSMENT

Rule 2.1. Overriding Principle

Each Accredited Member conducting business in the gold supply chain is required and be individually responsible for applying and implementing its Policy and management system and mapping its supply chain in order to identify and assess the risks of contributing to conflict, Money Laundering, Terrorism Financing serious Human Rights abuses or environmental damage associated with gold which they produce, distribute, transport, export, sell and/or purchase.

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If the Accredited Member can reasonably determine on the basis of the information collected under Rule 1 that it does not deal in gold mined, transported or traded in a Conflict-Affected and High-Risk Area, no additional due diligence is required. The management systems established in Rule 1 should be maintained and regularly reviewed and the Member is expected to improve its due diligence practices and risk assessment process over time.

If the Accredited Member is not able to reasonably determine on the basis of the information collected under Rule 1 that it does not deal in gold mined, transported or traded any in a Conflict-Affected and High-risk Area, it is mandatory to carry out an additional, more in- depth due diligence in accordance with Rule 2.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery' client due diligence and risk assessment for each customer starts before opening an account and is continuously monitored on every shipment and transaction basis as defined in The Risk Management Plan and Customer Acceptance Policy.

Ahlatci Metal Refinery has taken the following steps to measure, assess and manage any risk associated with a supplier and/or any transaction:

- No shipment is accepted by Ahlatci Metal Refinery from any supplier who does not have an active account with us.
- No accounts are opened with suppliers who do not disclose their beneficial owners.
- All prospective customers are required to completely submit all KYC documents requested and all information necessary to further understand their supply chain process.
- Each of the client and counterparty's beneficial owners and registered business name goes through Refinitiv World check System to see if they are named on any sanction list or identified as PEP. If the counterparty is identified as PEP (Politically Exposed Persons), enhanced due diligence is done to identify/verify the source of funds and the business's intent.
- Ahlatci Metal Refinery informs and reports to the relevant authorities any Uncooperative Suppliers and/or suspicious individual, entities, and transactions arising upon implementing the provision of this policy.

Rule 2.2. Risk-Based Approach

Each Accredited Member must conduct an internal risk assessment carried out on a risk-based approach (Risk Assessment) on each party, included or third parties involved in the supply chain for gold from the mine(s) to the Accredited Member including third party service providers (i.e. logistics, transporters, processors and intermediaries).

Compliance Statement: Fully Compliant

A supplier is subjected to a risk assessment and risk ratings are included in the file once they have fulfilled all requirements for opening an account and all pertinent data has been collected and verified. Based on the client's risk profile, customers are categorized as High, Medium, or Low Risk.



Requirements for enhanced due diligence are applicable to all high-risk customers and are based on the client's level of risk. Every high-risk case is carefully examined and evaluated, and the risk mitigating elements are considered. Along with closely monitoring each shipment, the compliance officer keeps an eye out for any discrepancies with the client's transaction history or profile.

Rule 2.3. Considerations of Risk Assessments

In carrying out any Risk Assessment, each Accredited Member shall take into account the following considerations (as applicable to the circumstances of the Risk Assessment):

- (a) the geographical origin and location of gold, based on reasonable and good faith efforts, including consideration of:
- i. the origin, location and transportation;
 - ii. the level of government regulation and supervision;
 - iii. the extent of cash transactions used in the country;
 - iv. the level of conflicts or Human Rights abuses in any location comprising part of the supply chain;
 - v. payment systems used;
 - vi. the level of involvement or potential involvement of any criminal organisation;
 - vii. the level of involvement or potential involvement of any high-risk businesses (such as gaming and casinos, etc.);
 - viii. the level of access from a location comprising part of the supply chain to nearby markets or processing operations that are termed as conflict and/or high-risk areas;
 - ix. the level of enforcement of laws addressing significant criminal activity;
 - x. the existence of sanctions and/or embargoes that have been directed against the country and/or individuals/entities in that country.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery' client due diligence and risk assessment for each customer starts before opening an account and is continuously monitored on every shipment and transaction basis. Client's business country of establishment, Beneficial Owners nationality, and Country of Source of Precious Metals undergoes Geographical risk assessment where risk is being calculated using the Client Risk Matrix.

The country of origin/transportation of precious metal, location of the client's business and the beneficial owner's nationality are key factors to give a risk assessment for the client.

Ahlatci Metal Refinery considered international sanctions which includes FATF Uncooperative/AML Deficient, FATF Compliance with 40/40+9 Recommendation, FATF Country Lists (Black and grey list) the UN, OFAC, HMT, the EU and EU Tax Blacklist to the overall risk score of the country.

Corruption Perception Index (CPI) by Transparency International, Global Forum on Transparency and Exchange of Information for Tax Purposes from OECD, FATF country lists (black and grey lists), Control of Corruption by World Bank Worldwide Governance Indicators (WGI) etc. these indicators





consider the level of involvement or potential involvement of any high-risk businesses (such as gaming and casinos etc.) in a country while evaluating the risk associated with country.

The Client Risk Matrix incorporates data from RAND Europe (European Commission) List and Dodd Frank Act to evaluate the risk associated with Conflicted-Affected and High-Risk Areas (CAHRA). While understanding the country risk, the level of access from a location comprising part of the supply chain to nearby markets is understood. It is possible that surrounding countries can act as transit place for conflict affected precious metals, which may then be smuggled across the borders into the country.

Ahlatici Metal Refinery does not open an account and process any shipment for a client, who fails to supply the required information or documentation. Before onboarding any supplier, Ahlatci Metal Refinery conducts a thorough due diligence on the supplier, which includes understanding:

- Supplier's business history and profile
- Organisation structure of the supplier
- Management structure and beneficial owners of the supplier
- Profile of the supplier's supplier
- Origin of Precious Metals
- Destination of precious metals delivered once refined
- Types, forms, expected quantity and purity of precious metals to be sent to Ahlatci Metal Refinery
- Client Due Diligence program followed by the supplier
- Type of information collected by the supplier from its precious metals suppliers
- Level of due diligence performed by the supplier on its suppliers
- Management System, Governance, and Internal Controls of the supplier
- Payment methods used by the supplier to pay its precious metals suppliers
- Whether the supplier has procedures in place to ensure that the precious metals purchased have not financed conflict
- Adherence to OECD Due Diligence Guidance and other industry standards for responsible sourcing of precious metals

All prospective customers are required to completely submit all KYC documents requested and all information necessary to further understand their supply chain process. Each of the client and counterparty's beneficial owners and registered business name goes through Refinitiv World check System to see if they are named on any sanction list or identified as PEP. If the counterparty is identified as PEP (Politically Exposed Persons) or high risk, enhanced due diligence is done to identify/verify the source of funds and the business's intent.

Ahlatici Metal Refinery focusses on determining the level and adequacy of the due diligence practices of our suppliers. Before onboarding any supplier, Ahlatci Metal Refinery conducts a thorough due diligence on the supplier, which includes understanding:

- whether the supplier is subjected to Anti-Money Laundering /Combating Financial Terrorism Law/Regulation
- whether the supplier has established a conformity program that contains AML/CFT policies and procedures, according to internal & international laws, rules and standards

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each shipment to verify the type of precious metal and match the physical material with the information declared by the supplier. Thereafter, the indicative purity and other elemental concentrations are then determined using XRF. If any inconsistencies are detected, the Compliance Officer is notified, and an investigation is conducted. The Compliance Officer will then determine whether to accept or reject the shipment based on the outcome of the investigation.

According to type of gold, such as mined or recycled Ahlatci Metal Refinery has existing references for purities of gold and elemental compositions. For each shipment, a visual inspection is performed by the Quality Check Officer to verify the type of precious metal. Thereafter, the indicative purity and other elemental concentration is determined using the XRF. In case of any inconsistencies, the Compliance Officer is informed, who will then investigate the matter. The Compliance Officer will then decide whether to accept or reject the shipment based on the outcome of his investigation.

For each shipment, a thorough due diligence is conducted to identify any unusual circumstances or anomalies that are not consistent with the local or market practices, which includes amount, quality, and potential profit, amongst other factors.

As a policy, Ahlatci Metal Refinery does not make or accepts payments in cash. Also, Ahlatci Metal Refinery does not deliver precious metals to third parties on behalf of the client. Ahlatci Metal Refinery has established a robust due diligence process that is able to identify transactions structured to make payments in smaller multiple transactions to avoid government thresholds. If structured transactions are identified, the matter will be investigated by the Compliance Officer. If found suspicious, the matter will be reported to the FIU through the system, and to the Executive Office of the EBC.

Rule 2.4. Red Flags

For the purposes of these Rules, a Red Flag shall be any (including a combination or aggregate of more than one) of the following:

- a) Location-based Red Flag, as further described below;
- b) Supplier-based Red Flag, as further described below; or
- c) Circumstances-based Red Flag, as further described below.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery Risk assessment methodology was carefully crafted to take into consideration all the requirements of the OECD Guidelines, EBC Rules for RBDG, LBMA Guidelines in identifying red flag according to (a) Location-based (b) Supplier-based, or (c) Circumstances-based red flags.

- Location-based Red Flags – risk assessment conducted focuses on the main location of the source of the metals, routes, and mode of transportation used before it reaches the counter party.
- Supplier-based Red Flag – risk assessment conducted focuses on the supplier or other participant in the supply chain of gold operates in any location that could give rise to a Location-based Red Flag

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- Circumstances-based Red Flag – risk assessment conducted focuses on any unusual transaction. Any transactions that are not consistent with the documents provided and history of transactions are considered suspicious and requires urgent explanation and proper documentation support.

Rule 2.5. Location-Based Red Flags

A Location-based Red Flag shall be the occurrence of, or the reasonable suspicion of the occurrence of, any of the following circumstances:

- a. the gold originates from or have been transported through a Conflict-Affected and High-Risk Area;
- b. the gold is claimed to originate from a country that has limited known reserves or stocks, likely resources or expected production levels of gold (for example where the declared volumes of gold from that country are in excess of its known reserves and/or expected production levels);
- c. the gold is claimed to originate from a country through which gold from Conflict- Affected and High-risk Areas are known or reasonably suspected to transit;
- d. the gold is claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold from Conflict-Affected and High-Risk Area is known or reasonably suspected to transit; or
- e. the gold originating from countries under sanction or embargos.

Compliance Statement: Fully Compliant

The client risk assessment methodology and transaction monitoring system take into consideration the country of origin and transportation route of gold and precious metals. If any red flags are identified, the shipment is put on hold and the client's account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

As a part of the due diligence process, the Compliance Department studies data from various sources, including the World Gold Council and U.S. Geological Survey, to understand the total gold production from various countries. In the event, gold is claimed to originate from a country that has limited known reserves or stocks, likely resources or expected production levels of gold, a red flag is raised, and the matter is investigated by the Compliance Officer. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

The client risk assessment methodology and transaction monitoring system take into consideration the country of origin and transportation route of gold and precious metals. If the gold is claimed to originate from a country through which gold from Conflict- Affected and High-Risk Areas are known or reasonably suspected to transit, a red flag is raised, and the Compliance Officer investigates the matter. The shipment is put on hold and the client's account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

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For each shipment, a visual inspection is performed by the Quality Check Officer to verify the type of precious metal. Thereafter, the indicative purity and other elemental concentration is determined using the XRF. In case of fine gold, additional due diligence procedures are adopted to identify where the gold has been refined. If the gold is claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold from Conflict-Affected and High-Risk Area is known or reasonably suspected to transit, a red flag is raised, and the Compliance Officer investigates the matter. The shipment is put on hold and the client's account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

The client risk assessment methodology and transaction monitoring system take into consideration the country of origin of gold and precious metals. If the gold originates from countries under sanction or embargos, a red flag is raised, and the Compliance Officer investigates the matter. The shipment is put on hold and the client's account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

Rule 2.6. Supplier-Based Red Flags

A Supplier-based Red Flag shall be the occurrence of, or the reasonable suspicion of the occurrence of, any of the following circumstances:

- a. a supplier or other participant in the supply chain of gold operates in any location that could give rise to a Location-based Red Flag, or has a shareholder or other interests in any supplier of gold from one of the above-mentioned locations; or
- b. a supplier or other participant in the supply chain of gold is known to have sourced gold from any location that could give rise to a Location-based Red Flag in the twelve (12) months previous to the applicable transaction.

Compliance Statement: Fully Compliant

If a supplier or other participant in the supply chain of gold operates in any location that could give rise to a Location-based Red Flag, or has a shareholder or other interests in any supplier of gold from one of the above-mentioned locations, a red flag is raised, and the Compliance Officer investigates the matter. The shipment is put on hold and the client's account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

If a supplier or other participant in the supply chain of gold is known to have sourced gold from any location that could give rise to a Location-based Red Flag in the twelve (12) months previous to the applicable transaction, a red flag is raised, and the Compliance Officer investigates the matter. The shipment is put on hold and the client's account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

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Rule 2.7. Circumstances-Based Red Flags

A Circumstances-based Red Flag shall be the occurrence of any anomalies or unusual circumstances that are identified through the information collected under Rule 1 to give rise to reasonable suspicion that the gold applicable to any transaction of the Accredited Member may contribute to any conflict or serious abuses associated with the extraction, transportation of and/or trading in gold.

Compliance Statement: Fully Compliant

If any anomalies or unusual circumstances are identified through the information collected during client onboarding and/or shipment processing to give rise to reasonable suspicion that the gold applicable to any transaction of Ahlatci Metal Refinery may contribute to any conflict or serious abuses associated with the extraction, transportation of and/or trading in gold, a red flag is raised, and the Compliance Officer investigates the matter. The shipment is put on hold and the client's account is suspended till further investigation is conducted. Any transactions that are not consistent with the documents provided and history of transactions are considered suspicious and requires urgent explanation and proper documentation support. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

Rule 2.8. Procedures Relating to Red Flags

- a. Accredited Members must review all Red Flags in an in-depth and detailed manner;
- b. if an Accredited Member has reasonable grounds to suspect that a prospective transaction with a supplier may result in a Red Flag, it must conduct enhanced research prior to engaging in and concluding the transaction. Such enhanced research is aimed at obtaining evidence of any factual circumstances of the supply chain in order to determine any risks. Such research should include the research methods specified below taking into account the risk-based proportionalities to the level of the risks identified in Rule 2.3 to 2.7;
- c. the research methods that shall comprise Desk Research, On-Site Visits and Random Sample Verification;
- d. Desk research includes (where available):
 - i. Identifying each company in the supply chain;
 - ii. Identifying the UBO(s) of each company in the supply chain;
 - iii. obtaining financial information (such as balance sheets, annual reports, rating agencies' reports, insolvency information) on each company in the supply chain;
 - iv. ensuring that each company in the supply chain holds the necessary permits and licences;
 - v. ensuring that each company in the supply chain is not listed on any sanctions and/or embargoes list;
- e. On-Site Visits includes individual visits to gold suppliers, or joint on-the-ground assessment teams, teaming up with industry or multi-stakeholder mechanisms or initiatives, or using suitably qualified, knowledgeable and independent assessors, to generate and maintain information on the circumstances and processes of the following activities listed in the OECD Guidance:

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- i. gold extraction (for LSM whether mined by medium and large-scale mining in red flagged operations or LSM gold purchased from other sources), physical access to mines, mine capacity against recorded mine production and discrepancies);
 - ii. gold processing (consolidation, blending, crushing, milling, smelting, refining, etc. and recording any discrepancies in the processing and/or production and related capacity of the facility to perform relevant activities);
 - iii. handling of gold (inventory, trans-shipment, relabelling, etc.);
 - iv. transportation of gold;
 - v. trading of gold (including importing and exporting); and
 - vi. the weight and assayed quality characteristics of the gold that are used in the above-mentioned activities;
 - vii. taxes, fees, royalties, compensation or other payments to governments which relate to the extraction, trade, transport and export of gold;
 - viii. where applicable, request information from mining suppliers about their participation in the EITI;
 - ix. payments made to public or private security forces or other armed groups;
 - x. use or presence of security services, training of security personnel, associated risks;
 - xi. evidence of serious abuses of Human Rights;
 - xii. relationships between LSM and ASM, information on ASM operating on the sites of, or selling through LSM;
 - xiii. for ASM gold only, identification of the suppliers of ASM gold, mine of origin, transportation, processing, taxes, royalties and other payments to governments, KYC information, evidence of serious abuses of Human Rights, information on any direct or indirect support to non-state armed groups or public or private security forces; and
 - xiv. for recyclable gold, value and place of transaction, type of material, type and organisation of supplier, manufacturing facilities, and unusual circumstances.
- f. Random Sample Verification involves the verification of transactional records.

Compliance Statement: Fully Compliant

All Red Flags are investigated in an in-depth and detailed manner. During onboarding a client, if any Red Flags are identified, the Compliance Officer conducts a thorough investigation of the matter, and the client's account is not opened until the Compliance Officer and Ahlatci Metal Refinery' management are satisfied that Red Flags have been satisfactorily addresses. If any red flags are identified during a transaction, the shipment is put on hold and the client's account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

If Ahlatci Metal Refinery has reasonable grounds to suspect that a prospective transaction with a supplier may result in a Red Flag, it conducts enhanced research prior to engaging in and concluding the transaction with the supplier. The research includes the research methods specified in the EBC Rules for RBDG, and the level of due diligence is proportional to the identified risks and severability.

The research methods adopted by Ahlatci Metal Refinery comprise Desk Research, On-Site Visits and Random Sample Verification as specified in the EBC Rules for RBDG.





As a part of our due diligence process, each supplier is required to fill an KYC/AML Questionnaire. These forms capture all the relevant information about the supplier's structure and the supply chain. Ahlatci Metal Refinery conducts desk research on each client that is aimed at:

- identifying each company in the supply chain;
- identifying the UBO(s) of each company in the supply chain;
- obtaining financial information (such as balance sheets, annual reports, rating agencies' reports, insolvency information) on each company in the supply chain;
- ensuring that each company in the supply chain holds the necessary permits and licences;
- ensuring that each company in the supply chain is not listed on any sanctions and/or embargoes list

This information is further verified with all the legal and ID documentations provided by the suppliers. Furthermore, each of the client and counterparty's beneficial owners and registered business name goes through Refinitiv World check System to see if they are named on any sanction list.

Ahlatci Metal Refinery has established a process to undertake On-Site Visits or facility inspections on our gold suppliers to generate and maintain information on the circumstances and processes of the following activities listed in the OECD Guidance:

- gold extraction (for LSM whether mined by medium and large-scale mining in red flagged operations or LSM gold purchased from other sources), physical access to mines; extraction techniques, including chemical products used, mine capacity against recorded mine production and discrepancies;
- gold processing (consolidation, blending, crushing, milling, smelting, refining, etc. and recording any discrepancies in the processing and/or production and related capacity of the facility to perform relevant activities), processing technique including chemical products used;
- handling of gold (inventory, trans-shipment, relabelling, etc.);
- transportation of gold;
- trading of gold (including importing and exporting); and
- the weight and assayed quality characteristics of the gold that are used in the above-mentioned activities;
- taxes, fees, royalties, compensation or other payments to governments which relate to the extraction, trade, transport and export of gold;
- where applicable, information from mining suppliers about their participation in the EITI;
- payments made to public or private security forces or other armed groups;
- use or presence of security services, training of security personnel, associated risks;
- evidence of serious abuses of Human Rights;
- relationships between LSM and ASM, information on ASM operating on the sites of, or selling through LSM;
- for ASM gold only, identification of the suppliers of ASM gold, mine of origin, transportation, processing, taxes, royalties and other payments to governments, KYC information, evidence of serious abuses of Human Rights, information on any direct or indirect support to non-state armed groups or public or private security forces; and

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- for recyclable gold, value and place of transaction, type of material, type and organisation of supplier, manufacturing facilities, and unusual circumstances.

Rule 2.9. Policy Updating and Suitability

Each Accredited Member's Policy should contain suitable systems, procedures and processes for risk identification and assessment (including suitably addressing Red Flags) and such systems, procedures and processes should be updated continually on an ongoing basis upon the occurrence of the change of any relevant circumstances.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery's policies and procedures towards responsible sourcing are being reviewed and updated annually.

RULE 3. RISK CONTROL PLAN

Rule 3.1 Overriding Principle -Development of Risk control Plan

Each Accredited Member must develop and implement a plan and policy to evaluate and control any identified risk(s), including emerging risks and incident reporting, and mitigate against any adverse implications of such risk(s) (Risk Control Plan). The Risk Control Plan is designed to assist Accredited Members in making informed decisions in respect of:

- a) continuing to trade but with measurable risk mitigation for low-risk situations;
 - b) temporarily suspending trade while mitigation is implemented for medium risk situations;
- or
- c) ceasing to trade with a concerned supplier for high-risk situations in accordance with the OECD Guidance.

Members are encouraged to take into account the potential social and economic impacts of risk mitigation. Members should engage and support relevant industry programmes while understanding the impact that this may have on developing countries and the relevance to other existing international recognized standards.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery participates in the global market for precious metals while maintaining tight adherence to all relevant laws, rules, and international and national conventions, as well as to industry best practices and standards.

We follow the practice of responsible sourcing and firmly adhere to the highest levels of moral and ethical standards when conducting business. Our goal is to assess, manage, and prevent any negative consequences from any risks that have been identified. To that end, we have created and executed a Risk Control Plan and Policy that covers incident reporting, emerging risks, and monitoring.

Ahlatci Metal Refinery is totally committed to ensure that we do not engage in gold and precious metals that contribute to conflict, money laundering, terrorist financing, Human Rights abuses, or environmental violations. Ahlatci Metal Refinery operations are periodically audited by third parties





as per the EBC Rules for RBDG –international standards for responsible business practices for the precious metals industry.

Rule 3.2 Alignment with International Standard

Each Accredited Member must develop or adapt on a continuing basis its Risk Control Plan to include internationally accepted common principles, standards and processes for responsible supply chain management. In particular, Accredited Members should carry out at least one annual review of the Policy and management systems, and a further review when there is a major change in circumstances, their business, operations or supply base, risk nature, or a major change in applicable rules and regulations. In developing Risk Control Plans, each Accredited Member should engage in or support, where appropriate, industry or other programmes on responsible supply chain management. For instance, Refiners are encouraged to support legitimate ASM producers to build secure, transparent and verifiable gold supply chains (consistent with the OECD Guidance).

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery recognises that the risks are inherent in the precious metals industry and there is a need for continuous proactive and reactive approach to risk mitigation. Ahlatci Metal Refinery has developed its Risk Control Plan to include internationally accepted common principles, standards, and processes for responsible supply chain management. Our policies and procedures towards responsible sourcing are being reviewed and updated annually.

Rule 3.3 Content Requirements

Each Risk Control Plan should include the following (Content Requirements):

- a. reporting mechanisms for identified risks to the Accredited Member's Senior Management, Supply Chain Officer and Compliance Officer
- b. enhanced engagement with the internal functions of the Accredited Member, in charge of transparency, information collection and control over the supply chain;
- c. enhanced engagement with suppliers through establishing a chain of custody and/or traceability system where a Red Flag has been identified;
- d. enhancement of the physical security practices as referred to in Rule 1.17;
- e. physical segregation and security of shipments where a Red Flag has been identified;
- f. Incorporation of rights of the Accredited Member to conduct additional checks on any supplier or UBO where a Red Flag has been identified;
- g. continuity of trading activities while developing risk mitigation controls (including measurable steps, monitoring, review of performance, and reporting to Senior Management), such as:
 - i. building and/or exercising leverage over the participants in the supply chain who can most effectively mitigate the risks;
 - ii. temporarily suspending trading activities with a specific supplier where a Red Flag has been identified; and
 - iii. disengaging for at least 3 months, with a specific supplier who fails to comply with the mitigating controls within a period of 6 months, and/or disengaging entirely if such controls are not feasible and/or unacceptable in light of the cost-benefit



analysis and the capabilities of the Accredited Member conducting the due diligence;

- h. consulting with suppliers and affected stakeholders and agreeing on the risk mitigation controls which should be adapted to the Accredited Member's specific suppliers and the contexts of their operations, state clear performance objectives and provide for sufficient time for affected stakeholders to review and implement;
- i. reviewing on a regular basis the results of the mitigation measures, undertaking additional fact and risk assessment for risks requiring mitigation or after a change of circumstances, as per Rule 2;
- j. communicating to Senior Management.

Compliance Statement: Fully Compliant

The Risk Control Plan includes the following as per the Content Requirements of EBC Rules for RBDG:

- As a part of the Risk Control Plan, prior to onboarding any supplier, the Compliance Officer is required to prepare a Compliance Review Report for each client with his recommendation. This report is presented to the Senior Management, which is responsible for giving the final approval for accepting any new supplier. The Compliance Officer is responsible for preparing the Annual Business Responsible Report. During the annual review, the Senior Management team evaluates each supply chain to determine the risk associated with each supply chain and whether to maintain the business relationship with a particular supplier.
- Compliance transition points are formed for the purpose of notifying the incompliances detected during the gold supply chain process, and in-house communication system has been established for putting into practice an early risk diagnosis and preventive/corrective activity implementation by instituting a fast communication system (mevzuatuyum@ahlatci.com.tr) which will enable direct access to managers and compliance department on the existing internet network.
- Supply Chain Policy and Risk Control Plan has been communicated to all employees working in the company. Regular training sessions have been organized for all staff involved with or holding responsibilities related to the precious metals supply chain, as well as the management team.
- Ahlatci Metal Refinery is focused on building long-term sustainable business relationships with each supplier. We conduct the KYC and due diligence process at periodic interval and transaction monitoring on a regular basis, create training sessions for our suppliers, and obtain supplier self-declaration for conflict free supply.
- Ahlatci Metal Refinery has conduct in place a comprehensive internal system of due diligence, control, security, and transparency to ensure compliance with EBC Rules for RBDG. Each shipment is kept in a secured place in identifiable sealed security boxes to avoid any tampering or removal of content. The seal of the security boxes is broken by the Production Supervisor, in the presence of the Quality Check Officer, only after the approval has been obtained from the Compliance Department.
- If a risk has been identified in a supply chain, Ahlatci Metal Refinery will only continue trading activities with the supplier, while developing risk mitigation controls (including measurable steps, monitoring, review of performance, and reporting to Senior Management), as per the following recommendation of the EBC Rules for RBDG:

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- building and/or exercising leverage over the participants in the supply chain who can most effectively mitigate the risks;
 - temporarily suspending trading activities with a specific supplier where a Red Flag has been identified; and
 - disengaging with a specific supplier who fails to comply with the mitigating controls within a period of 3 months, and/or disengaging entirely if such controls are not feasible and/or unacceptable in light of the cost-benefit analysis and the capabilities of SAM Precious Metals in conducting the due diligence
- Ahlatci Metal Refinery regularly reviews the results of the risk mitigation measures. The Risk Control Plan is actively monitored, and all new information and facts are regularly updated. Revised risk mitigation plans are developed and implemented after a change of circumstances.
 - The Senior Management at Ahlatci Metal Refinery plays an active role in the Risk Control Plan. All risks associated with a supply chain and/or transactions are communicated to them, who takes a final decision on the acceptance of risk level and the risk mitigation plan.

RULE 4. INDEPENDENT THIRD-PARTY AUDITS

Rule 4.1 Overriding Principle

Each Accredited Member is required to ensure its own compliance with these Rules for RBDG and arranging at their own cost for this compliance to be reviewed by an independent third-party reviewer as stipulated in Rule 4.2.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery has engaged PKF Aday Bağımsız Denetim A.Ş. to conduct an independent third-party review of our compliance with the EBC Rules for RBDG as per the EBC Review Protocol.

Rule 4.2 EBC Review Protocol

EBC Review Protocol (Annex 2) sets out the methodology EBC requires each auditor (when acting as a "reviewer" in the meaning given to that term in the EBC Review Protocol) (Reviewer) to comply with when conducting any independent third-party audit (if instructed to do so) of an Accredited Member (Review).

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery has engaged PKF Aday Bağımsız Denetim A.Ş. as an independent reviewer of our compliance with EBC Rules for RBDG. PKF Aday Bağımsız Denetim A.Ş. have confirmed that they will be complying with the methodology EBC requires each auditor (when acting as a "reviewer" in the meaning given to that term in the EBC Review Protocol) to when conducting the independent third-party audit of Ahlatci Metal Refinery.

Rule 4.3 Minimum Review Requirements

In carrying out any Review, each Reviewer must verify the following:



- a. the adequacy of the related policies and processes to implement these Rules for RBDG (as well as the obligations stemming from the Resolution);
- b. the adequacy of external and internal controls to mitigate risks;
- c. the conformity to and compliance with these Rules for RBDG in all communications with participants across the entire supply chain;
- d. the establishment of the chain of custody and traceability of information for all activities; and
- e. the implementation of on-going risk assessment using a risk-based approach including the adequacy (considering both timing and method) of the Accredited Member's response to the outcome(s) of the risk assessments.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery is totally transparent and will be fully cooperative PKF Aday Bağımsız Denetim A.Ş. to conduct an independent third-party review of Ahlatci Metal Refinery' compliance with the EBC Rules for RBDG in accordance with the Minimum Review Requirements.

Rule 4.4 Minimum Requirements of Reviewers

Each Reviewer must have the following characteristics:

- a. independence from the Accredited Member subject to the relevant Review;
- b. no conflict of interest between the Reviewer and the Accredited Member subject to the relevant Review;
- c. no specific services being provided by the Reviewer to the Accredited Member in relation to any due diligence exercise (other than general related guidance); and
- d. the competence to carry out the relevant Review.

Each Reviewer must keep confidential the confidential information of the Accredited Member, subject to any legal requirements of disclosure or any other reasonable requirements of the Accredited Member, taking into account all circumstances (including the nature and ownership of the information and any previous dissemination of such information).

Any auditing entity that wishes to become a Reviewer must submit a completed EBC Approved Reviewer Application Form (Annex 1) and meet the minimum criteria for Reviewers as set out in EBC Review Protocol. Such application is subject to the terms and conditions of an EBC Approved Reviewer Application Form.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery understands the Minimum Requirements of the reviewers. We also confirm that:

- PKF Aday Bağımsız Denetim A.Ş. is independent from Ahlatci Metal Refinery
- There exists no conflict of interest between PKF Aday Bağımsız Denetim A.Ş. and Ahlatci Metal Refinery
- PKF Aday Bağımsız Denetim A.Ş. does not provide any other service to Ahlatci Metal Refinery except for the EBC Rules for RBDG Review





Compliance Statement: Fully Compliant

For independent third-party review of Ahlatci Metal Refinery' compliance with the EBC Rules for RBDG conducted by a Reviewer based on the ISAE 3000 standard, the Review Reports will include:

- the Comprehensive Management Report,
- Ahlatci Metal Refinery Compliance Report, and
- the Reviewer's Assurance Statement

Rule 4.7 Review Programmes of Accredited Members

Each Accredited Member must demonstrate its compliance with these Rules for RBDG to the Executive Office of the EBC. In carrying out such obligation, each Accredited Member must implement an audit programme, which shall include:

- a. ensure conformity with these Rules for RBDG;
- b. selecting and engaging its Reviewer(s) in conformity with these Rules for RBDG;
- c. observing and fully cooperating with each Reviewer;
- d. implementing all recommendations provided by any Reviewer; and
- e. upon request, providing a copy of any Review report to the Executive Office of the EBC or any authority that regulates or otherwise governs the Accredited Member.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery has engaged PKF Aday Bağımsız Denetim A.Ş. to conduct an audit of our compliance with the EBC Rules for RBDG. We have implemented an audit programme, which includes the following:

- ensuring conformity with the EBC Rules for RBDG
- we have selected PKF Aday Bağımsız Denetim A.Ş. and will engage with them in conformity with the EBC Rules for RBDG
- we will observe and fully cooperate with PKF Aday Bağımsız Denetim A.Ş.
- we will implement all recommendations provided by PKF Aday Bağımsız Denetim A.Ş., and
- upon request, we will provide a copy of any Review report to the Executive Office of the EBC or any authority that regulates or otherwise governs Ahlatci Metal Refinery.

RULE 5. ANNUAL REPORTING ON RESPONSIBLE SUPPLY CHAIN DUE DILIGENCE

Rule 5.1 Overriding Principle

Each Accredited Member is required to publicly report annually on its supply chain due diligence in compliance with Step 5 of the OECD Guidance, in order to generate public confidence in the measures that it has implemented.

Compliance Statement: Fully Compliant

Ahlatci Metal Refinery has implemented a policy to publicly report annually on its supply chain due diligence -compliance, in order to generate public confidence in the measures that we have implemented.



Rule 5.2 Minimum requirements of Public Reporting

At minimum, each Accredited Member shall:

- publicly acknowledge its requirements under these Rules; and
- comply with Rule 4.6.

Compliance Statement: Fully Compliant

Ahlatici Metal Refinery acknowledges its responsibility in complying with the EBC Rules for RBDG and in achieving a responsible supply chain of gold and precious metals. Our supply chain policy is published on our website [Ahlatici Metal Rafineri \(ahlatcimetal.com.tr\)](http://Ahlatici Metal Rafineri (ahlatcimetal.com.tr))

Ahlatici Metal Refinery Overall Conclusion

Ahlatici Metal Refinery has demonstrated its commitment to continuous improvement and implemented effective and robust management systems, procedures and practices to confirm to the requirements of EBC Rules for RBDG, for the period 1st January 2023 – 31st December 2023.

As mentioned earlier in this report, "Responsible sourcing" is a key and very important principle for Ahlatci Metal Refinery. As a EBC "Good Delivery Gold Member Refinery", Ahlatci Metal Refinery implements its risk-based KYC due diligence process starting from the origin of the gold to ensure that it complies with all related regulations and applicable laws both in Turkish local market and globally considering EBC Rules for RBDG and OECD Due Diligence Guidance for Responsible Supply Chains. Ahlatci Metal Refinery is always of its exceptional responsibility and also acting as a leading refinery in Turkish Gold market and in the region in terms of responsible sourcing of precious metals.

Other Report Comments

Users of this report can contact the Compliance Department at mevzuatuyum@ahlatci.com.tr if they have any comments or suggestions regarding Ahlatci Metal Refinery.

AHLATCI METAL RAFİNERİ A.Ş.
AHMET AHLATCI



27.05.2024

