



## Responsible Business Practices Policy

### BACKGROUND:-

Sovereign Metals Limited is a preeminent refinery, featuring well-structured manufacturing units equipped with progressive machinery and technologies. Our facilities are constructed with a keen focus on safety, health, and environmental considerations, ensuring a sustainable and responsible operational footprint. Visitors to our refinery experience an uncluttered and secure atmosphere, reinforcing the assurance that every process is handled with the utmost precision and care.

Our production area is standardized, featuring high-tech facilities that align with our vision of merging today's technology with tomorrow's trends. We continuously endeavor to upgrade our equipment, furnishings, and environmental controls to stay ahead in the industry and to lead with purpose.

Our team, with over 20 years of experience in the precious metals business, operates with thorough transparency and viability, embodying our core value of Ethical Integrity. We are committed to upholding the highest standards of honesty, trustworthiness, and ethical conduct, ensuring that our actions resonate with our values and philosophy.

Our philosophy is deeply rooted in crafting world-class products, a commitment that is mirrored in the caliber of our products and the trust our customers place in us. Our precious metals are endorsed across India, reflecting our unwavering commitment to quality and excellence. We aspire to continue serving our partners and customers with veracity and supremacy, living up to our brand promise of "Refining Today, Defining Tomorrow."

SOVEREIGN METALS LIMITED is committed to comply ethical sourcing of its precious metals and in compliance with OECD guidelines.

SOVEREIGN METALS LIMITED is a member of the Responsible Jewelry Council (RJC).

### CONDUCTING BUSINESS ETHICALLY, WITH INTEGRITY, AND IN FAIRNESS AND REPORTING

1. Ensuring that all business activities are conducted in an honest, ethical, professional and accountable manner is fundamental to the core philosophy of our company.
2. SML is committed to combating dishonesty and fraud in all business transactions in order to maintain and enhance consumer trust in, and the reputation of the gem diamond industry.
3. SML is committed to maintaining the highest standards of financial integrity for the benefit of all our stakeholders.
4. All accounting records, and reports produced from those records, must be maintained and presented according to the laws of the country of operation. SML shall ensure compliance with generally accepted accounting policies in the country of operation as well as the company's system of internal controls.
5. It is the responsibility of SML to pursue its corporate value enhancement through sound business practices. Our business activities have direct and indirect impact on the society in which we operate, and therefore sound business practice requires that business decisions give due consideration to the interests of its Stakeholders including shareholders, customers, employees, suppliers, business Partners, local communities and other Company's. All employees must endeavor to conduct the business of SML accordingly.
6. In making business decisions, employees must act on an informed basis, in good faith, and in the honest belief that the action taken is in the best interest of SOVEREIGN METALS LIMITED.
7. SML has put in place programmers that monitor the effectiveness of these commitments and hence supporting all workers in this endeavor.



8. Members shall communicate publicly and directly with stakeholders at least annually on their business practices relevant to the COP. The company shall appoint senior member or compliance officer to prepare report and get it approved from the senior management of the company.
9. Members shall maintain financial accounts of all business transactions in accordance with national or international accounting standards.
10. Members shall annually undertake a financial audit or financial review in jurisdictions where permitted, by an independent qualified accountant.

### BUSINESS PARTNERS

- Business Partner is an organization, business or other type of entity with which an RJC member has a direct business relationship. This relationship can involve a contractual agreement to buy or sell any product or service related to the materials in scope of the COP.
- Business partners include all contractors, agents, customers, suppliers, local and international intermediaries or traders, and joint venture partners. They also include service providers such as security services and recruitment agencies, or any other third parties subject to your due diligence through COP requirements or applicable law. Business partners do not include end consumers buying products for personal use.
- Employees include both directly employed workers that have contracts with the RJC member and indirectly employed workers that regularly work at members' sites and that have employment contracts with a third party, such as a labour agent, labour provider or contractor/subcontractor.
- A significant business partner is any business partner that is very important to the RJC member's business, including all major suppliers and large customers.
- Members should use their own judgement to determine whether a business partner is significant or not. For example, traders that sell you coloured gemstones would be considered significant business partners unless the volume or value of material you are buying is very small.
- Members shall use their best endeavors, commensurate with their ability to influence, to promote responsible business practices among their significant business partners.

### Human and Labour Rights

We are committed to respecting all human rights in our own operations and business relationships in accordance with the [Universal Declaration of Human Rights \(UDHR\)](#), the [UN Guiding Principles on Business and Human Rights](#) and relevant conventions of the [International Labour Organization \(ILO\)](#). Our human rights policy covers the following key commitments:

- All forms of violence and harassment in the workplace are prohibited, including but not limited to corporal punishment; harsh or degrading treatment; sexual or physical harassment; mental, physical, verbal, or sexual abuse; retaliation; coercion; and intimidation. Both direct and indirect harassment in any form is not acceptable in workplace facilities.
- To never engage in or knowingly support child labour (including the worst forms of child labour) as defined by International Labour Organization (ILO) conventions 138 and 182.
- To never engage in or knowingly support forced labour as defined by International Labour Organization (ILO) convention 29, including bonded labour, deceptive recruitment, human trafficking and indentured or involuntary prison labour.
- To provide a safe and healthy working environment for on-site contractors.
- To prohibit all forms of discrimination, including but not limited to discrimination based on race, color, ethnicity, caste, national origin, religion, disability or genetic information, gender, sexual orientation, union membership, political affiliation, marital status, parental or



pregnancy status, physical appearance, HIV status, age or any other personal characteristic unrelated to the inherent requirements of the work.

- To promote human rights in our dealings with business partners and other relevant stakeholders.
- SOVEREIGN METALS LIMITED expects all its suppliers and sub-contractors to take steps to ensure that this policy is adhered to.

## **Bribery and Corruption**

We prohibit bribery and corruption in all business practices and transactions carried out by us and by agents acting on our behalf. For the purpose of this policy, bribery is defined as giving, offering or receiving any undue advantage to or from:

- A public or government official.
- A political candidate, party or official;
- Any private sector employees, directors or officers, or their agents or representatives

## **Anti-Money Laundering and Finance of Terrorism**

We commit to not engaging in or contributing to money laundering or the finance of terrorism. SOVEREIGN METALS LIMITED has implemented Anti-Money Laundering (AML) and Know Your Counterparty (KYC) procedures to:

- Establish the identify of all counterparties.
- Verify that counterparties and, if applicable, beneficial owners are not named on relevant government lists for individuals or organizations implicated in money laundering, fraud, or involvement with prohibited organizations and/or those financing conflict.
- Maintain an understanding of the nature and legitimacy of the businesses operated by counterparties and
- Monitor transactions for unusual or suspicious activity.

## **Environmental Management**

We commit to reducing and managing the environmental impacts of our business operations through the implementation of an Environmental Management System (EMS). This includes:

- The responsible management of all wastes and emissions to air, water, and
- Establishing energy and water efficiency measures.
- Seeking to ensure the responsible and efficient use of other natural resources, where applicable.

## **Product Disclosure**

- SML is committed to complying with relevant trading standard legislation and specific national and local regulations applicable to its precious metal products.
- The following essential Policies will be applicable in all transactions of SML involving precious metal
- Disclosure – SML shall fully and accurately disclose the material characteristic of their products. All reasonable efforts shall be made to properly disclose all relevant information on the physical characteristics, such as mass/weight or fineness, of a precious metals (silver & gold)



- Misrepresentation - No untruthful, misleading or deceptive statement, “representation” or material omission in the “selling”, “advertising” or distribution of any gold product, shall be made by the Entity and its entities in any medium, including the internet
- Full disclosure i.e. the complete and total release of all available information about a Diamond and all material steps it has undergone prior to sale to the purchaser, irrespective of whether or not the information is specifically requested and regardless of the effect on the value of the diamond.
- No misuse of terminology or misrepresentations or attempts to disguise the product will be made in the selling, advertising and distribution of treated diamonds, synthetics and simulant.

## Supply Chain Policy – Conflict-Affected And High-Risk Areas

1. This policy confirms our commitment to respect human rights, avoid contributing to the finance of conflict and comply with all relevant UN sanctions, resolutions, and laws.
2. As a member of the Responsible Jewellery Council (RJC), we commit to proving, through independent third-party verification, that we:
  - a. Respect human rights according to the Universal Declaration of Human Rights and International Labour Organization Declaration on Fundamental Principles and Rights at Work.
  - b. Do not engage in or tolerate bribery, corruption, money laundering or finance of terrorism.
  - c. Support transparency of government payments and rights-compatible security forces in the extractives industry.
  - d. Do not provide direct or indirect support to illegal armed Entity’s.
  - e. Enable stakeholders to voice concerns about the jewelry supply chain; and are implementing the [OECD five-step framework](#) as a management process for risk-based due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas.
3. We also commit to using our influence to prevent abuses by others.
4. Regarding serious abuses associated with the extraction, transport or trade of gold, silver and platinum metals: We will neither tolerate nor profit from, contribute to, assist, or facilitate the commission of:
  - a. Torture, cruel, inhuman, and degrading treatment.
  - b. Forced or compulsory labour.
  - c. The worst forms of child labour.
  - d. Human rights violations and abuses; or
  - e. War crimes, violations of international humanitarian law, crimes against humanity or genocide.
5. We will immediately stop engaging with upstream suppliers if we find a reasonable risk that they are committing abuses described in paragraph 4 or are sourcing from, or linked to, any party committing these abuses.
6. Regarding direct or indirect support to non-state armed Entity’s: We will not tolerate direct or indirect support to non-state armed Entity’s, including, but not limited to, procuring gold, silver, platinum Entity metals, making payments to, or otherwise helping or equipping non-state armed Entities or their affiliates who illegally:
  - a. Control mine sites, transportation routes, points where gold, silver, platinum Entity are traded and upstream actors in the supply chain; or



- b. Tax or extort money, or minerals at mine sites, along transportation routes or at points where gold, silver and platinum metals are traded, or from intermediaries, export companies or international traders.
- 7. We will immediately stop engaging with upstream suppliers if we find a reasonable risk that they are sourcing from, or are linked to, any party providing direct or indirect support to non-state armed Entity's as described in paragraph 6.
- 8. Regarding public or private security forces: We affirm that the role of public or private security forces is to provide security to workers, facilities, equipment and property in accordance with the rule of law, including law that guarantees human rights. We will not provide direct or indirect support to public or private security forces that commit abuses described in paragraph 4, or that act illegally as described in paragraph 6.
- 9. Regarding bribery and fraudulent misrepresentation of the origin of gold, silver, platinum Entity : We will not offer, promise, give or demand bribes, and will resist the solicitation of bribes, to conceal or disguise the origin of gold, silver, platinum Entity's metals to misrepresent taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export of gold, silver, platinum metals.
- 10. Regarding money laundering: We will support and contribute to efforts to eliminate money laundering where we identify a reasonable risk resulting from, or connected to, the extraction, trade, handling, transport or export of gold, silver and platinum.

**Grievance Procedure**

SOVEREIGN METALS LIMITED has established this procedure to hear any concerns or complaints from interested parties and stakeholders regarding its supply chain and business practices.

Concerns can be raised by interested parties via email using the following contact information:

<b>MANAGEMENT</b>	Compliance officer
<b>Name: Mr. VIRAL P. LODHIYA</b>	<b>Name: Mr. Jay K. rathod</b>
<b>Email: <a href="mailto:info@sovereignmetals.in">info@sovereignmetals.in</a></b>	<b>Email: <a href="mailto:cs@sovereignmetals.in">cs@sovereignmetals.in</a> <a href="mailto:Sml.kyc@sovereignmetals.in">Sml.kyc@sovereignmetals.in</a></b>

On receiving a complaint, we will aim to:

- Contact you as soon as possible to gather more information regarding your grievance, where applicable.
- Decide who is the appropriate person internally to handle the grievance, or help redirect you to another entity, such as a relevant company, industry body or other organisation.
- Identify any actions we should take (if any) or monitor the situation.
- Advise you of any decisions or outcomes, and.
- Keep records on grievances received and the internal process followed to address such grievances, for at least five years.

Sr. No.	Date	Change	Version
1.	17-04-2023	Supply Chain and Business Practice Policy Adoption	V.1
2.	25-04-2024	Re-draft	V.2

Sovereign Metals Limited  
  
 Director