

RESPONSIBLE SOURCING ANNUAL POLICY - 2022

December 31, 2022

1. Introduction

Penfold World Trade AG (“Penfold”) is committed to undertaking due diligence processes to ensure that our suppliers and sourcing partners source minerals and metals in a transparent, ethical, responsible and environmentally sustainable manner. Towards this end, Penfold has adopted, disseminated widely and incorporate into contracts and/or agreements our RESPONSIBLE SOURCING POLICY in line with the OECD Annex I and Annex II guidelines¹ as well as the London Metals Exchange Joint Due Diligence Standard² and the LBMA Responsible Silver Guidance³.

Under this Responsible Sourcing Policy, Penfold has structured management processes and implemented specific measures under the OECD five-step framework for risk-based due diligence for responsible supply chains of minerals:

STEP 1 - Establish strong company management systems

STEP 2 - Identify and assess risk in the supply chain

STEP 3 - Design and implement a management strategy to respond to identified risks

STEP 4 - Arrange for an independent third-party audit of the supply chain due diligence

STEP 5 - Report on supply chain due diligence

This annual report summarizes and reports our supply chain due diligence efforts during 2022.

2. 2022 Summary

[\[Balance Report Pending\]](#)

¹ **OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Third Edition, ANNEX II - Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas**, OECD (2016) Publishing, Paris, <http://dx.doi.org/10.1787/9789264252479-en>

² **LME Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc**, February 9, 2022, https://coppermark.org/wp-content/uploads/2021/01/Joint-Due-Diligence-Standard_FINAL_09FEB21.pdf

³ **LBMA Responsible Silver Guidance**, Version 1, September 2017, <https://cdn.lbma.org.uk/downloads/responsible-sourcing/20170824-Responsible-Silver-Sourcing-Master-SHD-V1.pdf>