



7/F, Silver Fortune Plaza, Central, Hong Kong

### **Policy – Supply Chain**

This Policy shows Kothari Trading's commitment and its expectations for its product suppliers regarding actions to address Conflict Minerals and Metals including coloured gemstones.

Kothari Trading (HK) Ltd. expects its suppliers to have in place policies and due diligence measures that will enable us to reasonably assure that products and components supplied to us containing **conflict minerals** are DRC **conflict** free.

We being a responsible company, Kothari Trading (HK) Ltd. supports the goal of the Dodd-Frank Act of preventing armed groups in the Democratic Republic of the Congo and adjoining countries from benefitting from the sourcing of Conflict Minerals from that region.

Kothari Trading (HK) Ltd. is committed to working with its suppliers to educate them on these matters and concerning steps they can take to obtain increased transparency regarding the origin of minerals contained in the products they manufacture and sell to Kothari Trading (HK) Ltd.

Kothari Trading (HK) Ltd. reserves the right to evaluate the extent to which a supplier has failed to reasonably comply with this Policy.

Kothari Trading (HK) Ltd. reserves the right to request additional documentation from its suppliers regarding the origin of any Conflict Minerals included in any products sold to Kothari Trading (HK) Ltd.

Suppliers who do not reasonably comply with this Policy shall be reviewed by Kothari Trading (HK) Ltd. for future business.

### **Policy – Sourcing**

Kothari Trading (HK) Ltd. is committed to ensuring that our supply chain is free of any minerals and metal which was procured for the support or benefit of armed and anti social conflict groups or involving serious abuses of human rights and non compliant with OECD Guidelines.

Kothari Trading (HK) Ltd. clearly criticizes such activity and will reject any material which we believe was obtained involving serious human rights violations or which benefitted or supported armed rebels or terrorist groups through illegal finance or other activities.

The company shall carry out risk assessment for its supply chain and shall not enter into any business relationship or if may require then shall suspend/discontinue the engagement with any such supplier involved in dealing with Conflict-Affected and High-Risk areas, Any form of Human Right Violation; Torture, Cruel, In-Human and Degrading Treatment; Forced/Compulsory Labour; Child Labour; Abuses such as widespread Sexual Violence; War Crimes; other serious violations of International Humanitarian Law, Crime against Humanity; Genocide and/or To Bribe or To be Bribed. We strictly condemn and prohibit any Direct/Indirect support to public/private security forces which illegally Control, Tax or Extort money from Mining Sites, Transportation Routes and Upstream Sectors.

The Company shall carry out due diligence to assess risks related to procurement from the Conflict-affected and high-risk areas – CAHRAs and shall always source from compliant miners/refiners/traders.



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We shall always set reasonable efforts to source Conflict Minerals from smelters and refiners validated as being DRC Conflict Free, and require their direct and indirect suppliers to do the same;

We strive to work supportively with our customers and supply chain partners in implementing conflict minerals compliance programs.

### **Policy – Due Diligence**

The company shall always undertake to ensure that the extraction and trade of mineral ores containing tin, tantalum, tungsten and gold support peace and development, not conflict.

Kothari Trading (HK) Ltd. remains committed to enhance its Supply Chain Due Diligence program through internal review and external assessments. We have zero tolerance policy for the supplier violating OECD due diligence guideline and we shall immediately stop commercial relationship if any of our business associates found non-compliant or High-Risk during our internal/external risk assessment.

Currently Kothari Trading (HK) Ltd. procure it's precious metals from RJC-CoC and CoP compliant miners/refiners/traders. However, we have established a strong due diligence process and we shall review it as an when we observed significant risk or upon receipt of any grievance or complaint but in normal course, we shall carry our due diligence process on annual basis.

### **Grievance Mechanism**

Our employees, suppliers and other parties can report concerns and alleged violations of supply chain/sourcing/due diligence policy as follows:

Email: [info@kothari.hk](mailto:info@kothari.hk)

Reports can be made anonymously and will be kept confidential to the fullest extent practicable and allowed by law. We will not take any retaliatory action against our employees, suppliers, or other parties who make a report in good faith and shall take action on any complaint or suggestion within 12 working days.

Our suppliers are encouraged to contact if they wish to seek guidance on the application of this Policy.

Date : 01/02/2022

Hong Kong

### **Supply chain due diligence and Risk Assessment Report**

Kothari Trading (HK) Ltd. has done the supply chain due diligence and risk assessment, Overall risk for all suppliers are found low and none of suppliers found free from any business relationship with conflict affected and high risk areas. Supplier risk assessment report available with compliance team.

Date: 01/02/2022