



LBMA Gold & Silver Compliance Report

Year 2024

NADIR METAL RAFİNERİ

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The London Bullion Market Association's ("LBMA") Responsible Gold Guidance ("RGG") and Responsible Silver Guidance ("RSG") have been established for Good Delivery Refiners to adopt high standards of due diligence to combat systematic or widespread abuses of human rights and terrorist financing practices, to avoid contributing to conflict, to comply with anti-money laundering and addressing environmental, social and governance responsibilities.

Nadir Metal Rafineri Sanayi ve Ticaret Anonim Şirketi ("Nadir Metal"), the foundations which were laid in 1967, has been operating in the precious metals sector for more than 55 years. The main fields of activity of our company are refining, recycling, laboratory services, production of gold and silver bars bearing the "Nadir Metal" and "Nadir Gold" brands and trading of precious metals. Nadir Metal is on the LBMA Good Delivery List since 2011 for gold, and 2012 for silver. Furthermore, member of the Singapore Bullion Market Association (SBMA), Shanghai International Gold Exchange (SGEI), "Approved Brand" at COMEX and an accredited refinery for gold and silver at Borsa Istanbul.

Nadir Metal recognizes the risks which may be associated with extracting, handling, transporting, producing, and trading precious metals, especially from conflict-affected and high-risk areas. We commit to refraining from any action which contributes to conflict and terrorist financing activities, money laundering, corruption, and abuses of human rights and to comply with relevant sanctions. Furthermore, we commit to meeting national and international responsibilities related to sustainability; headings in environment, social, and governance.

This report summarizes how Nadir Metal has complied with the requirements of the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas, **LBMA Responsible Gold Guidance Version 9, LBMA Responsible Silver Guidance Version 2** for the Year 2024.

Refiner's Details	
Refiner's Name	Nadir Metal Rafineri San.ve Tic A.Ş.
Location	Head office and manufacturing: Yenibosna Merkez Mah. Kuyumcular Sokak, Kuyumcukent - Vizyon Park Sitesi C Atölye Apt. No: 4/1101 Bahçelievler/İstanbul - Türkiye Phone number: +90 212 603 0973 Refining and manufacturing: Akçaburgaz Mahallesi 3114. Sok. No:6 Esenyurt/İstanbul -Türkiye Phone number: +90 212 886 6729
Scope of Assurance	Gold & Silver
Reporting year-end:	December 31, 2024
Date of report:	February 3, 2025
Senior Management responsible for this report:	Abdullah TÛTÛNCÛ, Chairman





TABLE 1: Summary of Activities Undertaken to Demonstrate Compliance

Step 1: Company Management Systems

Compliance Statement with Requirement:

We have fully complied with Step 1: Establish strong management systems as detailed below:

1.1 Has the Refiner adopted a supply chain policy regarding due diligence for the supply chain of gold and silver?

Comments and Demonstration of Compliance:

Nadir Metal has adopted a supply chain policy that recognizes the risks and risk management measures outlined in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas and the LBMA Responsible Gold/Silver Guidance on Due Diligence for Precious Metals Supply Chains. Nadir Metal conducts its business by considering that precious metals have not directly or indirectly contributed to human rights abuses, terrorist financing activities, contribution to conflict, illegitimate non-state armed groups or public or private security forces, corruption, bribery and money laundering, irrecoverable environmental, social, and governance (ESG) retrogression.

Our Precious Metals Responsible Supply Chain Company Policy, (hereinafter "Company Policy") sets out, in particular, Nadir Metal's responsibility to establish strong company management systems to perform risk-based due diligence, including detailed and meaningful know-your-counterparty, supply chain due diligence and transaction monitoring processes, criteria for high-risk supply chains, record maintenance and an employee training program. It has a company-wide validation for the gold/silver supply chains.

Our Company Policy and procedures regarding responsible supply chains are annually reviewed, and/or updated when circumstances require by the Compliance Officer under the Legal&Compliance Department and approved by the Board of Directors with a board resolution. Even though our Company Policy is incorporated with various company policy commitments, it is not a stand-alone document, various company documents include sufficient details such as AML/CFT Policy, Anti-Bribery and Anti-Corruption Policy, Human Rights Policy, Whistleblowing Policy etc. Our Company Policy is communicated with our internal/external stakeholders; is a part of KYC documentation of our precious metal's suppliers.

In the year 2024, improvements have been made at the format of the policy in line with the transition of Integrated Management System. Our Company Policy is publicly available on our website both in Turkish and English as V8:

https://www.nadirmetal.com.tr/wp-content/uploads/2025/01/NMR_RSC-Policy_ENG-_v8.pdf



1.2. Has the Refiner set up an internal management structure to support supply chain due diligence?

Comments and Demonstration of Compliance:

Nadir Metal has set up an internal management structure to provide effective oversight of the implementation and continuous improvement of the supply chain due diligence within its organizational structure and activities. The tasks, responsibilities, and authorities of the relevant employees taking a role in controlling, risk management, communication have been defined clearly. The Board of Directors ("Board") of Nadir Metal have full authority and retain the ultimate control and responsibility for the accountability of the responsible sourcing program. The Board of Directors has the required competence, knowledge, and experience in this context for the oversight of responsible sourcing activities and to carry out risk management effectively. Necessary reports and information are provided to the Board and the Managing Director by the Legal & Compliance Department, the Compliance Risk Committee (hereinafter "Committee"), Compliance Officer and the Compliance Team.

The Compliance Risk Committee

The Compliance Risk Committee ("Committee") is established to support supply chain risk management activities in the scope of supply chain due diligence with a board resolution. Committee members are Managing Director, Compliance Officer, Legal Counsel and the Production Manager. The Committee is responsible for evaluating the risks determined within the scope of the strong possibilities or existence of facts mentioned under 'Criteria's About High-Risk Precious Metals Supply Chains' within the Company Policy. Furthermore, if necessary the Committee gathers risk mitigation plans to be submitted to the Board of Directors for approval. The future of the business relationship and the ultimate decision in high-risk supply chains is taken by the Board of Directors.

The Compliance Officer & Team

Our Compliance Officer and the compliance team have all the necessary skills and competencies and are responsible for reviewing the implementation of Nadir Metal's precious metals supply chain due diligence processes, ensuring communication, training employees, reviewing KYC files and risk classifications. The team, with years of experience and attended trainings has adequate resources to perform its mission. The Compliance Officer has joined several national and international trainings, conferences in matters of Responsible Sourcing during the Year 2024; Borsa Istanbul - Responsible Sourcing, Financial Investigation Board (MASAK)- AML/CFT Legislation, LBMA - Sustainability, OECD Responsible Minerals Forum, Türkiye Gold Miners Association-Sustainability. All members of the Compliance Team attends at least one external AML training in order to maintain their competence.

The Compliance Officer's duties & responsibilities have been assigned by a board resolution, has a direct line to the Managing Director and Board and is supported by internal/external legal counsels under the Legal & Compliance Department. In regards of ensuring the accountability of the due diligence and risk management processes the Compliance Officer submits monthly reports containing responsible sourcing due diligence information; potential and new suppliers, controlling and risk management activities, attended trainings/conferences, if available compliance risk committee reports to the top management.

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Trainings

To enhance and strengthen understanding of the supply chain risks and due diligence processes, online or face to face trainings are conducted for employees under the supervision of the Compliance Officer and Human Resources Department. The Compliance Officer is responsible for the yearly planning and supervising trainings regarding responsible supply chain matters. The yearly training program is shared with Borsa Istanbul Stock Exchange and the Republic of Türkiye Ministry of Treasury and Finance every year.

All employees involved in the scope of responsible supply chain procedures have participated in the required trainings including, Occupational Health and Safety, Environment and "Zero Waste.

Trainings organized in 2024 are;

- 33 employees on LBMA Responsible Silver Guidance
- 26 employees on Responsible Supply Chain Policy
- 30 employees on Human Rights Policy & Whistleblowing Policy
- 10 employees on Update of KYC Forms
- 10 employees on Information on Precious Metal Import and Export,
- 20 employees on FATF Türkiye Risk Assessment
- 8 employees on Turkish Foreign Exchange Legislation & Practices
- 19 employees on OECD's Due Diligence Guidance for Responsible Supply Chains,
- 16 employees on FATF Legislation
- 23 employees on Responsible supply chain legislation and Risk Criteria for Responsible Sourcing
- 24 employees on Case studies regarding the supply chain due diligence
- 9 employees on Borsa Istanbul Notifications
- 33 employees on Updates of Policies regarding AML/CFT, Anti Bribery & Corruption, Donations, Security.
- 33 employees on Personal Data Protection
- 137 employees on Human Rights Policy, Whistleblowing Policy Anti Bribery & Corruption Policy,
- 165 employees on Environment & Zero Waste
- 123 employees on Occupational Health and Safety
- 25 employees on Internal Control and Risk Assessment Directive

During 2024, no violations of the internal due diligence process have been identified and escalated, no internal sanction were reported.

Payments and Record Keeping

In accordance with the Company Policy, it is essential that transactions involving the purchase and sale of precious metals are conducted through banking channels. Cash transactions for the purchase and sale of precious metals may only occur in exceptional cases approved by the Board of Directors. Nadir Metal does not make payments for precious metals to any third parties, nor does it accept payments for precious metals from any third parties.

According to Turkish Foreign Exchange and Tax Legislation cash payment exception limit has been arised from TL 7.000 (roughly USD 235) to TL 30.000 (roughly USD 565) in November 2024. At Nadir Metal's Sales Branch of Silver, cash transactions may be conducted without exceeding this threshold values. Nadir Metal has long standing relationship with its domestic customers of silver jewelery producers.





Furthermore, cash transactions can be performed in line with the exceptional cases deemed appropriate by the Board of Directors:

- Where applicable, cash purchases above this threshold with suppliers who possess government-issued identification records and a purchase receipt that can be used for income tax purposes.
- Cash purchases of legitimate Artisanal and Small-Scale Mining (ASM) gold, provided that all transactions are conducted through official channels up to any counterparty beyond the export point in the production country.

Records of necessary information and documentation regarding the supply chain are stored for 8 years as a minimum.

1.3. Has the Refiner established a traceability system over gold/silver supply chains, including chain of custody mapping and identification of supply chain actors?

Comments and Demonstration of Compliance:

Nadir Metal has a traceability system over gold/silver supply chains that shows the origin of the precious metals, the identification of the supply chain actors, inputs and outputs.

Nadir Metal's Internal Control and Risk Assessment Directive ("Directive") covers all know your counterparty, controlling, reviewing activities and risk assessment procedures. In 2024, this Directive has been detailed within the scope of cash transactions. The Compliance Officer and the Compliance team under the Legal & Compliance Department are responsible for controlling activities and risk assesment which have to be conducted during the KYC and due diligence procedures for different type of supply chain counterparties according to the Directive. Specific and relevant information and documents must be received from counterparties and verified. The Compliance Officer reviews KYC documentation, screens sanctions (World Check Program) and conducts on-desk research. Counterparty profiling has to be completed at the CRM system. After the risk assessment process and acceptance of the supplier, the related information such as the country list of origin, the type and form of precious metals expected are entered into the traceability program by the Compliance Officer. Information is collected and recorded in the traceability program before any acceptance of the goods of the supplier. All necessary information and documents in the scope of "Due diligence & KYC procedures" are stored at archive program.

The traceability program enables screening, monitoring, controlling, and maintaining records of transactions for each lot of refined Mined & Recycled Precious Metals and Grandfathered Stocks. In this context, Nadir Metal applies a risk based approach by conducting scrutiny and monitoring of transactions undertaken through the course of the relationship. The traceability program appoints a reference number to every transaction. The program is structured with counterparty's IDs and lot details for each transaction, including information of date, bill of conveyance or invoice, weight/ type/ the origin of precious metal, results of analyses, date of arrival and delivery, airwaybills, etc. The compliance team carries out controlling activities over the system and database to ensure data integrity. Compliance Officer applies the necessary measures in the traceability program against the incidents that may occur throughout the supply chain in accordance with the procedures in the Directive.

In 2024 there were no incidents relating to the counterparties identification, origin and traceability of precious metals.





1.4. Has the Refiner strengthened company engagement with gold/silver-supplying counterparties, and, where possible, assisted gold/silver-supplying counterparties in building due diligence capabilities?

Comments and Demonstration of Compliance:

We care to build long-term relationships based on trust and mutual recognition with counterparties. Nadir Metal shares its expectation with its precious metals supplier within its KYC Forms and expects commitment to Nadir Metal's Ethics, Company Policy, and/or Precious Metals Supply Chain Principles. If the suppliers have their own responsible sourcing policy, it is expected that the policy is consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRA) Annex II. Furthermore, references to OECD, LBMA and Borsa Istanbul Responsible Sourcing Program are made within contractual clauses of commercial agreements with precious metals counterparties. Where appropriate, Nadir Metal always encourages its counterparties to improve their responsible supply chain practices. Supplier are visited on-site and/or remotely, from time to time for capacity building, as well as for risk management. The Compliance Officer has visited six main suppliers for monitoring but as well as for engagement.

In 2024, we continued to attend meetings, trainings and conferences to strengthen engagement with various multi stakeholder and to raise awareness among local precious metals market players and dealers. External training activities have been conducted for Nadir Metal's subsidiaries and dealers in the scope of OECD's Due Diligence Guidance for Responsible Supply Chains, supply chain due diligence matters, internal audit and information on FATF Country Assessment (Türkiye), Company policies and current developments.

Nadir Metal conducted collaboration with civil society associations and authorities such as MASAK (Financial Investigation Board) and FATF. A presentation has been held on Nadir Metals's activities in the field of sustainability at the Responsible Gold Mining Conference organized by Turkish Gold Miners Association and World Gold Council. We have been invited to conduct an educative training on Responsible Sourcing Programmes at the Compliance Association. We informed their members about responsible precious metals supply chains and current practices.

Nadir Metal takes into consideration the management of business integrity impacts and ethical conducts and supports the implementation of relevant initiatives such as the Extractive Industry Transparency Initiative (EITI). Nadir Metal has not entered into any business relationship with a State-Owned Enterprise operating in EITI country in 2024.

1.5. Has the Refiner established a company-wide confidential grievance mechanism?

Comments and Demonstration of Compliance:

Nadir Metal considers its stakeholder's (employees, counterparties, or any third party) grievances crucial for further development and improvement. In this context Nadir Metal has in place a company-wide confidential grievance mechanism which has been made available for stakeholders that are being negatively affected by certain business activities and/or operations. Additionally the company wide confidential grievance mechanism allows to voice concerns that violate legislation, the company's ethical principles, policies, and procedures over the precious metals supply chain, or any newly identified risks. Furthermore, stakeholders can notify suspicious or potentially illegal or unethical behavior without any retaliation or threat of victimization or harm under the following contact points:





E-mail address : etik@nadirmetal.com.tr
Phone Number : +90 212 886 7330

A Whistleblowing Policy is in place and publicly available at Nadir Metal's website. Any interested party can express anonymously or not, both individual or collective bases about their concerns or indicate issues related to Nadir Metal's supply chain and associated risks through different channels.

https://www.nadirmetal.com.tr/wp-content/uploads/2025/01/NMR_Whistleblowing-Policy_ENG_V4.pdf

Nadir Metal has a procedure which determines how to manage all incoming grievances and whistleblowings. All information received must to be treated discreetly and confidential. Legal&Compliance Department is responsible for monitoring and assessing all incoming supply chain and risk related notifications and keeping the top management informed about every case. Confidentiality is essential in the examinations, research and investigations to be conducted.

No whistleblowing or grievance notifications have been received in the year 2024.

Step 2: Risk Identification and Assessment

Compliance Statement with Requirement:

We have fully complied with Step 2: Risk Identification and Assessment:

2.1 Does the Refiner have a due diligence process to identify risks in the supply chain?

Comments and Demonstration of Compliance:

Supply chain due diligence is performed on a risk based approach before entering into any business relationship and an on going basis with any precious metals supplier in order to identify and asses the risks under the criteria according to High-Risk Criteria under the Company Policy.

Nadir Metal has a comprehensive due diligence process consisting of know your counterparty, controlling activities, risk assessment and monitoring. The due diligence process is carried out by the Compliance Officer covering the location, counterparty and type of material; Mined, Recycled, Mined By-Product and Grandfathered Stocks. All these processes are detailed in written within its Company Policies and Internal Controlling and Risk Assesment Directive.

As part of the Know Your Counterparty process, necessary information and documents are obtained from counterparties for determination as well as for assessment, including human rights, ESG factors and relevant criteria according to High-Risk Criteria under the Company Policy. The sources used to evaluate the information obtained include, but are not limited to:

- LBMA Toolkits, Reports and Newsletters...etc.
- Counterparty's documentation; Ultimate beneficial owner, financial details, policies, business scope, origin of goods, type of material etc.)
- Sanctions lists; US, UK, EU, UN and relevant sanctions lists
- Screening tool; "World-Check" for sanctions, latest news, developments and on desk research
- Dodd-Frank s. 1502, EU CAHRA List,



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- Country Reports if necessary; Heidelberg Barometer, Fragile States Index or equivalent, UN Human Rights Office of the High Commissioner or equivalent,
- Reports by the Financial Action Task Force (FATF), if any OECD Reports
- Credible market intelligence on high-risk gold/silver centers/transit hubs and on countries where there is a high risk of money laundering.

We also track on-going basis information on the counterparty's documentation and transactions through the traceability program, CRM and archive systems for monitoring and controlling activities. CRM system includes supplier profiling with a risk profile which has been allocated for every counterparty considering the duration of business relationship, sector, domiciled country of counterparty, PEP status, origin of goods and type. After all data has been entered, a risk assessment is carried out by the Compliance Officer. Continuous reviewing and monitoring are conducted through a risk-based approach by the Compliance Unit; whether transactions are performed according to applicable legislation, guidelines, corporate policies, and procedures, and counterparty risk profiles. Furthermore the Compliance Officer may cooperate with the relevant department/personnel.

Before the reception of the precious metals, a definition of the supplier is made in the traceability system in proportion to the business relationship to be established. In line with the information within the CRM for the goods acceptance unit by the Compliance Officer. The compliance and goods acceptance units are informed about the incoming materials; date, weight if any packing lists etc. by the operation team. The goods acceptance unit conducts a second level control to ensure that the material received is line with expectations and the information within the traceability system. In cases, where material inconsistencies or suspicions are identified, findings are communicated to the Compliance Officer and the precious metals are physically segregated and secured until the inconsistencies are solved. The compliance officer investigates the case and if necessary, conducts reassessment.

If there are high-risk criteria or any situation that could occur a high risk, the Compliance Officer conducts enhance due dilligence and provide information via a written report to the Committee. In regards of enhanced due diligence continous monitoring and on-site visits are mandatory before any transactions occur or at least within six months of business relationship.

2.2 How does Refiner classify identified risks in light of the standards of its due diligence system?

Nadir Metal's supply chain due diligence system considers the criteria required by the LBMA and Borsa Istanbul's Responsible Sourcing Program and OECD Annex 2 risks before entering into a business relationship with any precious metals counterparty. Nadir Metal's all company policies, procedures, and particularly the Directive, include risk identifications based on counterparty, location, type of material, and subcategories of Mined Gold/Silver, Recycled Gold/Silver. A risk classification that it is based on zero tolerance, low, medium, high taking into account; location, supplier and type of material is defined in the Nadir Metal's Directive.

By a comprehensive assessment of risk profiles in the light of all the information obtained, a decision is made whether there are any zero tolerance parameters, high-risks which are headlined within the Company Policy and detailed in Directive or not.

Due dilligence process of Nadir Metal is risk oriented that includes the identification/criteria such as nationality, ultimate beneficial owners, legal representatives, domicile of counterparty, sanctions,





and determination of whether precious metals or counterparties are from a CAHRA, FATF High-Risk and Other Monitored Jurisdictions, ASM, mercury use, Political Exposed Person, intermediate refineries with high risk supply chain etc. All transactions of counterparties are monitored and the consistency with the available information is evaluated through the business relationship.

As a result of the risk assessment process, if there is no any suspicion or detection of high-risk criterias in the supply chain, Compliance Officer's review is competent to sign off the procedure without any further approval. She/he informs the top management on regular basis, while reporting monthly to the Board of Directors. Furthermore all existing suppliers and transactons are checked and risk assesment is conducted every six months.

While there were no zero tolerance-related cases in 2024, there were four cases of high risk in our gold and silver supply chains during the year:

- Two of Silver suppliers have been identified as PEP where a business relationship has been established since 2021. One of the suppliers shareholder structure changed and therefore it has been removed from high risk status.
- One of Gold and one of Gold/Silver suppliers are located in a country of FATF's Jurisdictions under Increased Monitoring. In case of this gold supplier even the related country has been removed from the list during the year, there has been credible market intelligence on high-risk gold centres/transit hubs and so the supplier has been continued to hold under high risk.

The enhanced due dilligence process in line with the PEP cases included on desk research and World check screening of the company, ultimate beneficial owner and legal representatives. Risk reports were prepared for the Committee based on the information obtained on a transaction and/or monthly basis.

As part of the due diligence process for cases in high-risk countries, we conducted a World check screening, updated country reports, monitored supplier transactions and assessed whether there had been any changes in their risk methodologies, policies, company documentations etc. by maintaining on-going monitoring and communication with the suppliers representatives.

As one of the necessities of enhanced due dilligence procedures two on site visits to the suppliers in 2023 and 2024 have been carried out. During on-site visits, LBMA Site Visit Report template has been used and verification of KYC information, counterparty's systems, company policies, business environment, supply chain due dilligence process etc. have been reviewed.

2.3 Has the Refiner undertaken EDD measures for identified high-risk supply chains?

Nadir Metal undertakes EDD measures for identified high-risk supply chains. In this context, the Compliance Officer carries out enhanced due diligence for high-risk categories specified in the Directive, policies and procedures. EDD measures are subject to different assessments for high-risk LSM gold/silver supply chains, high-risk ASM gold/silver supply chains, high-risk Recycled gold/silver from Intermediate Refiners, and high-risk Recycled gold/silver from other sources. The tools used in risk assessment are also used within the scope of EDD, in most cases more detailed.

The taken measures in the scope of EDD are conducted appropriately by undertaking an on-site visit (or remotely if applicable) or investigation. The on-site visit procedure includes at a



minimum but is not limited to, appropriate documented and verified KYC information, assesment of threat financing risks, ESG factors, if any specific supply chain due diligence findings, if necessary consulting relevant internal and external stakeholders. In addition, counterparty's capacity and competence are evaluated by interviewing relevant persons on-site. According the improvement or risk mitigation plans Compliance Officer evaluates the risk and reports to the relevant stakeholders. Therefore the frequency of risk assessments may differ case by case. Furthermore, reassessment is conducted in case of any developments or necessity. This is also valid for enhanced due diligences.

Nadir Metal has not worked with an intermediate refinery with a high-risk supply chain during the reporting period. Compliance Officer carried out two on-site visits for high risk cases in scope of enhanced due diligence. No specific high-risks have been detected in regards of responsible supply chain underlyings. Reports have been prepared and submitted to the Committe by Compliance Officer.

Step 3: Risk Management

Compliance Statement with Requirement:

We have fully complied with Step 3: Design and implement a management system to respond to identified risks as detailed below.

Does the Refiner have a process to respond to the identified risks by either (i) mitigating the risk while continuing to trade, (ii) mitigating the risk while suspending trade, or (iii) disengagement from the risk?

Comments and Demonstration of Compliance:

Nadir Metal adopted an appreciative risk management procedure, detailed and written within its Internal Controlling and Risk Assesment Directive which has been developed to meet RGG V.9 & RSG V.2 requirements for possible or identified risks. The risk management strategy provides Nadir Metal to manage risk through enhanced due diligence and to mitigate and remediate adverse impacts in the precious metal supply chain. Nadir Metal cares about continuously monitoring, reviewing and if necessary updating the adequacy of risk management strategies.

A potential counterparty is evaluated, and risks are assessed before onboarding, likewise, after the acceptance. Since the counterparties who initially have not been identified as high-risk earlier may become high-risk afterwards within the review of the risk classification or a particular situation of the counterparty. Hence the counterparties and transactions are subject to regular monitoring and risk assessment. At every risk assessment phase, the Compliance Officer applies the same level of risk assessment outlined in the Directive.

If there is a strong possibility or existence of facts that have been mentioned as high risk according to the Company Policy's 'High-Risk Criteria for Precious Metals Supply Chains", it is reported to the Risk Committee by Compliance Officer for cheking on the appropriateness and creating a risk mitigation plan and submit to the Board of Directors. The final decision about the future or existing business relationship is taken by the Board of Directors.

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The Board of Director may reject or terminate or suspend the business relationship or might decide to continue the business relationship by implementing an improvement plan which can be valid for up to 6 months. The improvement plan has to be composed of measurable objectives to mitigate the associated risks. The Compliance Officer is responsible for monitoring the risk mitigation plan. Once the deadline comes on and the high-risk factors continue, the Compliance Officer prepares a risk report for the Committee. The given opinion by Committee is submitted to the Board of Directors and the period might be extended or the business relationship might be suspended until high-risk factors do not exist or the business relationship might be ended directly by the Board's decision.

During the audit period, four business relationships have been suspended. One was removed from suspension based on completion of necessary documentation. Suspended counterparties are blocked at our CRM and traceability system. There have been no instances where we disengaged with counterparties and there have been no cases of cooperation with national or local government authorities in 2024.

Where zero-tolerance issues are identified, Nadir Metal neither enters a business relationship with a gold/silver-supplying counterparty nor continues an existing relationship. The Compliance Officer informs the Committee, the Board, LBMA, Borsa Istanbul and relevant authorities if necessary about the zero tolerance case.

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

Compliance Statement with Requirement:

We have fully complied with Step 4: Arrange for an independent third-party audit of the supply chain due diligence.

Comments and Demonstration of Compliance:

Nadir Metal has engaged PKF Istanbul as Third-party Assurance Provider to conduct an assurance in accordance of International Standard on Assurance Engagements (ISAE3000). PKF Istanbul is an approved service provider by LBMA and has complete financial or other independence from Nadir Metal.

PKF Istanbul and their independent reasonable assurance report can be viewed on Nadir Metal's web page, www.nadirmetal.com.tr.

There are neither high and medium-risk non-conformances identified during the current audit cycle, nor the progress on high/medium-risk non-conformances identified in the previous audit cycle remains to be mitigated, nor compliance reasons when partial high/medium-risk non-compliances have been raised.



Step 5: Report on supply chain due diligence

Compliance Statement with Requirement:

We have fully complied with Step 5: Report on supply chain due diligence

Comments and Demonstration of Compliance:

Further information and specific details of how Nadir Metal's systems, procedures, processes, and controls have been implemented to align with the specific requirements of the LBMA Responsible Gold Guidance Version 9 and Responsible Silver Guidance Version 2 have been set out in our gold/silver supply chain policy, compliance report, and independent third party audit report which are publicly available on Nadir Metal's website, www.nadirmetal.com.tr

Management Conclusion

Is the Refiner in compliance with the requirements of the LBMA Responsible Gold/Silver Guidance for the reporting period?

Yes.

In conclusion, Nadir Metal implemented effective management systems, procedures, processes, and practices to conform to the requirements of the LBMA RGG V9 & RSG V2 as explained above for the reporting year ended December 31, 2024.

Nadir Metal is committed to ensuring its social, environmental and governance responsibilities and regulatory requirements and will continue to review and update its internal controls on an ongoing basis.

Other Report Comments

If users of this report wish to provide any feedback to Nadir Metal Rafineri with respect to this report, they can contact us by emailing etik@nadirmetal.com.tr and/or compliance@nadirmetal.com.tr

Istanbul, February 2025

Abdullah Tütüncü, Chairman