

**APPENDIX TO PROCUREMENT POLICY – THE FOLLOWING  
SHALL APPEND TO ALL SUPPLY CHAIN.**

# Supply Chain Policy

Recognising that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, and recognising that we have the responsibility to respect human rights and not contribute to conflict, we commit to adopt, widely disseminate and incorporate in contracts and/or agreements with suppliers the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas, as representing a common reference for conflict-sensitive sourcing practices and suppliers' risk awareness from the point of extraction until end user. We commit to refraining from any action which contributes to the financing of conflict and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

## **Regarding serious abuses associated with the extraction, transport or trade of minerals:**

1. While sourcing from, or operating in, conflict-affected and high-risk areas, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:
  - a. any forms of torture, cruel, inhuman and degrading treatment;
  - b. any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
  - c. the worst forms of child labour;
  - d. other gross human rights violations and abuses such as widespread sexual violence;
  - e. war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

## **Regarding risk management of serious abuses:**

2. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in paragraph 1.

## **Regarding direct or indirect support to non-state armed groups:<sup>1</sup>**

3. We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. "Direct or indirect support" to non-state armed groups through the extraction, transport, trade, handling or export of minerals

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<sup>1</sup> To identify non-state armed groups, refer to UN Security Council resolutions

includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

- a. illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
- b. illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
- c. illegally tax or extort intermediaries, export companies or international traders.

### **Regarding risk management of direct or indirect support to non-state armed groups:**

4. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in paragraph 3.

### **Regarding public or private security forces:**

5. We agree to eliminate, in accordance with paragraph 10, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.
6. We recognize that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.
7. Where we or any company in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, we will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.
8. We will support efforts, or take steps, to engage with central or local authorities, international organisations and civil society organisations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.
9. We will support efforts, or take steps, to engage with local authorities, international organisations and civil society organisations to avoid or minimise the exposure of vulnerable

groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

### **Regarding risk management of public or private security forces:**

10. In accordance with the specific position of the company in the supply chain, we will immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces, as identified in paragraph 5, where we identify that such a reasonable risk exists. In such cases, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan.<sup>8</sup> Where we identify a reasonable risk of activities inconsistent with paragraphs 8 and 9, we will respond in the same vein.

### **Regarding bribery and fraudulent misrepresentation of the origin of minerals:**

11. We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.<sup>2</sup>
12. Regarding money laundering: 12. We will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

### **Regarding the payment of taxes, fees and royalties due to governments:**

13. We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments and, in accordance with the company's position in the supply chain, we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

### **Regarding risk management of bribery and fraudulent misrepresentation of the origin of minerals, money-laundering and payment of taxes, fees and royalties to governments:**

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<sup>2</sup> See OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997); and the United Nations Convention Against Corruption (2004).

14. In accordance with the specific position of the company in the supply chain, we commit to engage with suppliers, central or local governmental authorities, international organisations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measureable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.

## **GRIEVANCE MECHANISM**

### **Grievance procedure - HRA Group policy**

This document outlines the grievance procedure available to all general staff of HRA Group employees, vendors and customers or any other party who has been affected by the policies of HRA. The aim of this grievance procedure is to provide the rights and means to resolve workplace problems quickly and fairly. Any person who makes use of the provisions of these procedures shall not be subject to recrimination or harassment as a result of exercising this right.

#### **1. Introduction**

Our grievance procedure policy explains how people can voice their complaints in a constructive way. HRA Group (“the company”) encourages parties to communicate their grievances. That way we can foster a supportive and pleasant workplace for everyone.

#### **2. Scope**

This policy applies to everyone in the company regardless of position or status, any vendor, supplier, customer or person who has been affected by HRA policies.

#### **3. Grievance definition**

For the purposes of this document, grievance is defined as any complaint, problem or concern of a person in relation to a breach or alleged breach of an HRA policy.

#### **4. Formal Grievance Procedure**

##### **Written Statement**

- a. The aggrieved must first send a written statement detailing the nature of the grievance to the RJC manager rrothstein@hragroup.com head within 12 months of the identification of the breach.
- b. Where it is the RJC Manager who is the subject of the grievance, the person should instead send the written statement to the next most senior person or to another manager of equal or greater seniority, where possible.

##### **Grievance Meeting**

- c. Upon receiving the written statement, the RJC Manager will arrange for a formal meeting to be held in order to discuss the grievance. The formal meeting will be held without unreasonable delay and usually no longer than 10 working days after the statement of grievance is received.
- d. Prior to the Grievance Meeting, the RJC Manager will provide a copy of the allegations to the employee who faces them and allow the employee to send a written response to the allegations.
- e. A thorough investigation of the facts relating to any allegations must take place before the meeting. Any requests for anonymity and confidentiality should be respected when possible.

- f. The aggrieved and the RJC Member shall each put forth 3 names for a neutral ombudsman. Each shall select one of the other's selection. The two selected shall select a third. These three individuals shall constitute the arbitration committee of the grievance.
- g. If possible, the aggrieved should propose his preferable resolution for the grievance.
- h. If a further investigation of the matter is required, then the meeting should be adjourned to a later date before a decision is taken about how to deal with the employee's grievance.

#### **Outcome of Grievance meeting**

- a. Following the meeting and investigation and within 4 weeks the arbitration committee shall set out in writing the outcome of the hearing and any action they intend to take to resolve the grievance ("The Grievance Report").
- b. The department head shall also inform either party of their right to appeal if they are not satisfied with the action taken.
- c. Any action taken shall be monitored and reviewed, as appropriate, to ensure it effectively deals with the issue.
- d. Failing glaring error, the decision of the arbitration committee shall be final.

#### **5. Confidentiality**

- a. Grievances will be handled with as high a degree of confidentiality as is practicable.