

2023 Responsible Sourcing Report

Dillon Gage is a fully integrated precious metals company based in Dallas, Texas. The company maintains a large wholesale bullion trading and distribution business as well as a precious metals refinery and precious metals storage businesses (International Depository Services in Texas, Delaware, and Canada).

Dillon Gage became a member of the Responsible Jewelry Council in 2019 and continues to ensure certification of the RJC Code of Practice. The Responsible Jewelry Council (RJC) is a non-profit organization established to promote a common standard for responsible ethical, social and environmental practices that respect human rights throughout the supply chain of gold, platinum mined metals, diamonds and colored stones from mining to retail. The company completed its first RJC Code of Practice audit in 2023. Dillon Gage was subsequently certified as compliant with the RJC Code of Practices on September 2023.

Organizational Structure

Dillon Gage's main legacy business unit is wholesale precious metals trading. The company is authorized purchaser and distributor of the United States Mint, Royal Canadian Mint, and The British Royal Mint as well as some of the largest private mints around the globe.

International Depository Services (IDS) is a wholly owned subsidiary of Dillon Gage and offers clients private and independent vaulting services. This business serves some of the largest retirement account custodians, wealth management firms, and high net-worth individuals.

Dillon Gage operates full precious metals refining services to both the primary and secondary precious metals markets. This includes melting, assaying, and refining of customer material.

Dillon Gage has assigned a Compliance Officer to oversee the responsible sourcing program and its daily functions. The compliance officer ensures that the program remains aligned with guidance from Organization for Economic Cooperation and Development (OECD) on managing mineral supply chain risk. The program is continuously monitored for compliance with RJC Code of Practices.

Policies

Dillon Gage recognizes its position in the precious metals supply chain and its responsibility to foster responsible business practice to both its downstream and upstream stakeholders. As such, Dillon Gage has created the following policies to define and demonstrate its commitment to continuous business improvement in line with RJC Code of Practices. These policies are publicly available on www.dillongage.com

Dillon Gage has created **Responsible Business Practice Policy** to define strategy, create standardized operating procedures, and manage day-to-day business in line with the tenets set forth in the RJC COP

The company's **Responsible Sourcing Policy** defines where and what types of businesses Dillon Gage would choose to partner with in its supply chain for its refining business.

Corporate Headquarters

Refinery

Distribution Center

15301 Dallas Pkwy., Ste. 200 | Addison, TX 75001 | 800.375.4653

11231 Gemini Lane | Dallas, TX 75229 | 888.436.3489

11925 N. Stemmons Fwy. Ste 180 | Dallas, TX 75234 | 800.375.4653

The **Anti-Corruption and Bribery Policy** is in place to manage proper stewardship of the Dillon Gage business and its stakeholders. It defines corruption and bribery and sets a scope within which all stakeholders must act.

The **Human Rights Policy** recognizes that Dillon Gage has the responsibility to respect human rights and not contribute to conflict. Dillon Gage commits 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.

The **Health, Safety and Environmental Policy** commits the company to managing its refining and manufacturing activities to protect the environment, health and safety of our employees, customers and the community. Dillon Gage strives to follow all relevant environmental laws and regulations as well as other requirements which we recognize. Dillon Gage is committed to continually improving practices to minimize environmental impacts and prevent pollution.

Whistleblower Policy sets forth a grievance mechanism for employees and stakeholders to voice concerns with Dillon Gage's business practices and/or report any instances of possible concern.

Supply Chain Risk Assessment and Management

Dillon Gage has established a management system to identify and assess risks within its supply chain. The company has developed a risk assessment program to actively monitor its client base with regards to RJC COP. The gold supply chain is complex and susceptible to various risks. These risks can be categorized as follows:

Conflict-Affected and High-Risk Areas (CAHRA): Material sourced from areas affected by conflict or human rights abuses can contribute to negative social and environmental impacts.

Environmental Damage: Irresponsible mining practices can lead to deforestation, water pollution, and land degradation.

Money Laundering and Terrorist Financing: precious metal's high value and anonymity in certain transactions make it susceptible to use for illicit activities.

Labor Abuses: The gold industry can be associated with child labor, forced labor, and unsafe working conditions. Dillon Gage seeks to identify all actors involved in the metal's journey, from mine to refiner, including suppliers, traders, and transporters.

We assess each stage of the supply chain for potential risks based on source location, supplier type (large-scale mining vs. artisanal and small-scale mining - ASM), and transaction methods. We then analyze the likelihood and potential impact of each identified risk.

If significant risk is present. We develop strategies to address identified risks. Examples include:

- Implementing a robust Know Your Customer (KYC) program.
- Conducting on-site audits or requesting third-party audits from suppliers in high-risk categories.
- Establishing grievance mechanisms for reporting potential issues within the supply chain.
- Customer Onboarding and KYC Measures

A robust customer onboarding process with thorough KYC measures is crucial for mitigating risks associated with the precious metals industry.

Our key steps in the onboarding process:

Customer Identification: Collect and verify customer information, including name, address, business registration details, and beneficial ownership structure.

Risk Assessment: Conduct a risk assessment on each customer based on factors such as location, source of gold, and transaction history.

Due Diligence: For high-risk customers enhanced due diligence is conducted, which may include:

- Verifying the legitimacy of the customer's business and source of material.
- Obtaining information on the customer's anti-money laundering (AML) and social responsibility policies.
- Ongoing Monitoring: Regularly monitor customer activity and update risk assessments as needed. This can involve transaction monitoring and screening against sanctions lists.
- Third Party compliance examination and analysis.

Training and Awareness

Dillon Gage has developed and continues to expand its internal and external training and awareness among its employees and clients. Dillon Gage promotes a culture of awareness, compliance and continuous improvement in relation to responsible business practices. Employees involved in the sourcing of material are trained in effective risk management and analysis of opportunities and industry best practice.

Dillon Gage communicates its standards and expectations to suppliers throughout the KYC process.

Transparency Initiatives

In scope with RJC COP, Dillon Gage will provide updates and reports its activities and progress on its journey to increase awareness and compliance within its scope of influence on its website www.dillongage.com.

Our grievance mechanism for Internal and external stakeholders can be accessed via www.dillongage.com. Stakeholders are encouraged to provide comment or concerns either anonymously or not to report@dillongage.com. The compliance officer, in concert with the executive team, is responsible for this grievance mechanism.

Dillon Gage participates in industry educational events such as the LBMA's Responsible Sourcing Summit and OECD Responsible Minerals Forum. Despite ongoing efforts, the precious metals industry faces challenges in responsible sourcing. These include:

Artisanal and Small-Scale Mining (ASM): ASM represents a significant portion of world gold production but often operates in informal or unregulated settings, raising concerns about social and environmental impacts.

Capacity Building: Smaller companies in the supply chain may lack the resources or expertise to implement robust due diligence procedures.

The long and complex nature of the precious metal supply chain makes it difficult to track the origin of gold and identify all potential issues.



Trading | Numismatics | Refining | Diamonds | Depository

Dillon Gage is committed to investing in the future of precious metals through following commitments:

- *Increased Industry Collaboration:* Collaborative efforts between miners, refiners, manufacturers, and retailers can enhance transparency and identify industry-wide solutions.
- *Supporting ASM Formalization:* Programs that help ASM miners formalize their operations can improve working conditions, environmental practices, and traceability.
- *Technology Adoption:* Implementing technology and other tracking systems can enhance transparency and ensure the origin of gold.
- *Consumer Awareness:* Educating consumers about responsible sourcing can create demand for ethically sourced gold.

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