

BLACKRAW COMMODITIES
Empowering Global Trade

Responsible Sourcing Policy

LAST REVISED

February 2025

1. Introduction

At BLACKRAW Commodities Limited, we recognize that the sourcing of physical commodities such as metals, minerals, ferroalloys, and solid fuels has a significant impact on the environment, communities, and economies worldwide. As a trading firm that operates in global markets, we are acutely aware of the responsibilities we hold throughout our supply chain. This Responsible Sourcing Policy outlines our commitment to sourcing materials ethically, sustainably, and transparently, while upholding high standards of corporate governance and human rights. Our sourcing decisions are not only guided by economic factors but also by our determination to support practices that safeguard the environment, protect workers' rights, and foster positive social and economic outcomes in the regions where we operate. By adhering to these principles, we aim to contribute to a sustainable, resilient global commodities market and build lasting relationships with our suppliers, clients, and stakeholders.

2. Scope

This policy applies to all parties involved in the supply chain of metals, minerals, ferroalloys, and solid fuels traded by BLACKRAW Commodities Limited, including but not limited to:

- **Producers and manufacturers**
- **Suppliers of raw materials**
- **Transport and logistics providers**
- **Recyclers and refiners**
- **Distributors and end-users**

We expect all our suppliers to comply with the principles outlined in this policy, and we actively work with them to ensure the responsible extraction, handling, and processing of commodities.

3. Ethical Sourcing Principles

BLACKRAW Commodities Limited is committed to conducting business in an ethical and transparent manner. We require that our suppliers meet the following core standards:

3.1 Human Rights and Labor Standards

We uphold the fundamental principles of the Universal Declaration of Human Rights and expect all suppliers to:

- **Prohibit Forced and Child Labor:** Suppliers must not engage in or tolerate forced labor, child labor, or any form of modern slavery. This includes all forms of involuntary or coerced work.
- **Fair Wages and Benefits:** Workers should receive compensation that meets or exceeds national minimum wage standards and includes benefits such as healthcare, insurance, and pension contributions.

- **Non-Discrimination:** We do not tolerate any form of discrimination based on race, gender, religion, ethnicity, disability, sexual orientation, or any other characteristic. All workers must have equal access to opportunities for advancement.

3.2 Health and Safety Standards:

Worker health and safety are a priority in the supply chain. Suppliers must:

- Provide a safe working environment that complies with all relevant health and safety regulations.
- Implement measures to minimize risks of accidents, exposure to hazardous substances, and health risks, particularly in the mining, refining, and transport of commodities such as metals and solid fuels.
- Ensure the proper handling and disposal of hazardous materials to prevent contamination and environmental damage.

4. Environmental Responsibility

At BLACKRAW Commodities Limited, we are deeply committed to minimizing the environmental impact of our supply chain. As a responsible trading company, we seek to work with suppliers who share our vision for sustainable sourcing and environmental stewardship.

4.1 Sustainable Resource Extraction:

The extraction of metals, minerals, ferroalloys, and solid fuels can have significant environmental consequences. We require that suppliers:

- **Adhere to Environmental Laws:** All suppliers must comply with local, national, and international environmental laws and regulations.

- **Prioritize Sustainable Mining Practices:**

Suppliers must employ practices that reduce environmental damage, including minimizing land degradation, water consumption, and air pollution. We prefer suppliers who use advanced technology to reduce waste and improve resource efficiency.

- **Minimize Environmental Footprint:** Suppliers must mitigate the environmental impacts of their operations by minimizing carbon emissions, managing waste, and reducing the energy consumption associated with the extraction and processing of raw materials.

- **Biodiversity Preservation:** Suppliers are expected to avoid sourcing materials from regions where extraction leads to significant harm to biodiversity and ecosystems, especially in areas of high conservation value.

4.2 Climate Change Mitigation:

As the global demand for metals, minerals, and fuels continues to rise, it is critical to address the carbon footprint of the commodities industry. BLACKRAW is committed to supporting efforts to combat climate change and expects its suppliers to do so.

5. Conflict Minerals and Responsible Sourcing

BLACKRAW Commodities Limited is committed to ensuring that the minerals and metals we source do not contribute to human rights abuses, conflict financing, or violence in any region. We adhere to all international guidelines, such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and require our suppliers to:

- **Verify Source of Materials:** All suppliers must ensure that minerals and metals are sourced from legitimate, conflict-free areas and do not contribute to human rights violations.
- **Provide Traceability:** Suppliers must provide documentation proving the origin of minerals and metals and conduct regular due diligence to ensure that materials are conflict-free.

6. Transparency and Traceability

BLACKRAW Commodities Limited believes in maintaining transparency throughout the supply chain. We require that all suppliers provide detailed and verifiable documentation about the origin, processing, and transportation of commodities. This includes:

- **Supply Chain Traceability:** Suppliers must ensure the traceability of materials from origin through to final delivery, allowing us to monitor compliance with ethical, environmental, and legal standards.
- **Third-Party Audits:** We may require suppliers to submit to third-party audits and certifications.
- **Reporting and Disclosure:** We encourage our suppliers to disclose their sourcing practices and environmental impacts, including GHG emissions, waste management, and resource utilization.

7. Community Engagement and Social Responsibility

We understand that our scope of business can have profound social and economic impacts on local communities. BLACKRAW Commodities Limited is committed to ensuring that the sourcing of commodities provides benefits to local communities and respects their rights. We expect suppliers to:

- **Support Local Communities:** Suppliers should engage with local communities and provide economic opportunities, including employment, education, and healthcare support.
- **Respect Land Rights:** Suppliers must respect indigenous land rights and engage in meaningful consultation with local communities before undertaking any extractive activities.
- **Corporate Social Responsibility (CSR):** Suppliers should contribute to community development projects that improve quality of life and support sustainable development goals.

This Policy will be reviewed as needed to ensure that it remains effective and compliant with changing laws and regulations.

8. Supplier Development and Partnerships

At BLACKRAW, we understand the importance of long-term relationships with our suppliers. We are committed to working with suppliers to help them meet our standards and improve their sustainability practices. This includes:

- **Training and Capacity Building:** We offer training and resources to help suppliers understand and comply with responsible sourcing standards.
- **Collaborative Initiatives:** We work closely with suppliers to develop joint initiatives focused on improving environmental and social performance.

9. Monitoring, Compliance, and Continuous Improvement

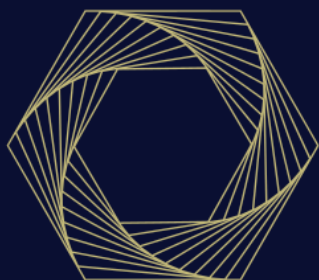
BLACKRAW Commodities Limited will regularly monitor and evaluate the performance of our suppliers to ensure compliance with this Responsible Sourcing Policy. This will include:

- **Regular Audits:** We will conduct regular audits of suppliers to assess their compliance with our standards, using both internal and third-party auditors.
- **Corrective Actions:** If non-compliance is identified, we will work with suppliers to implement corrective actions, with the goal of improving practices over time. Continued non-compliance may result in the termination of our business relationship.
- **Continuous Improvement:** We are committed to continuously improving our responsible sourcing practices, regularly reviewing and updating this policy to adapt to new challenges and opportunities.

10. Conclusion

BLACKRAW Commodities Limited is committed to being a leader in responsible sourcing within the commodities trading industry. By adhering to this policy, we aim to create a positive impact on people, the planet, and the economies where we operate. We invite all our suppliers, partners, and stakeholders to join us in our mission to promote ethical, sustainable, and transparent sourcing practices for the betterment of all.

For questions regarding this Code or its application, please contact the Legal and Compliance Department at: compliance@blackraw.com.hk Or legal@blackraw.com.hk



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Unit 2406B, 24/F, Low Block,
Grand Millennium Plaza, 181 Queen's Road Central,
Sheung Wan, Hong Kong

<https://www.blackraw.com.hk>

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