

BAIRD & CO LTD

**SUPPLY CHAIN DUE DILIGENCE POLICY 2025/2026**

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DOCUMENT OWNER: COMPLIANCE DEPARTMENT

## **Introduction**

Baird & Co Ltd (Company No. 02269558), a UK-registered private limited company, operates internationally in the precious metals sector. Its core activities include refining, trading, and sales of precious metals, as well as scrap purchasing and the production of industrial materials and engineered products.

Baird & Co. is committed to responsible sourcing and transparent management of its precious metals supply chain. This statement reflects our adherence to the London Bullion Market Association (LBMA) Responsible Gold Guidance and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as applicable UK and international regulations.

### **1. Purpose and Scope**

This statement sets out Baird & Co.'s framework for identifying, assessing, and mitigating risks in our precious metals supply chains. Our objectives are to ensure that:

- Metals sourced are free from links to armed conflict or human rights abuses
- Suppliers adhere to ethical, legal, and environmental standards
- Traceability and transparency are maintained throughout the supply chain

The scope covers all stages of the supply chain under Baird & Co.'s control, including sourcing, procurement, refining, processing, and trading activities. The principles in this statement apply to all employees, management, contractors, and business partners.

### **2. Regulatory and Industry Standards**

Baird & Co. aligns its supply chain due diligence framework with the following standards and regulations:

- LBMA Responsible Gold Guidance (Version 9)
- OECD Due Diligence Guidance (including Annex II)
- United Nations (UN) Guiding Principles on Business and Human Rights
- EU Conflict Minerals Regulation (EU 2017/821)
- Applicable UK AML/CTF, sanctions, and anti-bribery legislation

These standards guide our due diligence, supplier engagement, and risk management practices.

### **3. Conflict-Affected and High-Risk Areas (CAHRAs)**

CAHRAs are regions affected by armed conflict, political instability, weak governance, corruption, or human rights abuses. Baird & Co. specifically considers:

- Democratic Republic of the Congo (DRC) and its adjoining countries: Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, Zambia
- Additional countries identified in EU CAHRA updates, including Afghanistan, Ethiopia, Libya, Somalia, and others

All sourcing regions undergo risk assessments including origin verification, supply chain actor mapping, and exposure to conflict, governance, and human rights risks. High-risk exposures trigger Enhanced Due Diligence, including document verification, independent audits, and, where necessary, on-site inspections.

#### **4. Threat Financing and OECD Annex II Risks**

Baird & Co. has zero tolerance for direct or indirect involvement in the following OECD Annex II risks:

- Torture or cruel, inhuman, or degrading treatment;
- Forced or compulsory labour;
- Worst forms of child labour;
- Widespread sexual violence;
- War crimes, crimes against humanity, or genocide;
- Direct or indirect support to illegitimate non-state armed groups or security forces;
- Bribery, corruption, or fraudulent misrepresentation of origin;
- Money laundering or terrorist financing;
- Contribution to conflict;
- Non-payment of legally due taxes, fees, or royalties.
- We do not directly or indirectly support to illegitimate non-state armed groups, or public or private security forces ('illegitimate non-state armed groups, public or private security forces') which:
  - Illegally control mines, sites, traders or other intermediaries, and transport routes through the
  - supply chains; or
  - Illegally tax or extort money or minerals through the supply chains.

#### **5. Environmental, Social and Governance (ESG) Factors**

##### **Environmental:**

- Compliance with environmental, health, and safety regulations;
- Air, water, and land pollution controls;
- Water stewardship;
- Prohibition of sourcing from World Heritage Sites and Protected Areas;
- Safe handling and disposal of hazardous chemicals, including mercury and cyanide.

##### **Social:**

- Labour rights, remuneration, working hours, non-discrimination, and safeguarding;
- Community engagement, land acquisition, resettlement, and protection of vulnerable populations.

**Governance:**

- Ethical conduct and business integrity;
- Transparency of ownership and control;
- Anti-bribery, anti-corruption, and financial crime controls;
- Support for transparency initiatives such as EITI where applicable.

**6. Extractive Industries Transparency Initiative (EITI)**

Baird & Co. supports the Extractive Industries Transparency Initiative (EITI) and promotes transparency and accountability in the management of revenues from extractive industries. In alignment with EITI objectives, the Company recognises the importance of addressing key governance priorities such as anti-corruption, gender equality, energy transition, revenue collection, and the formalisation of artisanal and small-scale mining. As part of its due diligence framework, Baird & Co. encourages business partners involved in mining and extraction to demonstrate evidence of payment disclosures in accordance with EITI standards, ensuring clear and transparent reporting of taxes, royalties, fees, and other payments to governments.

**7. Due Diligence Framework**

Baird & Co. operates a risk-based due diligence framework aligned with LBMA RGG Steps 1–5:

- Know Your Counterparty (KYC);
- Know Your Product (KYP);
- Transaction monitoring (KYT);
- Enhanced Due Diligence for high-risk supply chains;
- Ongoing monitoring and review.

**8. Verification, Documentation, and Chain of Custody**

To support traceability and due diligence, Baird & Co. requires suppliers to provide complete and verifiable documentation, including:

- Mine-of-origin or source declarations
- Export and import licenses
- Bills of lading, air waybills, or other transport records
- Refining and assay certificates
- Invoices and payment records
- Know Your Counterparty (KYC) documentation

All documentation is reviewed and assessed for authenticity, completeness, and consistency.

Discrepancies or red flags are investigated before continuing the business relationship.

Chain of custody controls ensure segregation, secure handling, and auditable records for all metals.

Baird & Co. maintains clear and complete records of all due diligence activities in accordance with LBMA requirements. Records are retained securely for ten years and made available for external audits or regulatory inspections as needed.

## **9. Governance and Roles**

Responsibility for due diligence is shared across Baird & Co.:

- Head of Compliance & MLRO: Oversees compliance framework, LBMA alignment, and regulator liaison
- Technical Compliance Specialist: Strategic oversight, risk evaluation, and enhanced due diligence leadership
- Compliance Specialists: Operational execution of due diligence, monitoring, and reporting

All employees involved in the supply chain are trained in LBMA guidance, OECD frameworks, CAHRA identification, sanctions screening, and ethical sourcing practices.

## **10. Customer and Supplier Onboarding**

All customers and suppliers undergo a risk-based onboarding process:

- Individuals: Identity verification, proof of address, source of wealth, and material ownership
- Businesses: Legal registration, ownership structure, source of capital, and operational documentation

High-risk suppliers will undergo further verification, including on-site visits by experienced external due diligence consultants. Corrective measures are implemented when discrepancies or red flags are identified.

## **11. Cash policy**

Baird & Co. prohibits the use of cash payments to mitigate the risks of money laundering, terrorist financing, corruption, and other illicit activities within its supply chain.

Our position on cash transactions in relation to the purchase, sale, or processing of precious metals. All payments must be made through traceable, regulated financial channels such as bank transfers or other approved electronic means.

The Company does not accept, process, or disburse cash under any circumstances.

All transactions must be linked to an identifiable counterparty with verified Know Your Customer (KYC) or Know Your Business (KYB) documentation. Transactions are only conducted through financial institutions subject to the oversight of the UK Financial Conduct Authority (FCA) or equivalent regulatory bodies

## **12. Whistleblowing and Grievance Mechanism**

Baird & Co. Ltd is committed to upholding the highest standards of ethical conduct, integrity, and compliance across its operations and supply chains. In line with the London Bullion Market Association (LBMA) Responsible Gold Guidance, the Company provides a structured whistleblowing and grievance mechanism to enable employees, contractors, suppliers, and other stakeholders to raise concerns responsibly and confidentially. Reports may be made anonymously where necessary, ensuring

protection from retaliation or any adverse consequences and promotes a culture of continuous learning, adaptation.

Concerns may include, but are not limited to, violations of the Company's Supply Chain Due Diligence Policy, breaches of legal or regulatory obligations, environmental, health, or safety risks, human rights abuses, fraud, bribery, corruption, or attempts to conceal such issues. Employees are encouraged to report practices or actions that may constitute a criminal offence, endanger health and safety, breach Company policies, or conceal relevant information. Initial reporting should be made to a line manager, or where this is not appropriate, escalated to the Compliance Officers, the Money Laundering Reporting Officer (MLRO), or directly to the Board of Directors.

Anonymous reports may be submitted in writing to the Compliance Department or Board of Directors. All concerns are taken seriously, logged, and investigated confidentially, with the level of investigation proportionate to the seriousness of the allegation. Whistleblowers acting in good faith are fully protected from retaliation, harassment, or any negative employment consequences, with any attempt to victimise a whistleblower treated as a disciplinary offence.

Each grievance, report, or whistleblowing disclosure received is thoroughly assessed and documented. Outcomes are analysed to identify root causes, corrective actions, and preventive measures, which are integrated into policy updates, staff training, and risk mitigation frameworks.

This continuous feedback loop strengthens Baird & Co.'s ability to detect and respond to potential risks, enhancing overall compliance effectiveness and ethical performance.

Investigations aim to resolve issues promptly, document findings, and, where appropriate, communicate outcomes to the reporting individual. Serious matters relating to supply chain, human rights, or misconduct may be escalated internally to senior management or externally to the relevant authorities.

Where anonymity is required to ensure the protection or comfort of the whistle-blower, reports may be submitted without disclosing identity. Anonymous reports should be submitted in writing to either:

- Compliance Department  
Baird & Co. Ltd  
PO Box 71581  
London, E6 9NF or
- The Board of Directors  
Baird & Co. Ltd  
PO Box 71581  
London, E6 9NF

As part of our commitment to continuous improvement and transparency, Baird & Co. ensures that reports submitted through reporting channels are properly acknowledged. In line with confidentiality policies, individuals who submit reports will receive updates at key stages of the investigation process and will be informed of the final outcome once the investigation is completed.

Baird & Co confirms that during the assessment period 2025, no supply chain-related complaints or grievances were received. There were also no outstanding relevant cases from prior periods requiring closure. In the event of any grievances being recorded in the future, we will ensure that these are disclosed in the report, including their nature and the status of any related cases.

We ensure transparency in handling grievances and enhances our commitment to accountability and resolution within our supply chain.

## APPROVAL FOR THIS POLICY

This Policy is reviewed at least annually and updated as necessary to reflect regulatory developments, LBMA updates, and evolving risks.

Approved by: Board of Directors, Baird & Co. Ltd

Effective Date: 2<sup>nd</sup> February 2026

Next Review: Q1 2027