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## Independent Assurance Report

*To the Management of Istanbul Gold Refinery (IGR)*

### **Scope**

We have been engaged by Istanbul Gold Refinery (IGR) to provide reasonable assurance on its LBMA Gold and Silver Compliance Report (Reporting year 2025) (“Refiner’s Compliance Report”) for the reporting period ending 31/12/2025.

### **The Subject Matter of the Assurance Engagement**

The subject matter includes the description of the IGR’s precious metals responsible sourcing policies, procedures, governance, management systems, and key performance information contained in the Refiner’s Compliance Report and whether this has been prepared in accordance with the reporting criteria.

### **Reporting Criteria:**

The reporting criteria (“the Criteria”) comprises the LBMA’s Responsible Sourcing Guidance including [the Responsible Gold Guidance version 9](#), the [Responsible Silver Guidance version 2](#), and the Disclosure Guidance version 3 (“LBMA Guidance”) applied through the Gold and Silver Supply Chain Policy, available on the company website [Gold And Silver Supply Chain Policy](#), and the Refiner’s Standard Operating Procedures for Supply Chain Risk Identification, Classification and Mitigation.

The methods used by Refiners to comply with the LBMA Guidance may differ therefore the subject matter information should be read and understood together with the Criteria.

### **Reasonable Assurance conclusion**

In our opinion, IGR's Compliance Report for the period from 01/01/2025 to 31/12/2025 is prepared, in all material respects, in accordance with the Criteria.

### **Basis for our opinion**

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB) and the [LBMA Third Party Assurance Guidance version 2](#). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

### **Independence and Competency Statement**

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Refiner's Responsibilities**

The Management is responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the Criteria and free from material misstatements, whether due to fraud or error.

This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived and maintaining adequate records and assurance trails.

The Management is also responsible for determining the appropriateness of the Criteria in view of the intended users of the Report and for ensuring that the Criteria remains publicly available to the Assurance Report users.

### **Our responsibilities**

We are responsible for:

- planning and performing the engagement to obtain reasonable assurance about whether the Refiner's Compliance Report is free from material misstatement, whether due to fraud or error;
- forming an independent opinion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our opinion to the Management.

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Refiner's Compliance Report that is sufficient and appropriate to provide a basis for our opinion. The nature, timing, and extent of the procedures selected depended on our judgment, including an assessment of the risks of material misstatement of the Refiner's Compliance Report, whether due to fraud or error.

We identified and assessed the risks of material misstatement through understanding the Refiner's Compliance Report and the engagement circumstances. We also obtained an understanding of the internal control relevant to the Refiner's Compliance Report to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls.

Our procedures include:

- **Suitability of Criteria:** reviewing the Refiner's supply chain due diligence policies and standard operating procedure documentation to determine conformance with the LBMA Guidance.
- **Business Understanding:** interviewing key management and senior executives to evaluate the Refiner's governance and internal control environment against the Criteria.
- **Process Understanding:**
  - critically evaluating the Refiner's supply chain risk identification, classification and mitigation processes and systems based on the Criteria and our experience and understanding of risks in the precious metals supply chains.
  - reviewing documentation and performing walkthroughs of identified key processes and controls to corroborate information provided by management.
- **Detailed Testing:**
  - conducting analytical reviews and trend analyses of transaction volumes and country of origin data and reviewing management responses for any material anomalies.
  - designing a sample selection methodology to obtain sufficient, appropriate coverage of precious metals supply chains, including new and existing suppliers, different types of material and risk classification categories, and transactions in the reporting period.
  - for the sample selected reviewing suppliers know your counterparty and due diligence files to assess completion and accurate classification against the Criteria.
  - for the sample selected reviewing details of transactions (for example volumes, assays and transportation routes) against supporting documentation and corroboration to supplier files.
- **Disclosure Review:**
  - reviewing the completeness of Refiner's Compliance Report against the applicable Criteria (Disclosure Guidance version 3).
  - evaluating the assertions in the Refiner's Compliance Report based on our overall knowledge and understanding of Refiner's internal controls and supply chain due diligence processes, systems and results.

**Inherent Limitations and Restriction of Liability**

Non-financial information, such as that included in the Refiner's Compliance Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information.

**Intended use or purpose / Restriction on use or distribution**

This report has been prepared for the Management of IGR for the purpose of determining whether IGR conforms to the LBMA Guidance, in accordance with the terms of our engagement. We understand that the Report will also be shared with the LBMA to demonstrate the Refiner's conformance with the Criteria. We consent to this on the understanding that the Assurance Report may only be used by the LBMA for this and no other purpose. We do not accept or assume responsibility to anyone other than the Refiner for our work, or for the conclusions we have reached in the assurance report.



Kaido Katalsepp

ARCHE Advisors Inc.

21/04/2026

ISTANBUL GOLD REFINERY INC.

LBMA Gold and Silver  
Compliance Report

Reporting Year

2025

Prepared by

Compliance Officer

Istanbul Gold Refinery Inc.

March 2026





## FOREWORD

As a London Bullion Market Association (LBMA) Good Delivery List refinery, Istanbul Gold Refinery Inc. (IGR) remains firmly committed to the principles of responsible sourcing, ethical business conduct, and continuous improvement. Responsible supply chain management constitutes a fundamental pillar of IGR's corporate governance framework and reflects our long-term commitment to integrity, transparency, and sustainability in the precious metals sector.

In an increasingly complex global environment, characterized by heightened regulatory expectations and evolving risk landscapes, IGR maintains a structured and risk-based due diligence framework designed to identify, assess, and mitigate supply chain risks. IGR's approach is aligned with internationally recognized standards, including the LBMA Responsible Gold Guidance, LBMA Responsible Silver Guidance, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and the Borsa İstanbul Responsible Supply Chain Guidelines.

This Compliance Report outlines the measures implemented during the reporting period and demonstrates IGR's ongoing commitment to maintaining full alignment with LBMA Responsible Sourcing Standards. IGR will continue to enhance its due diligence mechanisms not only to meet evolving industry expectations, but also to contribute to the advancement of responsible sourcing standards and to play a proactive role in shaping the sector's response to financial crime and environmental misconduct within precious metals supply chains.

**TABLE 1 : REFINER'S DETAILS**

<b>REFINER NAME:</b>	ISTANBUL GOLD REFINERY INC. (IGR)
<b>LOCATION:</b>	Kuyumcu Kent Factory No.7 – 34197 Yenibosna – İstanbul/TÜRKİYE
<b>REPORTING PERIOD:</b>	1 JANUARY – 31 DECEMBER 2025
<b>DATE OF REPORT:</b>	09.03.2026
<b>SENIOR MANAGEMENT RESPONSIBLE</b>	AYŞEN ESEN ( <a href="mailto:aysen.esen@iar.com.tr">aysen.esen@iar.com.tr</a> )

### ISTANBUL GOLD REFINERY (IGR)'S EVALUATION:

Istanbul Gold Refinery Inc. (IGR) integrates responsible sourcing and ethical business practices into its core operations. As an LBMA Good Delivery List Refinery, IGR implements a structured and risk-based approach to supply chain due diligence, ensuring compliance with LBMA Responsible Gold Guidance (Version 9), LBMA Responsible Silver Guidance (Version 2), OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and the Borsa İstanbul A.Ş. Due Diligence Guideline on Responsible Supply Chain of Precious Metals.

Throughout FY2025, Istanbul Gold Refinery Inc. (IGR) continued to pursue continuous improvement and further strengthen its due diligence mechanisms. Particular emphasis was placed on the prevention of environmental and financial crime, as well as on ensuring ethical business conduct across all sourcing activities.

As a financial institution operating in the precious metals sector, IGR has identified risk areas and implemented appropriate mitigation measures accordingly. These efforts have focused both on the practical implementation of responsible sourcing controls and on the development of a robust conceptual framework supporting responsible sourcing practices.

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Trends related to conflict dynamics and other supply chain risks have been closely monitored by senior security expertise, supported by technological tools and analytical methods. This intelligence-driven monitoring has enabled IGR to proactively identify emerging risks and adapt its due diligence approach accordingly.

IGR recognizes that responsible sourcing begins with effective management systems and extends to practical implementation in the field. In line with this understanding, the strategic scope of the responsible sourcing programme has been tailored in accordance with a risk-based approach, and resources have been allocated based on the outcomes of IGR's rigorous risk identification and assessment processes.

The strategic framework has been further strengthened through tactical intelligence gathering, including detailed Know-Your-Customer (KYC) procedures, human intelligence obtained through stakeholder engagement, open-source intelligence analysis, the use of technological and AI-supported tools, and transaction monitoring mechanisms. Through this layered and methodological approach, risks relating to locations, suppliers, and materials have been systematically identified and effectively managed.

Environmental, Social and Governance (ESG) risks have been assessed with particular attention to primary material sources. Site visits were conducted even for suppliers located in Türkiye that were not classified as high-risk, and the findings confirmed the implementation of strong responsible sourcing practices.

Stakeholder engagement has been further strengthened during the reporting period. Communication with suppliers has been enhanced and targeted support has been provided throughout the implementation of due diligence measures, with particular focus on Artisanal and Small-Scale Mining (ASM) stakeholders. Responsible sourcing objectives, expectations, and potential risks have been regularly communicated through continuous dialogue and training activities.

It is important to emphasize that IGR's due diligence efforts and strategic vision extend beyond mere compliance with international standards. IGR aims not only to meet established requirements, but also to contribute to the advancement of responsible sourcing practices through a deeper understanding of supply chain risks and evolving threat dynamics.

Through this approach, IGR seeks to support global efforts to prevent OECD Annex II threats including conflict financing, human rights abuses, and ESG-related risks, while promoting higher standards of integrity and transparency across precious metals supply chains.

## TABLE 2 : SUMMARY OF ACTIVITIES UNDERTAKEN TO DEMONSTRATE COMPLIANCE

### STEP 1: ESTABLISH STRONG COMPANY MANAGEMENT SYSTEMS

#### Compliance Statement with Requirement:

IGR has fully complied with 'Step 1: Establish strong management systems'.

#### STEP 1.1: Comments and Demonstration of Compliance

**IGR has adopted a company-wide precious metals supply chain policy and procedures binding for all its entities regarding due diligence for the responsible supply chain of precious metals including Gold, Silver.**

IGR operates a structured and methodological due diligence mechanism across its supply chain. The due diligence mechanism is built on a risk-based approach, ensuring the allocation of resources proportionate to the identified risks. All business relationships and operations are subject to due diligence, including KYC processes, risk assessment, risk management, and ongoing monitoring based on defined risk criteria, control measures, and their respective risk profiles. This approach ensures the effective implementation of responsible sourcing standards and supports the prevention and detection of illicit financing risks, as well as financial and environmental crimes.

The foundations of IGR's risk-based compliance framework are set out in its policies and procedures through explicit mechanisms and control measures. These policies and procedures have been developed to identify

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and address the risks defined under OECD Annex II, the LBMA Responsible Gold Guidance, the LBMA Responsible Silver Guidance, and FATF standards, and to ensure full compliance with these standards.

IGR's Supply Chain Due Diligence Policy and Procedures describe the due diligence framework, including its stages, responsible functions, risk assessment criteria, risk management measures — including disengagement criteria — and the Enhanced Due Diligence (EDD) measures to be applied where required.

IGR's due diligence mechanism, supply chain policies and procedures, and management systems are reviewed annually and updated as necessary, with senior-level approval, in line with evolving industry standards and emerging risk trends.

IGR has adopted an ongoing, proactive and reactive due diligence process, supported by a wide range of internal company policies and procedures (The precious metals supply chain policy and the other related policies and procedures: Gold and Silver Supply Chain Policy, CAHRA Policy, CAHRA Procedure, Risk management Procedure, Compliance and Supply Chain Policy, Cash Policy, Anti-Bribery & Anti-Corruption policy, AML & CFT policy, AML & CFT Procedure, Whistleblowing Policy, Code of Conduct & Business Ethics Policy, Sustainability policy) for the precious metals supply chain in compliance with LBMA Responsible Gold Guidance V9, LBMA Responsible Silver Guidance V2 and OECD Due Diligence Guidance.

All of these policies and procedures are communicated to management staff and employees involved in the gold/silver/precious metals (multi metal) refining process.

In the supply chain policy, the following subjects are addressed:

- Risks outlined in OECD Annex II, including conflict financing,
- Risk assessment and decision-making processes,
- High-risk criteria,
- Customer acceptance principles,
- Due diligence essentials,
- ESG risk factors,
- Transaction monitoring,
- Record-keeping,
- Training efforts,
- Policy review process.

The scope of IGR's due diligence efforts is summarized below. Detailed information on each key area is provided in the corresponding sections.

#### **The Risk Assessment and Management Efforts:**

IGR has established a risk assessment and management framework to identify, assess, manage, and mitigate risks associated with the supply chain. As part of this framework, IGR conducts information-gathering activities to create a reliable dataset for risk identification and assessment.

The risk identification process includes, at a minimum, the following risk areas:

- Location Risk

To analyze location-based risks, IGR undertakes activities to determine the origin of the mined material. The identification process varies based on the type of material:

**Mined gold/silver:** Origin is determined as the location of the mine.

**Recycled gold/silver:** Origin is identified as the point where the gold/silver is returned to the refiner or another downstream processor.

**Mining by-product gold/silver:** Defined as the point of separation of gold/silver from the mineral base in accordance with the World Customs Organization's Revised Kyoto Convention Annex K.

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IGR does not require origin verification for grandfathered stocks and ensures that none of the material originates from a World Heritage Site.

Once the origin of the material is established, location-based risk assessments is conducted.

In line with the expectations of the LBMA Responsible Gold Guidance, IGR has developed a comprehensive CAHRA Tool using internal sources to assess and identify Conflict-Affected and High-Risk Areas (CAHRAs). The tool comprises 15 internationally recognized indices, structured under three main risk areas—conflict, governance, and human rights—along with additional ESG indices, and applies a weighted scoring methodology. Each main risk area is assessed separately, and if any one of them exceeds the relevant threshold, the location is directly classified as high risk. The risk scoring process is further supported by additional secondary indices and indicators used to calibrate and refine the overall risk assessment and to ensure a comprehensive and risk-sensitive evaluation.

The outcomes of the CAHRA Tool are further supported by dedicated country reports covering a broad range of topics, including political and historical developments, geopolitical tensions, conflict trends, social structure, legal framework, potential dispute areas, and precious metals sector characteristics. These country reports are prepared by senior security experts with both academic and industry experience and provide in-depth contextual analysis to support CAHRA and high-risk scenario identification.

The country reports and CAHRA Tool scores are further strengthened through the collection and analysis of OSINT and other actionable intelligence to ensure a holistic approach to CAHRA and high-risk identification.

- **Supplier Risk**

IGR conducts detailed supplier risk assessments, within which comprehensive Know Your Customer (KYC) procedures are performed and mandatorily completed during the onboarding stage prior to the establishment of any business relationship. The scope and processes of the Know Your Customer procedures are aligned with the Responsible Gold Guidance, Responsible Silver Guidance, OECD Due Diligence Guidance, Borsa İstanbul Responsible Sourcing Guidance, FATF recommendations, and MASAK regulations. Records are retained for a minimum of eight years.

Within this framework, IGR utilizes both the LBMA KYC Questionnaires and tailored KYC Questionnaires designed for different supplier typologies in alignment with LBMA KYC requirements. These questionnaires constitute the primary tool for collecting and assessing relevant information necessary to establish each counterparty's risk profile.

As part of the supplier risk assessment process, IGR collects and verifies all necessary documentation from counterparties, including legal records such as company registrations, ultimate beneficial owner (UBO) identifications, and authorized signatory details. The information obtained through the KYC Questionnaires is verified against the official documentation provided by the counterparty and supported by open-source intelligence, international sanctions screening, and risk intelligence tools, including LSEG World-Check, in order to identify potential risk indicators and determine the counterparty's overall risk profile.

Based on the outcome of this structured assessment, suppliers are classified according to their risk level, including Zero Tolerance, High-Risk, and Low-Risk categories, in line with IGR's risk-based due diligence framework. The objective of this process is to identify risks in line with OECD Annex II, including risks related to illicit financing, money laundering, terrorist financing, sanctions evasion, and other relevant supply chain risks.

- **Material Risk**

IGR assesses the risks associated with the source of the material, categorizing mined, recycled, and artisanal materials separately. Environmental, social, and governance (ESG) risk indicators are integrated into the risk assessment process. In particular, ASM materials and ASM supply chains are managed with special care, utilizing tailored tools and standards. Material-related risks require careful assessment. Each material type presents distinct risk characteristics and provides important indications regarding its origin and historical background.

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The due diligence mechanism and the expectations from counterparties are publicly available on IGR's official website within the Supply Chain Policy and are communicated to counterparties during the onboarding process. Internal awareness among IGR employees regarding the due diligence mechanism and the Supply Chain Policy is maintained through regular training programmes.

IGR remains committed to upholding the highest ethical standards in responsible sourcing and due diligence. In alignment with international standards and regulatory frameworks, IGR continuously enhances its compliance processes to mitigate risks and ensure transparency across the supply chain. As part of this commitment to continuous improvement, policies and procedures are reviewed annually and updated where necessary with the approval of the Board of Directors, and are made publicly available on the company's website to ensure transparency and accessibility for all stakeholders.

#### STEP 1.2: Comments and Demonstration of Compliance

##### **IGR has set up an internal management structure to support supply chain due diligence.**

IGR has established an organizational management structure and communication processes to clearly define governance arrangements, roles and responsibilities, internal audit functions, communication channels, and senior management review in line with its adopted policies. IGR's internal management system collects and maintains documentation regarding the sources of mined material, recycled material, and other feedstock in order to ensure compliance with applicable standards.

A Compliance Officer has been appointed since 2012 to manage and oversee the supply chain compliance process and maintains a direct reporting line to Senior Management. A Compliance Committee convenes on a quarterly basis, or whenever required, to evaluate high-risk operations and relevant compliance matters.

In addition to the central compliance function, department-level compliance responsables have been appointed for each internal departments of IGR. These individuals work in coordination with the Chief Compliance Officer to ensure the effective implementation and monitoring of IGR's Precious Metals Supply Chain Policy and related procedures. The Compliance Officer maintains ongoing communication with internal departments and branch-level compliance responsables regarding compliance-related matters.

IGR's management team consists of highly qualified professionals with extensive experience in the precious metals sector and in-depth knowledge of responsible sourcing standards. This expertise is continuously maintained and enhanced through regular training programmes, including CAHRA-focused training, compliance committee meetings, and periodic compliance reporting to senior management, ensuring ongoing alignment with evolving responsible sourcing standards and risk environments.

The General Manager (UBO of IGR) is a registered attorney with extensive expertise in the precious metals sector. Coming from a prominent family in the industry, he has successfully transferred the knowledge accumulated over generations to establish a distinguished, forward-thinking, and sustainable vision for the refining sector in Turkey.

The Chairman of the Board holds a bachelor's degree in Civil Engineering from Boğaziçi University and has held senior executive and board-level positions across multiple industries. Since 2013, she has served as Chief Executive Officer and Chairman of IGR and has extensive experience in corporate management, finance, institutional structuring, investment planning, and strategic analysis.

The Compliance Officer of IGR is a licensed attorney and a certified MASAK Compliance Officer, with professional experience in compliance and auditing. He holds a Master's degree in Intelligence Studies, where his thesis examined compliance programmes within the theoretical framework of intelligence failure. He is currently pursuing a PhD in Strategy and Security Studies, focusing on conflict dynamics, intelligence gathering and analysis, and supply chain security, with particular expertise in Artisanal and Small-Scale Mining (ASM) supply chains.

Prior to his current role, he gained professional experience as a compliance auditor. He has been serving as the Compliance Officer of IGR since the last quarter of 2025.

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Furthermore, in 2025, an additional security expert with a postgraduate degree in Intelligence Studies, who is currently pursuing a PhD in Security Studies and worked as a sanctions compliance expert at one of the largest banks in Türkiye, joined the compliance team, further strengthening its analytical and technical expertise. His postgraduate research focused on economic intelligence.

The IGR Compliance Team possesses the necessary competence and capacity, combining theoretical knowledge, analytical capability, and field experience, to effectively pursue responsible sourcing objectives. The team's capabilities enhance risk identification and risk management efforts through a structured analytical approach, with a particular focus on identifying potential indications of illicit financing and the involvement of illicit actors across the supply chain.

A dedicated Compliance Committee (Board Committee) has been established to handle decision-making in high-risk cases related to responsible sourcing. The Compliance Committee consists of the Chairman of the Board, the Foreign Trade Department Manager, and the Compliance Officer of IGR.

Identified high-risk cases are submitted to the Compliance Committee together with all relevant documentation, reports, and the evaluations of compliance experts. The Compliance Committee has the authority to determine the appropriate course of action for business relationships involving high-risk cases. The Compliance Committee convenes every three months to review developments related to compliance matters. The Compliance Officer provides a brief summary of the efforts undertaken during the reporting period.

All due diligence efforts and mechanisms are reviewed by the Compliance Committee, and identified high-risk customers and suppliers are escalated to senior management for review and decision-making. Periodic reports are presented by the Compliance Officer to the CEO and senior management. Senior management retains ultimate control and responsibility for IGR's precious metals supply chain.

During the reporting year, the regular IGR Training Program was conducted with the participation of all relevant employees. The trainings were delivered through online webinars and face-to-face sessions. To ensure comprehensive knowledge dissemination, structured training sessions were delivered throughout the year, a total of 322 participants, including all relevant personnel. In addition, a Responsible Sourcing Library has been established within the internal cloud system, and all relevant personnel are authorized to access the library at any time. The library contains all relevant regulations, documentation, and training materials related to responsible sourcing and compliance requirements. This year's training program comprised the following modules: CAHRA Training, Responsible Supply Chain Policy Training, LBMA Responsible Gold and Silver Guidance Training, Compliance and Responsible Sourcing Training, Code of Ethics Training, AML/CFT Training, Know Your Customer and Suspicious Transaction Training, Occupational Health and Safety (OHS) Training.

As part of ASM sourcing activities, Responsible Sourcing training was delivered to relevant personnel of the partner Central Bank by the Compliance Officer of IGR, with members of the Central Bank's operations and compliance teams participating in the session.

Additionally, the Compliance Department of IGR participated in the following specialized training programs: ASM Audit Workshop: Compliance, Due Diligence, and Progressive Improvement Using CRAFT in ASM Supply Chains, Updates on AML/CFT Training.

During the reporting period, IGR did not accept or conduct any cash transactions. A Cash Policy is in place to govern and control the use of cash payments in line with regulatory expectations and risk-based considerations. In the reporting year, all payments including ASM supplies were made and received exclusively through official banking channels.

IGR has a Lot and traceability system database and its own designed the enterprise resource planning ERP and the other systems that records each lot refined. The Compliance Officer/also named as supply chain officer has been appointed to manage the supply chain process and supervises the whole precious metals supply chain cycle starting from origin of the gold/silver/precious metals and the due diligence process in

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the refinery and reports directly to senior management. IGR is committed to maintaining transparency and fostering cooperation and coordination with legal authorities in all cases.

IGR utilizes a digital system for record-keeping, with multiple backups stored in different locations. Additionally, sensitive information is securely stored as hard copies in protected safes.

IGR also has gained Authorized Economic Operator (AEO) certification since April 2018. By having this certification, IGR voluntarily meets a wide range of criteria work in close cooperation with world customs authorities to assure the common objective of precious metals supply chain security and are entitled to enjoy benefits throughout the EU and some of the major trading partners of the EU.

#### STEP 1.3: Comments and Demonstration of Compliance

**IGR has established a strong internal system of due diligence, controls and transparency over precious metals supply chain, including traceability and identification of other supply chain actors.**

IGR maintains a robust traceability system to ensure complete visibility over the refining process—from doré reception to final product delivery. All transactions are recorded in IGR's IT infrastructure, including ERP and other internal systems. These systems enable effective tracking and reporting of metal batches from receipt to the finished product stage.

Prior to processing any shipment at the refinery, all relevant and required documentation must be obtained, including invoices, airway bills, packing lists, customs declarations, and supporting transportation documents (e.g., collection notes). Furthermore, all transactional data—including shipment numbers, sample codes, assay results, weight information, supplier and customer details, customs declaration references (where applicable), and internal registration numbers—must be fully and accurately recorded.

For international shipments, customs declaration numbers are recorded to enable retrospective tracking. Doré bars are grouped into lots based on purity and weight, then melted and cast for refining without cross-contamination. Each lot is assigned a unique lot number for traceability and recorded in the system accordingly. Approximately 10% of each lot may be temporarily unrecoverable during processing; these portions are later combined and assigned new batch numbers when recovered.

Each refined product—gold and silver—is recorded with unique serial numbers, weight, fineness, and party references, enabling product-level traceability. Final deliveries are monitored through comprehensive documentation, including customer details, shipment content, and any weight differences.

IGR ensures proper maintenance of all documentation related to customers, suppliers, and shipments. Additionally, client onboarding files and transaction records are retained for eight years, in accordance with Turkish legislation.

This traceability system allows for the active monitoring of inputs and outputs throughout the entire process, ensuring operational transparency and oversight.

#### STEP 1.4: Comments and Demonstration of Compliance

**IGR has strengthened company engagement with gold/silver supplying counterparties and where possible, assisted gold/silver/precious metals supplying counterparties in building due diligence capabilities.**

During the reporting period, IGR actively communicated its Precious Metals Supply Chain Policy and Due Diligence expectations to gold and silver supplying counterparties, both in written form and through direct engagement. Counterparties were requested and encouraged to comply with IGR's responsible sourcing requirements. A specially designed Undertaking Form clearly defines IGR's zero-tolerance criteria, and acceptance of the Undertaking Form is mandatory during the onboarding process. All new suppliers and customers are required to undergo IGR's responsible sourcing due diligence and KYC process prior to the establishment of a business relationship.

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IGR requires each counterparty to formally acknowledge its responsible sourcing requirements. Prior to any engagement, suppliers are required to sign the Compliance Agreement Form and the Undertaking Form, thereby committing to IGR's due diligence principles and responsible sourcing standards. These documents, together with the Supply Chain Policy, clearly define high-risk criteria, including OECD Annex II risks and zero-tolerance scenarios, which are communicated to counterparties prior to the commencement of any business relationship. IGR's policies and procedures are shared with counterparties as part of the onboarding process.

IGR actively supports the development of due diligence capacity among counterparties through targeted engagement and training programmes. Based on risk assessments, responsible sourcing training programmes are delivered to counterparties, with particular focus on ASM-related supply chains. During the reporting period, responsible sourcing training was provided to key actors within the ASM supply chain, including the partner Central Bank, aggregators and federations, through both on-site and remote training sessions.

IGR's KYC and due diligence framework is aligned with OECD Due Diligence Guidance, LBMA Responsible Sourcing Guidance and applicable regulatory requirements. For counterparties operating in the Turkish market, dedicated KYC documentation has been developed in full compliance with the requirements of the Financial Crimes Investigation Board of Turkey (MASAK), ensuring adherence to national AML/CFT obligations.

IGR supports the principles of the Extractive Industries Transparency Initiative (EITI) and encourages transparency and accountability in the extractive sector. However, during the reporting period, IGR did not source any mined gold or silver from State-Owned Enterprises operating in EITI implementing countries. Site visits were planned and conducted during the reporting period to strengthen engagement with counterparties, support responsible sourcing awareness and enhance mutual understanding of supply chain risks.

#### STEP 1.5: Comments and Demonstration of Compliance

**IGR has developed a mechanism allowing any employee or external stakeholder to anonymously voice concerns over the gold/silver supply chain or any newly identified risk.**

IGR has established a company-wide grievance mechanism that allows employees, supply chain actors and external stakeholders to raise concerns regarding the gold and silver supply chain or any newly identified risks. The mechanism is accessible to both internal and external parties and allows for anonymous reporting. Grievances can be submitted through multiple channels, including dedicated e-mail communication ([complianceiar@iar.com.tr](mailto:complianceiar@iar.com.tr) and [etik@iar.com.tr](mailto:etik@iar.com.tr)), physical compliance mailboxes and direct contact with the Compliance Department. Physical compliance mailboxes have been installed at accessible locations within company premises to ensure confidentiality and ease of access for employees.

IGR has established a whistleblowing mechanism through which employees, suppliers, service providers, customers and other stakeholders can report concerns related to misconduct, irregularities or malpractice without fear of retaliation. The mechanism ensures that all grievances are handled through appropriate methods and channels in a confidential and structured manner. All reported grievances are reviewed by the Compliance Team and, where necessary, escalated to the relevant departments for further investigation and resolution. IGR enhanced its grievance mechanism by strengthening communication with external stakeholders and improving the anonymity and accessibility of reporting channel.

Personal data collected through grievance reports are processed in accordance with applicable data protection legislation and the IGR Group Personal Data Protection Policy. Only data strictly necessary for the assessment and handling of grievances are processed.

Circumstances that may be subject to grievances include, but are not limited to:

- Financial malpractice, fraud or other irregularities
- Violations of applicable laws and regulations

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- Human rights abuses, including health and safety risks and child labour
- Environmental damage
- Criminal activities or unethical conduct
- Attempts to conceal violations of IGR supply chain or AML/CFT policies
- Falsification of documentation or fraudulent suppliers
- Direct or indirect links to conflict financing

During the reporting period, three submissions were received through the grievance mechanism. None of these submissions were related to the supply chain or responsible sourcing; rather, they consisted of general information requests (e.g., product-related inquiries); therefore, no grievances were identified during the reporting year. Subsequently, no grievances are pending closure. IGR is committed to handling all grievances with due care, confidentiality, and within a reasonable timeframe. The handling of grievances is assigned to IGR's Internal Audit Department to ensure independence and integrity in the process.

Overall, as part of IGR's responsible sourcing efforts, the collection of reliable information and the identification of potential gaps in the supply chain are considered essential. Human sources of information represent an important element of the due diligence process, and the grievance mechanism is positioned as an integral part of field-level information gathering. Alongside this, on-site visits constitute a key complementary source of information. Interviews with key personnel and randomly selected workers are conducted during site visits in order to identify potential gaps and risks. These field-level information-gathering activities help to address the inherent limitations of grievance mechanisms and strengthen IGR's overall due diligence framework.

## STEP 2: RISK IDENTIFICATION AND ASSESSMENT

### Compliance Statement with Requirement:

IGR has fully complied with 'Step 2: Identify and assess risks in the supply chain'.

### STEP 2.1: Comments and Demonstration of Compliance

#### IGR has processes in place to identify the risks in the supply chain.

IGR has established a structured risk assessment framework under its Supply Chain Policy, Risk Management Procedure and CAHRA Procedure, designed to identify and assess risks across the precious metals supply chain. The procedure defines the systems and controls used to identify supply chain risks and is implemented through IGR's Know Your Counterparty (KYC) and due diligence processes. The implementation and supervision of the procedure are carried out by the Compliance Department in coordination with legal advisors and other relevant personnel.

Istanbul Gold Refinery (IGR) adopts a risk-based methodology to identify and assess risks in the precious metals supply chain. Risk criteria applied during the risk identification process are systematically classified as high-risk and non-high-risk, with non-high-risk categories further divided into low-risk and medium-risk levels, alongside clearly defined zero-tolerance criteria, as described in IGR's policies and procedures.

High-risk criteria are not applied in a restrictive manner. Any discrepancies or indications of potential violations of national or international regulations, as well as deviations from IGR's fundamental ethical principles, are systematically evaluated throughout the risk identification and assessment process by qualified compliance personnel.

IGR adopts tailored KYC questionnaires designed for different material types and counterparty categories in order to support comprehensive due diligence on its counterparties. These KYC questionnaires are structured in accordance with the LBMA KYC Questionnaire framework. Prior to the establishment of any business relationship, counterparties are required to complete the relevant KYC questionnaires and submit all legally and regulatory required documentation.

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As part of the due diligence process, IGR assesses whether suppliers maintain appropriate onboarding procedures, risk assessment and identification mechanism and conduct due diligence on their own suppliers in line with responsible sourcing requirements.

For high-risk suppliers, Enhanced Due Diligence (EDD) measures are implemented, including on-site visits conducted either prior to the establishment of the business relationship or, where justified, within the first six months of its commencement. IGR applies the same due diligence procedures to within-group supplies, ensuring consistency with its established risk management framework and responsible sourcing standards. IGR's trained compliance experts utilize multiple sources of risk intelligence throughout the risk identification and assessment process. These sources include LSEG World-Check, IGR's internal CAHRA Tool, open-source intelligence (OSINT), credible market intelligence, NGO reports, country reports and ongoing monitoring activities.

In addition, on-the-ground assessments, direct engagement with counterparties and information obtained from field-level human sources constitute important components of IGR's risk identification framework.

Structured intelligence analysis techniques are applied to support the identification and assessment of risks across the precious metals supply chain. The use of multiple intelligence sources enables IGR to identify and assess potential risks related to individuals, companies and jurisdictions, including sanctions exposure, politically exposed persons (PEPs), criminal activities such as fraud and money laundering, terrorist financing and conflict-related risks.

As stated above, IGR utilizes multiple sources during the risk identification process. The range of sources applied by IGR meets and exceeds LBMA minimum requirements and includes, but is not limited to:

- Sanctions lists (including US, UK, EU, UN and Turkish sanctions lists)
- U.S. Dodd-Frank Act Section 1502 Covered Countries
- EU CAHRA List
- Heidelberg Conflict Barometer
- Fragile States Index
- FATF Public Statements and Monitoring Reports
- ACLED Country Watchlist
- Corruption Perceptions Index (Transparency International)
- Credible market intelligence sources
- UNESCO World Heritage Sites List

IGR has established a structured counterparty database in which a risk profile is assigned to each supplier and customer based on the risk criteria defined in its Supply Chain Policy and Risk Management Procedure. The evaluation of supplier and customer risk constitutes a formal and mandatory step prior to engaging in any business relationship involving gold, silver or other precious metals.

Based on the outcomes of the risk identification process, IGR determines an appropriate risk profile for each counterparty and applies Enhanced Due Diligence (EDD) measures where necessary. Through continuous monitoring, counterparty risk profiles are periodically reviewed and updated in light of newly available information or identified discrepancies. Where applicable, suspicious transactions are reported to the relevant Financial Intelligence Unit in accordance with applicable legal requirements.

IGR has established a structured mechanism for reporting identified risks to senior management. Through open communication channels, monthly reports prepared by the Compliance Officer and regular Compliance Committee meetings, senior management is consistently informed about high-risk scenarios and the status of the due diligence programme.

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## STEP 2.2: Comments and Demonstration of Compliance

### **IGR does assess risks in light of the standards of its supply chain due diligence system.**

IGR has established a robust and structured mechanism to identify, assess and manage risks across its precious metals supply chain. The risk identification mechanism is designed using a holistic approach to ensure effective harmonization between strategic objectives and tactical/operational implementation throughout the due diligence process. IGR identifies and anticipates risks across location, material, supplier and ESG dimensions based on the outcomes of multi-source information-gathering efforts, including the KYC process, risk intelligence tools, open-source intelligence (OSINT), stakeholder engagement and on-the-ground assessments, as described in the sections above.

IGR classifies and assesses risks using a defined internal risk taxonomy, including zero-tolerance, high-risk and non-high-risk criteria. Non-high-risk categories are further classified into low-risk and medium-risk levels. Risk classification is determined through IGR's core assessment tools, primarily the Supply Chain Assessment Form, which serves as the fundamental tool to consolidate due diligence findings, document risk rationale and assign the appropriate risk level in line with IGR's policies and procedures.

In particular, location-based risk assessment is conducted through IGR's internal CAHRA Tool, which provides a structured and evidence-based methodology to determine whether a country or supply chain context presents elevated conflict-affected and high-risk characteristics. The sources and thresholds applied within the CAHRA Tool have been established in accordance with OECD and LBMA requirements and expectations related to supply chain risks. The CAHRA Tool incorporates internationally recognised indicators and risk intelligence sources and generates scoring outputs that are directly utilised in assessing location risk and determining the degree of due diligence required. The resulting CAHRA Tool scores constitute the primary basis for location-risk determination and are integrated into counterparty risk profiling and decision-making processes.

In addition to the CAHRA Tool assessment, IGR Compliance experts prepare detailed Country Reports for each sourcing country as an integral part of the location-risk assessment process. These Country Reports are designed to refine and complement the CAHRA Tool results by providing a more comprehensive understanding of the material's origin context and the broader operating environment.

Country Reports are prepared with the involvement of specialised experts with backgrounds in security studies and intelligence analysis. These reports incorporate expert assessments and apply structured intelligence analysis techniques in order to evaluate location-based risks in a systematic and analytical manner.

The scope of Country Reports includes, as relevant:

- Conflict dynamics and regional tensions
- Political and economic developments
- Social and cultural context
- Governance capacity and institutional oversight
- Human rights considerations
- Environmental and ESG risk factors
- Criminality and illicit-finance risks
- Regulatory and legal frameworks
- Adverse media findings and credible market intelligence

Based on the combined results of the CAHRA Tool scoring and Country Report assessments, a jurisdiction may be classified as high-risk or zero-tolerance in accordance with IGR's risk criteria. Expert assessments may lead to the identification of elevated risks even where standard indicators alone would not justify such classification.

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As a result of these activities, IGR determines the applicable high-risk or zero-tolerance risk criteria, and assigns the final risk level through the Supply Chain Assessment Form by consolidating findings from intelligence gathering efforts, KYC, CAHRA Tool scoring, Country Reports and other due diligence outputs. ESG risk factors are systematically incorporated into the assessment process to ensure that mined gold and silver do not contribute to catastrophic harm or severe adverse impacts, and to support the implementation of proportionate mitigation measures and ongoing monitoring.

In the reporting year;

- One potential supplier presenting a zero-tolerance risk was identified and rejected due to sanctions evasion concerns.
- Two potential suppliers were classified as high-risk through the risk identification and assessment process, and the cases were presented to the Compliance Committee. Both potential suppliers were ultimately rejected due to their links to CAHRA locations and ASM material involvement.

#### **Due Diligence Efforts Regarding ASM Supply in Reporting Year**

In 2025, IGR continued its collaboration with the Central Bank of Bolivia to source gold from legitimate ASM operations within the country. The business relationship with the Central Bank is based on a toll refining agreement, under which IGR refines gold sourced domestically by BCB and delivers it to the vaults of a highly reputable international bank for deposit on its behalf as part of Bolivia's national reserves.

Before outlining the due diligence activities conducted during 2025, it is useful to briefly summarize the due diligence measures implemented in Bolivia during the previous reporting period.

IGR approaches the risks posed by ASM operations as an unconventional threat and designs its due diligence activities based on the realities of the risks associated with ASM operations and the specific characteristics of the jurisdictions in which they operate. At the same time, IGR considers supporting legitimate ASM operations as part of its social responsibility and takes meaningful actions by being present in the field, engaging directly with supply chain actors, seeking to understand local circumstances, and listening to the challenges faced by actors and communities involved in ASM activities.

ASM operations can serve as a key economic instrument for developing countries when they are effectively regulated and aligned with responsible sourcing practices. In this context, IGR initiated its sourcing activities by identifying cooperatives demonstrating best practices and working with them, gradually expanding these practices to other ASM actors and integrating them into the supply chain over time.

Incentivizing best practices through this approach, while maintaining a continuous presence in the field and engaging with cooperative members and locals has significantly contributed to building trust between the parties. Employing both a realistic, security-based approach and an ethical, empathetic perspective is a key element in maintaining progressive improvement and ensuring the integrity of the supply chain.

During the previous reporting period, due diligence activities were conducted with great care and diligence. The details of these efforts were presented in the 2024 Compliance Report. The meticulous and structured due diligence measures enabled IGR to develop a comprehensive understanding of the country context and the structure of the supply chain. Due to the involvement of ASM, the Central Bank of Bolivia has been classified as a high-risk supplier by IGR. Accordingly, enhanced due diligence measures have been implemented. The scope of the due diligence activities begins with the Central Bank and extends all the way to the origin of the mines, covering commercializers and cooperatives involved in the supply chain. Engagement and coordination meetings were conducted with relevant government institutions, including federations at both regional and national levels. In this regard, EDD measures including site visits were conducted with key stakeholders throughout the supply chain, including commercializers, cooperatives, government institutions, and federations.

All actors within the supply chain are subject to continuous monitoring. Developments within the country are monitored on a daily basis through both open-source intelligence and direct counterparty engagement.

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The risk management plan related to high-risk indicators is continuously reviewed and updated in real time based on the results of monitoring and intelligence-gathering activities.

IGR has utilized a holistic and intelligence-driven approach to the Bolivia case, which has delivered significant results and enabled IGR both to mitigate the risks posed by the ASM supply chain and to support best practices in alignment with LBMA's ASM initiatives.

In 2025, in light of evolving geopolitical dynamics, regulatory developments, and country-specific risk indicators, the broader threat landscape was reassessed through multi-source information gathering, including direct counterpart engagements, regulatory updates, open-source intelligence, institutional engagement, and supply chain-level inputs. The collected information was subjected to structured analytical techniques in order to identify emerging risk patterns, potential vulnerabilities, and early warning signals across the sourcing ecosystem.

Based on these intelligence outputs, the existing control environment was recalibrated and mitigation measures were adjusted in a proportionate and risk-based manner. This adaptive governance model ensured that decision-making was informed by real-time situational awareness and that controls remained aligned with the current risk environment. Through this intelligence-led compliance architecture, IGR strengthened its ability to anticipate, prevent, and respond to supply chain risks in a proactive and forward-looking manner.

Through enhanced due diligence (EDD) measures, IGR ensures that all potential risk areas related to counterparties are comprehensively addressed. These due diligence measures encompass all actors within the supply chain, including the Central Bank, aggregators, and cooperatives.

The due diligence mechanism has been fully operationalized through a holistic and intelligence-driven approach, whereby real-time monitoring of country-level developments, regulatory changes, and supply chain dynamics is conducted. Controls are implemented across the entire supply chain, ensuring traceability, risk visibility, and continuous oversight, particularly in light of the high-risk classification arising from both ASM involvement and the CAHRA Tool score.

Within the framework of progressive improvement efforts, particular emphasis has been placed on capacity building. Targeted training programmes have been conducted to strengthen the responsible sourcing awareness of both the Central Bank and other relevant stakeholders, enabling them to align with international best practices. Close engagement has been maintained with governmental institutions to identify and implement constructive best practice steps. Furthermore, IGR has actively navigated and supported the tactical-level implementation of existing national mechanisms, to ensure the effective and consistent application of the responsible sourcing expectations.

IGR has implemented a comprehensive risk management plan in collaboration with the Central Bank of Bolivia. Risk areas were categorized, and appropriate mitigation measures were implemented to address each identified risk. During the second half of the year, 18 site visits were conducted. These visits covered key actors within the supply chain, including the Central Bank, commercializers, and cooperatives. In addition, specific meetings were held with relevant government institutions, including the country's Financial Intelligence Unit (FIU), the Ministry of Mining, local government authorities, the Ministry of Environment, the authority responsible for concession areas, and the institution responsible for monitoring transactions and exports.

The country was placed on the FATF Grey List in 2025. In response to this development, counterparty engagement was immediately activated, beginning with the Central Bank. The underlying reasons, potential impacts, and corrective action measures related to the listing were thoroughly reviewed.

A comprehensive meeting was held with the FIU, attended by the President of the FIU and the unit's senior management. During this meeting, a detailed presentation was delivered by the FIU to the Compliance Director of IGR. The explanations, corrective action plans and FATF report indicated that the grey listing was primarily related to specific regulatory requirements concerning the FIU's investigation methodology, and

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that the adoption of the relevant regulation had been delayed due to political dynamics associated with the 2025 election period.

The corrective measures and implementation plan were carefully reviewed, and their implementation was monitored throughout the year across the supply chain. Based on these assessments, it was concluded that the grey-list decision does not pose a direct or immediate risk to IGR's supply chain.

Furthermore, newly introduced regulations and implementation measures demonstrate a strong commitment to strengthening AML/CFT controls, particularly with respect to designated non-financial businesses and professions (DNFBPs), including the gold sector. The audits conducted by the FIU were also monitored through direct communication with Central Bank and commercializers involved in the supply chain. The results and implementation has been found satisfactory.

Geopolitical developments and potential dispute areas are analysed using both location-based and incident-based approaches. The results do not indicate any impact on IGR's supply chain.

Adverse media coverage is monitored and analysed on a daily basis with great care. All adverse media findings are addressed and communicated to senior management. The analysis of adverse media findings and the immediate actions taken have revealed that there is no adverse impact or connection to IGR's supply chain.

IGR has implemented Enhanced Due Diligence (EDD) measures across the Bolivian supply chain with a broad scope and a high level of scrutiny. This tailored and proactive framework enables IGR to effectively identify, assess, and mitigate high-risk indicators, thereby safeguarding the integrity of its supply chain.

IGR's commitment to responsible sourcing continues to strengthen each year. In this context, IGR is proud to contribute to the LBMA's ASM Initiative by supporting legitimate ASM actors and by contributing both practical and analytical insights to the development of responsible sourcing practices on ASM supply chains.

**Our due diligence on the precious metals supplied from the UAE is summarized as follows;**

Istanbul Gold Refinery Inc. procures precious metals from the Dubai jurisdiction in alignment with all applicable rules and regulations, including the LBMA Responsible Gold Guidance (RGG v9), the OECD Due Diligence Guidance, and the Borsa İstanbul Due Diligence Guidance. IGR's due diligence mechanism for high-risk jurisdictions has been activated in relation to supply from the UAE. A comprehensive country report on the UAE has been prepared by security experts in order to identify risk areas and develop a deeper understanding of the supply chain dynamics within the country.

The risk identification process has generated findings regarding both strategic risks and their potential tactical impacts on the ground. Based on the information gathered, a risk management plan has been designed to address the identified high-risk indicators. Within this framework, the scope of business relationships has been limited to known and trusted counterparties with strong reputations and well-established due diligence mechanisms. The due diligence scope has also been extended to include sub-suppliers and intermediate refiners across the supply chain. All due diligence activities are conducted by IGR's own Compliance Department. In this regard, site visits have been carried out using tailored tools developed in line with the risk findings identified in the country report. These site visits have covered both immediate suppliers and intermediate refiners with a broad scope. Independent assurance reports of the intermediate refiners have also been reviewed in order to identify any potential risk indicators. The results of these assessments have indicated that there are no violations of responsible sourcing expectations. Furthermore, the supply chain has been limited to the procurement of recyclable gold under the "Statement of Conformance" from mentioned refineries.

In this context, Istanbul Gold Refinery procures precious metals from the UAE through IGR Metals Trading FZCO and Finegold L.L.C. All transactions consist of Dubai Good Delivery (DGD) bars produced by SAM Refinery and Al Etihad Refinery, both of which hold Responsible Jewellery Council (RJC) certification for both

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the Code of Practices (COP) and Chain of Custody (COC), as well as certification from the Emirates Bullion Market Committee (EBC).

Both immediate suppliers demonstrate a longstanding compliance culture supported by robust due diligence mechanisms aligned with OECD and LBMA standards. IGR Metals Trading FZCO is also a member of the LBMA and operates as a globally recognized trading company with a trusted reputation. As an LBMA member, all compliance processes of IGR Metals Trading FZCO are conducted in alignment with LBMA and OECD rules and standards.

The overall due diligence process is conducted by IGR's own Compliance Department, and LBMA tools are actively utilized throughout both the onboarding and ongoing monitoring processes. IGR demonstrates a strong commitment to preventing illicit activities. In this regard, it is important to note that excluding certain jurisdictions, rather than attempting to establish integrity within the supply chain through responsible engagement, may ultimately benefit illicit actors.

In order to further expand responsible sourcing efforts globally, high-risk jurisdictions should be approached through a structured and risk-based mechanism, supported by robust due diligence measures and the involvement of specialized experts in responsible sourcing. Such an approach supports the broader objective of promoting transparent and responsible supply chains while preventing the infiltration of illicit actors.

### STEP 2.3: Comments and Demonstration of Compliance

#### **IGR has been undertaken EDD measures for identified high-risk supply chain.**

IGR conducts enhanced due diligence (EDD) activities for high-risk counterparties. Depending on the circumstances, some or all EDD measures are applied as necessary. However, site visits are applied to the all high-risk suppliers.

The enhanced due diligence (EDD) measures for high-risk situations are outlined in IGR's Risk Management Procedure and include, but are not limited to:

- Conducting site visits by qualified personnel or independent third-party consultants,
- Escalating the matter to the IGR Compliance Committee and obtaining approval,
- Identifying transportation routes and assessing the conditions of these routes and mine sites to determine the presence of militarization risks,
- Evaluating the risk of serious human rights abuses committed by any party at mine sites, along transportation routes, and at trading and export points,
- Obtaining self-declarations regarding identified potential risk areas,
- Conducting in-depth Open-Source Intelligence (OSINT) investigations on supply chain actors and locations using multiple sources and historical data,
- Collecting and analyzing information on conflicts, social tension, and other potential risks,
- Assessing the financial structure of the counterparty,
- Identifying the source of funds and the source of wealth,
- Conducting interviews with relevant stakeholders, including selected management and site personnel of the counterparty, to evaluate their operations, due diligence practices, purchasing processes, AML/CFT procedures, and overall risk management performance,,
- Conducting an in-depth assessment of the counterparty's due diligence efforts and risk management mechanisms.

**The enhanced due diligence (EDD) measures for high-risk recycled gold sourced from intermediate refiners are defined as follows:**

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- Requiring an independent assurance report on the intermediate refiner's responsible sourcing practices, on a "comply or explain" basis, with the following features:
  - Demonstrates conformance with an OECD-aligned responsible sourcing scheme.
  - Commissioned by the intermediate refiner.
  - Completed before the initiation of a new business relationship or within a reasonable timeframe.
- Identifying and verifying the Ultimate Beneficial Owners (UBOs) of the intermediate refiners.

In this regard, two independent assurance reports from Dubai-based refiners with RJC certification were obtained and reviewed. Additionally, although no refined gold is sourced from Gramaltın, independent assurance reports issued by EBC and Borsa İstanbul were also obtained and evaluated. The assurance deliverables and associated findings do not indicate any high-risk exposure within IGR's supply chain. Furthermore, site visits were conducted at the relevant intermediate refiners using tailored assessment tools, and no indications of non-compliance with responsible sourcing standards were identified.

**Site Visits Conducted During The Reporting Year:** IGR has implemented Enhanced Due Diligence (EDD) measures for identified high-risk situations within the supply chain, including site visits. During the reporting year, IGR classified one supplier as high-risk due to its involvement with ASM material. Site visits were conducted for the Central Bank and its sub-suppliers. In this regards, during the year, 45 site visits were conducted. These visits covered key actors within the supply chain, including the Central Bank, commercializers, and cooperatives. In addition, specific meetings were held with relevant government institutions, including the country's Financial Intelligence Unit (FIU), the Ministry of Mining, local government authorities, the Ministry of Environment, the authority responsible for concession areas, and the institution responsible for monitoring transactions and exports.

As a result of these site visits, potential high-risk factors associated with the material type were investigated, and it was concluded that the risks related to ASM material were not present in IGR's supply chain. Although IGR keeps classifying this business relationship as high-risk due to the involvement of ASM material, close and continuous monitoring is conducted. This includes daily Open-Source Intelligence (OSINT) efforts and regular engagement with stakeholders, carried out by IGR's compliance experts.

Apart from the visits to high-risk suppliers, IGR also conducted site visits to 14 additional suppliers. These visits were not prompted by a high-risk classification but were carried out due to the high volume of business transactions, a medium-risk classification, or specific findings identified in the country reports. In total, 59 site visits were conducted throughout the reporting year.

During the reporting year, all required site visits were carried out at the relevant locations without any interruption or delay. All site visits were carried out by competent IGR employees, utilizing LBMA site visit forms and tools. These visits were conducted by a compliance officer with a postgraduate degree in security studies.

As a result of these visits, no violations of the LBMA Responsible Gold Guidance or Responsible Silver Guidance were identified. However, ASM-related governance risks were identified, and an appropriate risk management plan has been implemented.

### STEP 3: RISK MANAGEMENT

#### Compliance Statement with Requirement:

IGR has fully complied with 'Step 3: Risk Management'.

#### STEP 3.1: Comments and Demonstration of Compliance

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IGR has devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk.

IGR has developed a risk management framework and corresponding procedures aimed at the identification, assessment, and mitigation of supply chain risks. The response strategies for specific risk categories are pre-defined and systematically documented within the IGR Risk Management Procedure.

This procedure specifies structured identification, assessment, and mitigation mechanisms, as well as courses of action, including the continuation of a business relationship under an improvement plan, the suspension of engagement with clearly established conditions for reinstatement, or the complete termination of the relationship, depending on the nature and severity of the identified risks.

Emerging threats within the supply chain are identified and addressed through regular monitoring activities conducted by IGR.

The identified zero-tolerance criteria, based on IGR's Risk Management Procedure within the supply chain, trigger the immediate termination of the business relationship. These criteria include the following:

- Money Laundering
- Terrorist Financing
- Serious Human Rights Abuses
- Direct or Indirect Support to Illegitimate Non-State Armed Groups
- Fraudulent Misrepresentation of the Origin of Minerals

Founded suspicions involving zero-tolerance criteria—including those mentioned above—as well as reported catastrophic impacts, will result in the suspension of the business relationship. Necessary steps and investigations will be conducted under the supervision of the Compliance Officer, while the product associated with the identified risk factor will be placed in quarantine.

The relationship may only resume once sufficient additional information or documentation has been obtained that either refutes the initial suspicions or provides a timely and appropriate response to the reported impacts. The decision to resume the relationship must be approved by the Compliance Committee.

In cases where Enhanced Due Diligence (EDD) is not fully satisfactory, but it is concluded that the counterparty is acting in good faith and making reasonable efforts regarding the following issues:

- Bribery
- Non-fraudulent misrepresentation of the origin of materials
- Non-compliance with taxes, fees, and royalties owed to the government
- Material breaches of environmental, health, safety, labour, and community-related local legislation, and/or ESG risks with a high likelihood of causing serious adverse impacts.

IGR may decide to continue the relationship under a risk mitigation plan. This decision must be approved by IGR's Compliance Committee.

No zero-tolerance incidents were identified within IGR's active supply chain during the reporting year; therefore, no business relationships were terminated.

### STEP 3.2 and 3.3: Comments and Demonstration of Compliance

IGR has adopted a risk mitigation management strategy that includes measurable actions taken and achieved, ongoing performance monitoring, periodic risk reassessments, and regular reporting to designated senior management.

IGR has adopted a comprehensive risk mitigation management strategy that includes measurable actions, continuous performance monitoring, periodic risk reassessments, and structured reporting to designated senior management.

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Based on the established risk analysis framework and in alignment with IGR's Risk Management Procedure and Supply Chain Policy, IGR has implemented monitoring mechanisms to ensure traceability and oversight of transactions throughout the supply chain, including transportation routes and methods. Relevant supplier and customer documentation is systematically recorded and reviewed within the scope of the Supply Chain Policy, and periodic reports are submitted to senior management.

As outlined above, IGR has developed and implemented a structured risk management strategy for newly identified issues, following a "prevent, detect and respond" model in accordance with the LBMA Responsible Gold Guidance, OECD Due Diligence Guidance, and the Borsa İstanbul A.Ş. Due Diligence Guideline on Responsible Supply Chain of Precious Metals.

Risk assessments are conducted using the risk assessment matrix defined in the Risk Assessment Procedure. Where necessary, additional administrative measures and precautionary controls are implemented during the acceptance of goods in order to ensure secure and compliant business relationships with all suppliers and customers.

For the high-risk supplier, IGR implemented targeted enhanced due diligence and subsequent risk management measures, including site visits, enhanced monitoring, and stakeholder engagement. In order to ensure continuous monitoring of the effectiveness of risk mitigation strategies, the Compliance Officer conducts a monthly reporting process to senior management covering critical developments, the scope and findings of due diligence activities, high-risk situations, and overall compliance outcomes within the supply chain.

Furthermore, the IGR Compliance Committee (Board Committee) convenes on a quarterly basis to review developments in the supply chain and to evaluate the findings of ongoing monitoring activities conducted by the compliance team, including those related to new business relationships and suppliers. This reporting framework, supported by comprehensive risk analysis and intelligence-driven monitoring, ensures that IGR's decision-makers are adequately informed and able to make sound and timely decisions regarding supply chain risks and high-risk scenarios.

IGR's compliance experts apply structured intelligence analysis and dissemination standards to provide decision-makers with relevant information, analytical insights, and informed judgments.

In addition to formal reporting mechanisms, ongoing verbal briefings and discussions take place between compliance experts and senior management as part of IGR's open-door management approach, enabling the timely communication of emerging risks and developments within the supply chain.

#### **STEP 3.4: Comments and Demonstration of Compliance**

##### **IGR undertakes continuous monitoring of the adequacy of its risk management strategies.**

IGR considers due diligence to be a continuous and diligent process. Through a vigilant and proactive risk management approach, IGR safeguards the integrity and security of its supply chain in alignment with responsible sourcing principles. Risk management strategies and control mechanisms are regularly updated through ongoing monitoring activities, with a focus on both supply chain dynamics and emerging risks and trends within the sector. Continuous efforts are made to enhance and refine risk identification tools.

A holistic approach is adopted to monitor developments throughout the supply chain, with particular attention to location-based dynamics. Regular assessments are conducted to track changes within the supply chain, with priority given to high-risk supply chains. In addition to ongoing monitoring activities, annual reviews of risk analyses and risk management strategies are undertaken to ensure that risk assessments remain up to date and aligned with evolving operational realities.

Through regular engagement with supply chain actors and the integration of open-source intelligence (OSINT), IGR conducts systematic information-gathering activities. These efforts support the development of early warning mechanisms within high-risk supply chains, enabling timely responses to potential risks and emerging red flags.

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To support its due diligence processes, IGR utilizes advanced risk intelligence tools and screening platforms, including the AI platforms, LSEG World-Check database and Google Alert. These tools enhance IGR's capacity to detect, assess, and manage potential risks effectively, in line with internationally recognized best practices.

#### STEP 4: INDEPENDENT THIRD PARTY ASSURANCE

##### Compliance Statement with Requirement:

IGR has fully complied with 'Step 4: Independent Third Party Assurance'.

#### STEP 4: Comments and Demonstration of Compliance

This is the thirteenth year that IGR has fulfilled the requirements of the LBMA Responsible Gold Guidance and the OECD Due Diligence Guidance, with audits conducted on an annual basis. IGR ensures that these audits are carried out diligently in accordance with the LBMA Responsible Gold Guidance, LBMA Responsible Silver Guidance, OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and the Borsa İstanbul A.Ş. Due Diligence Guideline on Responsible Supply Chains of Precious Metals.

IGR selects its independent assurance provider in accordance with defined internal criteria and applicable international standards. The selection process is based on the provider's recognized accreditation (including LBMA approval), demonstrated expertise in responsible sourcing and OECD-aligned due diligence frameworks, proven track record in conducting assurance engagements for precious metals refiners, and strict independence from IGR and its related entities.

The Board of Directors is responsible for overseeing the independence of the assurance provider. In this context, the Board reviews and approves the appointment of the independent assurance provider, ensuring that the selection criteria—particularly independence, absence of conflicts of interest, and professional competence—are duly met.

In this context, Arche Advisors was selected as the independent assurance provider, as it is an LBMA-approved assurance provider with relevant sectoral experience. It has been confirmed that Arche Advisors operates fully independently from IGR, with no conflicts of interest or any form of organizational, financial, or operational linkage that could impair its objectivity.

The engagement scope, methodology, and independence requirements were assessed prior to appointment to ensure full alignment with the LBMA Responsible Gold Guidance and Responsible Silver Guidance.

For the reporting year, consistent with previous years, IGR's assurance engagement scope is reasonable assurance, and Arche Advisors has been engaged as the independent assurance provider. The Independent Reasonable Assurance Report is available on IGR's website: <https://www.iar.com.tr/Kurumsal/uyum-ve-bagimsiz-guvence-denetim-raporlari/88.html>.

The findings from the previous year were systematically addressed through a corrective action plan, with implementation carried out diligently by competent personnel. All findings have been effectively closed through corrective actions and enhancements to the due diligence mechanism, and no findings remain outstanding.

#### STEP 5: REPORT ON SUPPLY CHAIN DUE DILIGENCE

##### Compliance Statement with Requirement:

IGR has fully complied with Step 5: Report on supply chain due diligence.

#### STEP 5: Comments and Demonstration of Compliance

IGR Precious metals supply chain policy is available on the IGR website, together with the Refinery Compliance Report and Independent Reasonable Assurance Report;

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<https://en.iar.com.tr/Kurumsal/gold-and-silver--supply-chain-policy/19.html>

### TABLE 3 : OVERALL CONCLUSION

#### IGR'S OVERALL CONCLUSION

IGR has demonstrated its commitment to continuous improvement and has implemented management systems, procedures, and operational practices designed to conform with the requirements of the LBMA Responsible Gold Guidance, as outlined above in Table 2, for the reporting year ended 31 December 2025.

During the reporting period, IGR maintained a structured and intelligence-informed due diligence framework, designed to identify, assess, and manage risks across its precious metals supply chains. This framework is built upon a risk-based approach that combines both strategic and tactical level risk analysis, enabling the systematic identification of emerging threats and the development of appropriate strategic and tactical level response mechanisms. Within this structure, risk indicators are continuously monitored, and mitigation strategies are implemented proportionately to the nature and severity of identified risks.

Throughout the reporting period, IGR implemented a comprehensive risk-based due diligence programme across its precious metals supply chains in alignment with the LBMA Responsible Gold Guidance, the LBMA Responsible Silver Guidance, and the OECD Due Diligence Guidance. The programme covers all five steps of the due diligence framework, including the establishment of robust management systems, the identification and assessment of supply chain risks, the implementation of risk mitigation strategies, independent third-party assurance, and transparent public reporting.

The refinery maintained full traceability of all materials and ensured transparency through structured documentation and systematic monitoring mechanisms, while fully complying with AML/CFT obligations, as confirmed by the FIU audit conducted during the reporting year.

Particular attention was given to ASM sourcing activities, where enhanced due diligence mechanisms were implemented in collaboration with a partner Central Bank, covering all relevant supply chain actors, including commercializers and cooperatives. These measures included structured stakeholder engagement, risk analysis, and on-site visits aimed at strengthening responsible sourcing practices within ASM supply chains.

As emphasized throughout this report, responsible sourcing constitutes a fundamental pillar of IGR's corporate governance and operational philosophy. As an LBMA Good Delivery List refinery, IGR remains committed to complying with the requirements of the Responsible Gold Guidance (RGG), Responsible Silver Guidance (RSG), and the OECD Due Diligence Guidance. In this context, IGR not only ensures the integrity of its own supply chains but also actively supports and engages with its counterparties to promote the effective implementation of responsible sourcing standards across the broader precious metals sector.

### TABLE 4 : OTHER REPORT COMMENTS

Users of this report are welcome to provide any feedback or address relevant queries to IGR by emailing [complianceiar@iar.com.tr](mailto:complianceiar@iar.com.tr)

09.03.2026

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Chairman of Board

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