

ENVIRONMENTAL & SOCIAL GOVERNANCE (“ESG”) POLICY

ArrowResources AG (“**ArrowResources**”) and its affiliated companies (collectively the “**Group**”) is a rapidly growing, independent, diversified commodities trading house. We are active across the metals and energy spectrum, in particular we trade: non-ferrous metals, concentrates, ores, crude oil and oil products, biofuels (including biomass), natural gas, LNG and power.

We are headquartered in Switzerland but have a global presence, with offices also in Canada, USA, UK, Belgium, France, Greece, China, and Singapore.

Scope

The aim of this Environmental & Social Governance (“**ESG**”) Policy (“**ESG Policy**”) is to set out the goals and objectives that the Group is required to take, and its suppliers, and other associated stakeholders are expected to adopt for the ongoing implementation of responsible and sustainable business practice.

For these purposes a “**supplier**” is a person or entity (including partners, associated stakeholders, etc) providing goods or services used in our operations, and such operations cover the full spectrum of production, procurement, storage, handling, transportation, testing and purchasing of products.

The Group is active across various stages of the supply chain, which may involve international, regional, national, or local suppliers. Accordingly, the performance of our suppliers is vital if we are to succeed with our commitment to operate in a responsible and transparent manner, and by embedding ESG into and across our activities and operations.

ESG Policy Statement

ArrowResources is committed to protecting the world’s natural and human capital.

At ArrowResources we understand the importance of ESG to diligently maintain high operational standards, and to anticipate and mitigate the potential risks associated with our business in this regard.

We are committed to undertaking our business activities with integrity and transparency, and continually strive to further our sustainability journey.

We seek to comply with the United Nations Guiding Principles on Business and Human Rights and to align with applicable and recognised international principles and standards to assist us in steering our activities in a responsible manner and in the sectors in which we operate.

The Group’s ESG performance is driven and measured by:

- Ensuring regulatory compliance in all aspects of our work, effective governance, and enforcing business ethics and conduct standards.
- Managing and continually improving the environmental performance of our suppliers throughout the value chain.

- Integrating social responsibility and stakeholder engagement into our operations and activities internally and externally.
- Engaging in responsible sourcing.
- Perpetuating high standards of health, safety, environmental and community relations (HSEC) performance of our principal suppliers, partners, and supply chain.
- Developing projects that promote or embed the United Nations Sustainable Development Goals (“**UN SDGs**”) into our activities and operations, and by collaborating and partnering with relevant organisations and stakeholders to continually improve sustainable performance.

ESG Guiding Principles

To assist the Group in constructing and maintaining its ESG and sustainable development strategy, the following principles, standards, and guidelines have been adopted as the foundations upon which the ArrowResources ESG management system is built.

- The Equator Principles
- IFC Performance Standards
- UN Global Compact
- ICMM Principles
- UN Guiding Principles on Business and Human Rights
- Global Reporting Initiative, and
- Swiss Trading & Shipping Association in collaboration with the Swiss Federal Department of Foreign Affairs.

Governance, Compliance & Conduct

Governance

Environmental and social aspects of our operations and activities are managed through the ESG Steering Committee which includes members of the Compliance Committee, the Risk Management Committee, and the Board. Key suppliers also participate in providing valuable information and data to the ESG Steering Committee. This enables measurement, and transparent reporting of performance which fosters continual improvement and the ongoing development of sustainability throughout the Group.

Compliance

The Group strives to apply the highest environmental and social standards required by law in the areas and jurisdictions in which we operate. In addition, where national compliance obligations are deemed lower than internationally recognised best practices, techniques or references, the international standards are used. To ensure our alignment with the adopted standards and to continually improve performance, internal and external reviews are conducted in collaboration with the Compliance Committee.

Support for undertaking the ESG aspects of our business is provided by the Compliance and ESG Steering Committees.

Conduct

Our Code of Conduct outlines the expected behaviour of every employee, director and officer of each Group company and in every joint venture company under ArrowResources' control (each an “**Employee**” and collectively the “**Employees**”). We require from all Employees a high level of ethical behaviour, integrity, transparency and full compliance with all applicable laws as well as all Group principles, policies and guidelines. Each Employee is provided with the Code of Conduct and shall comply with and promote the expectations set out therein.

Supplier Standards

ArrowResources seeks to work with others who share our core values and business principles, and we expect our business partners to uphold the values outlined in our Supplier Standards policy.

Environmental Management

Managing the environmental performance of our activities and operations is paramount to the protection of world’s natural capital and the human capital dependent upon it. We are committed to protecting natural capital through the upstream assessment and management of our environmental impacts and continually strive to reduce our impacts by design to the extent practicable. These reductions are in turn linked to the UN SDGs and include initiatives relevant to end-products, resources use, pollution control and the Paris Agreement on Climate Change.

Human Rights & Social Responsibility

In addition to the socio-economic benefits enjoyed by communities in the areas in which our suppliers operate, we understand that the evolution of our operations may cause, contribute to, or be directly linked to negative and/or adverse effects within the value chain.

The Group commits to maintaining social benefit throughout the value chain by conducting periodic due diligence of these aspects to assess and collaborate with our suppliers to mitigate significant impacts. We work with those in our supply chain to leverage social improvements for activities where we are directly linked and strive to enhance stakeholder engagement to continually improve socio-economic benefit.

Health & Safety

Principle materials that flow through operations include metals, metal salts and energy products. The mining and metals, and the oil and gas sectors figure amongst the most hazardous industrial sectors which require stringent health and safety management systems.

ArrowResources works with its suppliers to ensure health and safety is a priority of their activities. As a managerial benchmark we use the IFC Environmental, Health, and Safety General Guidelines to structure health and safety operational management systems.

Each supplier jurisdiction has national health and safety obligations for compliance. Typical standards include OSHA and the European Union’s Council Directive 89/391/EEC. Other accredited standards can be adopted according to specific activities or a particular context.

Responsible Sourcing

The trading of petroleum products, metals, metal salts and concentrates are key components of ArrowResources’ operations. The sourcing of commodities and products will be compliant with the ArrowResources Supplier Standards.

Sustainability & Climate Change

The UN SDGs are the pillars that support and advance ESG performance. The implementation of specific projects and the maturation of the UN SDGs within the Group’s activities are key to ensuring current and future responsible business practice. ArrowResources is committed to identifying areas within its operations where sustainable development projects can positively contribute to reducing environmental impact and to enhance socio-economic benefit.

Policy Review

We periodically review the ESG Policy with respect to its suitability and effectiveness as we strive to better improve our practices as a business and with our suppliers.

Version History

Date:	Version:	Issued by:	Description:
19.11.2021	1.0	ESG Manager	v 1.0 issued

This ESG Policy has been approved by the Group’s Board of Directors