

Procurement Policy

INTRODUCTION

Adriatic Metals is committed to conducting our business affairs in an ethical and responsible manner, including through our sourcing of goods and services. We aim to minimise any adverse social or environmental impacts arising from our supply chain and to ensure that the communities associated with our operations are left with a positive legacy including through the development of new enterprises capable of generating sustainable skills, livelihoods and capacities.

PRINCIPLES

Adriatic Metals is committed to:

- complying with all applicable legal requirements and other rules, codes and standards to which we subscribe;
- through conducting due diligence, assessing environmental and social risks related to our supply chain, monitoring these on an ongoing basis, and implementing measures, working with our supply chain as relevant, to avoid or mitigate them;
- monitoring all suppliers to ensure compliance with the Company's Code of Conduct and Anti-Bribery and Anti-Corruption Policy;
- endeavouring to minimise the barriers to participation in our procurement activities for small and medium-sized enterprises (SMEs) by simplifying our processes, ensuring that baskets of goods and services are not bundled in such a way as to make them only accessible to large companies and accommodating SME needs in our payment terms to the extent possible;
- developing outreach processes to communicate procurement needs and opportunities and support local suppliers to build capacity and to compete for suitable contracts including supporting them to complete the contract process;
- considering investment in potential local suppliers where these are likely, as a result, to be competitive and sustainable;

- engaging with external stakeholders on our supply chain opportunities and commitments, and publicly reporting on our performance; and
- monitoring compliance with this Policy and the suitability of supporting standards and strategies, and reporting internally and externally on the progress of our local procurement.

APPLICATION

Responsibility for the application of this Policy rests with, but is not limited to, all Company employees and contractors engaged in these activities under the Company's operational control.

Every employee shares a responsibility for compliance with this policy. The Company's managers are responsible for promoting and ensuring compliance with the Policy and any relevant business unit or departmental policies.

Our procurement function will develop processes through which to monitor the performance of suppliers in higher-risk categories.

MONITORING AND REVIEW

The Board will monitor the content, effectiveness and implementation of this Procurement Policy on a regular basis. There may also be independent reviews undertaken from time to time. Any findings, updates or improvements identified will be addressed as soon as possible.

Material breaches of this Procurement Policy will be reported to the Company's Board of Directors (Board) and the ESG Committee of the Board.

Personnel are invited to comment on this Procurement Policy and suggest ways in which it may be improved. Comments, suggestions and queries should be addressed to the Board.

Approved by the Company's Board of Directors on 6th November 2020.

Adopted by the Company on 9th November 2020