



MEZZARION RESPONSIBLE SOURCING STANDARD (RSS) — v1.3

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Governing Standard: MZRN-POL-DOC-001 (Document Control & Standards Policy)

Related Processes:

- MZRN-GDE-TRADE-SUPPLIER-PUB-001 (Supplier Onboarding Process)
- MZRN-GDE-TRADE-BUYER-PUB-001 (Buyer Trade Process)

Change Log (Mandatory)

Date	Version	Summary of Changes	Reason
04 Oct 2025	v1.2	Prior release	Baseline publication
01 Jan 2026	v1.3	Re-structured to match current Mezzarion policy format; aligned to latest Buyer/Supplier processes; tightened intermediary expectations; clarified risk gating, stop-work triggers, and assurance logic; clarified privacy/retention and governance	Consistency + bank-grade alignment across public standards

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1. Purpose

The Mezzarion Responsible Sourcing Standard (RSS) sets **practical, measurable requirements** for counterparties across **mining, trade, logistics, and investment**. The objective is to keep transactions **ethical, lawful, traceable, and bankable**—without creating unnecessary friction.

2. Scope

This RSS applies to:

- **Suppliers/Producers** (mines, processors, refiners, manufacturers, licensed aggregators/exporters)
- **Buyers/Offtakers** (end buyers, traders, refiners)
- **Logistics/Warehousing providers** (transporters, depots, warehouses, inspection providers)
- **Intermediaries/Mandates** (introducers, brokers, mandates where accepted)
- **Investors/Capital Partners** (equity, debt, prepay, working capital, project capital)

This standard applies to **all Mezzarion corridors** and **all transactions** where Mezzarion is principal, agent, arranger, or provides enabling services (e.g., logistics coordination, market intelligence, trade finance coordination).

3. Guiding References

Mezzarion aligns this RSS to:

- OECD Due Diligence Guidance for Responsible Mineral Supply Chains
- UN Guiding Principles on Business & Human Rights (UNGPs)
- Applicable **sanctions, export controls, AML/CTF, anti-bribery & corruption, and modern slavery** laws
- Recognized environmental and safety good practice where relevant (e.g., tailings and hazardous materials controls)

4. Non-Negotiable Baseline Commitments

Mezzarion has **zero tolerance** for:

1. **Forced, compulsory, or child labor**
2. **Inhumane treatment, harassment, or unlawful discrimination**
3. **Bribery, kickbacks, facilitation payments**, or undisclosed side payments

4. **Sanctions/export control evasion**, misstatement of end-use/end-user, or document falsification
5. **Material misrepresentation** of origin, ownership, permits, quality, quantity, or logistics chain

Mezzarion requires **progressive improvement** in environment, safety, and traceability through **verified Corrective Action Plans (CAPs)** where gaps are remediable.

5. Definitions (Operational Clarity)

- **CAHRA:** Conflict-Affected and High-Risk Area
- **CAP:** Corrective Action Plan with owners, milestones, deadlines, evidence
- **Chain of Custody:** Documented control of product from origin to delivery point
- **UBO:** Ultimate Beneficial Owner (minimum disclosure threshold defined below)
- **Stop-Work:** Immediate suspension of execution pending review

6. Who This Applies To — Minimum Expectations

6.1 Suppliers / Producers

Suppliers must:

- Hold **valid licenses/permits** for their role (mining/processing/export/trading as applicable)
- Disclose **ownership and control**, including **UBOs ≥25%** (and controllers). Mezzarion may request lower thresholds (down to 10%) in higher-risk contexts or where law requires.
- Maintain **basic HSE controls**: incident logging, emergency readiness, PPE discipline, and hazardous waste/tailings controls appropriate to the operation
- Provide **traceability** appropriate to product: mine/asset of origin where available, plus chain-of-custody records (transport, storage, assays/CoA)
- Disclose **security arrangements** (public/private), including any incidents involving force or allegations of abuse

Supplier engagement must follow Mezzarion's Supplier Onboarding Process.

6.2 Buyers

Buyers must:

- Provide corporate legitimacy, ownership, and banking details sufficient for KYC and sanctions/export control checks



- Accept Mezzarion's right to request **end-use/end-user transparency** where required by law, bank, insurer, or corridor risk posture
- Use **acceptable payment mechanisms** (regulated escrow / acceptable LC/SBLC/DLC structures where applicable) and **corporate beneficiary accounts**
- Disclose any **fee/commission arrangements** linked to the transaction (where applicable)

Buyer engagement must follow Mezzarion's Buyer Trade Process.

6.3 Logistics, Warehousing, Inspection Providers

Providers must:

- Be licensed/legitimate, with auditable operating history (where material)
- Support chain-of-custody with **warehouse receipts, tally/weighbridge evidence, seals, and handover logs**
- Avoid high-risk behaviors: document substitutions, unauthorized route changes, undisclosed subcontracting (where material), or custody breaks

6.4 Intermediaries / Mandates (Introducers, Brokers)

Mezzarion will consider intermediaries only where:

- The **principal buyer/supplier is identified** and will pass onboarding
- The intermediary signs **NCNDA + Fee Letter**, and the **mandate chain is verifiable**
- There are **no undisclosed side payments**, no dual representation deception, and no coercive "pay-to-move" demands
- Fee flows (if accepted) are **fully disclosed** and paid via **lawful, documented mechanisms**

Mezzarion generally does **not** formalize relationships with unlicensed intermediaries who cannot demonstrate lawful involvement and clean conduct. (Introductions may still be evaluated; contracting is a separate bar.)

6.5 Investors / Capital Partners

Investors/capital partners must:

- Provide **Source of Funds/Source of Wealth** disclosures where required by risk level, bank, or jurisdiction
- Accept minimum covenants including **incident notification**, sanctions/ABC compliance, and use-of-proceeds limitations

- Not structure capital in a way that requires prohibited conduct, concealment, or misrepresentation

7. OECD-Aligned 5-Step Due Diligence Program (Mezzarion Implementation)

Step 1 — Strong Management Systems

Mezzarion maintains:

- Responsible sourcing controls integrated into onboarding and contracting
- Defined roles and escalation paths (see Section 14)
- A grievance channel and data governance aligned to controlled-document discipline

Step 2 — Identify and Assess Risks

Risk assessment includes:

- Jurisdiction risk and CAHRA exposure (where relevant)
- UBO/sanctions/PEP/adverse media screening
- Operational risk: permits, production reality, HSE posture, transport routes, custody integrity
- Transactional risk: instrument realism, unusual pricing, unusual routing, anomalous fee requests

Step 3 — Mitigate and Manage (Risk Gating)

All engagements are risk-rated (Section 8) and managed via:

- CAPs (for remediable weaknesses)
- Enhanced monitoring and conditions (for Amber)
- Decline/suspend/exit (for Red or unmitigable risk)

Step 4 — Independent Assurance (When Warranted)

Mezzarion may require:

- Desktop verification, third-party documentation review, or on-site checks
- Independent inspection/lab testing and custody verification
- Recognition of credible schemes where applicable—subject to recency and authenticity



Step 5 — Report and Improve

Mezzarion publishes **aggregated** program metrics annually (Section 13) and continuously improves contract riders and operating procedures.

8. Risk Classification (Customer-Facing Summary)

Green (Low Risk): Proceed on standard terms; annual refresh.

Amber (Medium Risk): Proceed only with conditions (e.g., escrow-only, capped exposure, independent inspection, tighter custody rules); 6-month refresh + event-driven checks.

Red (High/Prohibited): Decline, pause, or suspend pending verified remediation. No execution while Red.

9. Event-Driven Re-Screen Triggers

Re-screening is triggered by any material change, including:

- Change in UBOs, directors, signatories, or banking coordinates
- New adverse media, litigation, enforcement actions, or reputational shock
- Sanctions updates or PEP elevation
- Material geography/route change, warehouse change, or inspection substitution
- Material HSE/ESG incident, serious allegation, or community/security incident
- Unusual payment requests, fee pressure, or instrument manipulation attempts

10. ASM (Artisanal & Small-Scale Mining) Policy

Where Mezzarion engages ASM-linked supply (only if lawful and risk-manageable):

- **Minimum entry bar:** lawful origin, no child/forced labor, basic PPE/safety, no protected-area infringement, no coercion/extortion structures
- **Progressive improvement:** CAP covering safety, environmental controls (including mercury phase-out where relevant), formalization steps, and traceability strengthening
- **Commercial discipline:** smaller pilots, tighter custody and inspection, and controlled payment mechanisms until performance is proven

11. Due Diligence — Minimum Necessary Information

Mezzarion collects only what is necessary for legitimacy, bankability, and risk control:

A) Identity & Ownership

- Corporate registry extract, ownership declaration, IDs for controllers/UBOs ($\geq 25\%$ baseline)

B) Licenses & Approvals

- Mining/processing/export/trading permits as applicable; environmental approvals where required

C) Operations & HSE

- Site/asset details, capacity reality checks, HSE summary, incident logs (where relevant)

D) Traceability & Quality

- Chain-of-custody documents (transport docs, warehouse receipts), CoAs/assays, inspection certificates, lab details

E) Community & Security

- Community engagement summary; disclosure of security arrangements and incident history (where relevant)

F) Assurance

- Any credible recent audits/certifications; CAP status if applicable

12. Traceability & Chain of Custody (Minimum Standard)

Mezzarion expects chain-of-custody appropriate to product and corridor, including:

- Documented handovers: site → transport → warehouse/port → vessel/delivery point
- Weighbridge/tally evidence where material
- Seals and custody records for samples
- Independent inspection/lab testing where material or risk requires
- A dispute protocol for assays (e.g., multi-lab approach) where relevant and contractually defined

13. Contractual Requirements (Bank-Grade Minimum)

Mezzarion contracts and/or riders will include, as applicable:

- Human rights and labor undertakings
- Sanctions/export controls compliance and termination rights
- Anti-bribery/anti-corruption clauses (including no facilitation payments)
- Audit and inspection rights; right to request evidence for traceability claims
- Data privacy and lawful processing terms
- Termination for cause, including falsification and prohibited conduct
- Fee/commission disclosure requirements where intermediaries are accepted

14. Red Flags (Illustrative, Not Exhaustive)

Mezzarion will treat the following as serious red flags:

- Missing/forged permits, unverifiable origin, or repeated custody breaks
- Refusal to disclose UBO/control or attempts to obscure beneficiaries
- Credible indicators of forced labor, child labor, or severe OHS violations
- Bribery requests, “expediting fees,” side-payment demands, undisclosed intermediaries
- Sanctions hits, export-control evasion indicators, end-use/end-user deception
- Tailings instability, toxic discharges, or prohibited substance conduct where applicable
- Repeated inconsistencies between logistics records, assays, weights, and invoices

15. Mitigation, CAP, Stop-Work, and Enforcement

- **CAPs** must define: actions, owners, deadlines, evidence requirements, and verification method
- **Monitoring cadence** is risk-based (monthly/quarterly as required)
- **Stop-work triggers (immediate suspension pending review):**
 1. new sanctions designation or credible sanctions-evasion indicator
 2. substantiated serious abuse allegation or serious HSE incident
 3. refusal of required inspection or evidence production
 4. falsification of material records (permits, origin, assay, logistics, banking)
- **Exit/termination:** if CAP fails, risk remains unmitigable, or prohibited conduct occurs

16. Assurance & Audits

Mezzarion may require desktop or on-site assurance depending on:

- Risk classification, materiality, corridor sensitivity, or bank/insurer requirements

- Prior incidents, custody complexity, or CAHRA exposure
Credible current certifications may be recognized, but do not replace Mezzarion's right to verify.

17. Grievance & Whistleblowing

Open to employees, suppliers, buyers, communities, and other stakeholders.

- Email: info@mezzarion.com (Subject: **Ethics / Grievance**)
- Include: who/what/where/when; evidence; safety considerations
- Acknowledgement target: **within 5 business days** (where lawful and safe)
- Retaliation is prohibited.

18. Data Privacy & Security

- Mezzarion applies a GDPR-grade baseline globally where practicable
- Lawful basis: contract and legitimate interests (and other bases where required)
- Minimum-necessary collection; role-based access; encrypted storage where feasible
- Typical retention (unless law requires longer):
 - KYC / onboarding evidence: **10 years**
 - Contracts and transaction packs: **10 years**
 - Compliance logs and case notes: **5 years**
- Privacy contact: info@mezzarion.com (Subject: **Privacy**)

19. Governance & Roles (Internal Accountability)

- **Compliance (Owner)**: screening, risk rating, escalations, and stop-work recommendations
- **Legal**: contract standards, termination/audit rights, dispute governance
- **Operations / Trade Desk**: logistics verification, inspection coordination, custody integrity
- **Exception Committee (convened as required)**: Compliance + Legal + Risk/Treasury + Operations
 - Mandatory for: Red classification decisions, stop-work decisions, high-sensitivity exceptions

20. Contact



- Responsible sourcing / onboarding queries: **supply@mezzarion.com** (suppliers)
- Trade execution / buyer onboarding queries: **trade@mezzarion.com** (buyers)
- Ethics / grievance / privacy: **info@mezzarion.com** (see Sections 17–18)

21. Legal Notice

This RSS is a **public, customer-facing standard** summarizing Mezzarion's responsible sourcing requirements. It is **not legal advice**. Binding obligations are defined only in executed agreements and applicable contractual riders.