Refiner's Compliance Report FY 2024

Heraeus Limited Hong Kong

01.01.2024 – 31.12.2024
London Bullion Market Association
LBMA

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Introduction

The Heraeus Group is a broadly diversified and globally leading family-owned technology company, headquartered in Hanau, Germany. The company's roots go back to a family pharmacy started in 1660. Today, Heraeus bundles diverse activities in the Business Platforms Precious Metals and Recycling, Healthcare, Semiconductor and Electronics as well as Industrials products. Business partners benefit from innovative technologies and solutions based on broad materials expertise and technological leadership.

More information is found under: www.heraeus.com

In the 2023 financial year, the group generated revenues of €25,6 billion (US$27,7 billion[1]) with approximately 16.400 employees in 40 countries. Heraeus is one of the top 10 family-owned companies in Germany and holds a leading position in its global markets.

The precious metal refining, trading and product business is bundled in the Operational Company Heraeus Precious Metals, also headquartered in Hanau. Heraeus Precious Metals (referred to in the following text as either Heraeus or HPM)[2] currently operates good delivery refiners at the following sites:

Table 1: Heraeus Precious Metals with his worldwide sites

▪ Heraeus Precious Metals Germany	Hanau	Germany
▪ Heraeus Limited Hongkong	Fanling	Hongkong
▪ Heraeus Precious Metals North America	Santa Fe Springs	USA
▪ Heraeus Precious Metals Technologie	Nanjing	China
▪ Heraeus PGM SA (Pty) Ltd., Port Elisabeth, South Africa	Gqeberha	South Africa
▪ Argor-Heraeus	Mendrisio	Switzerland[3]
▪ Choksi-Heraeus	Udaipur	India[4]
▪ Ravindra-Heraeus	Udaipur	India[4]

Heraeus ensures that all precious metals, Gold, Iridium, Palladium, Platinum, Rhenium, Rhodium, Ruthenium, Silver, and Osmium, are transformed into > 99.95 % pure and determinable form with the highest precision and a multitude of precisely coordinated melting, chemical and mechanical work steps. Heraeus produces a wide variety of different products like conductive inks, precious metals containing pastes, active pharmaceutical ingredients and much more. A uniform compliance system applies to the sites, which process precious metal containing material and are operated by Heraeus worldwide. Heraeus therefore applies the measures equally to all precious metals. The compliance process is overseen centrally from the headquarter in Hanau, Germany, supplemented by local compliance officers and regulations as required by local legislation.

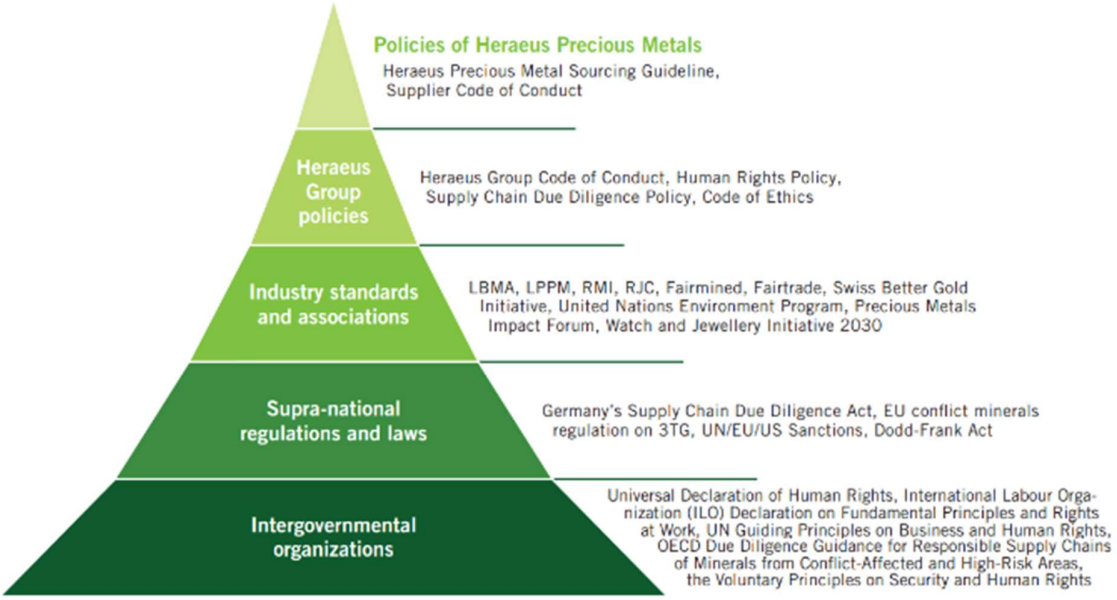
[1] calculated with 2023 average exchange rate, 1 € = 1.0813 US$
[2] To simplify readability, we will contribute to Heraeus Precious Metals, because we do not differentiate between measures and/ or a single precious metal. We include all sites worldwide as mentioned in Table 1.
[3] 100 % affiliate of Heraeus Precious Metals, Germany
[4] 50 % - 50 % joint venture of Heraeus Precious Metals, Germany

Scheme 1: International standards for precious metals supply chain due diligence currently met by Heraeus

Hereaus' work and management system is design with respect to the following "organizations"[5]:

- OECD for Economic Co-operation and Development (OECD)
  - OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 3rd edition, 2016
- Responsible Mineral initiative Guidance (RMI)
  - Responsible Minerals Assurance Process, Gold Refiner Standard, Version 7, February 2020
- London Bullion Market Association (LBMA)
  - Responsible Gold Guidance (RGG9); Version 9, November 2021
  - Responsible Silver Guidance, Version 2, November 2023
- London Platinum and Palladium Market (LPPM)
  - Responsible Platinum/Palladium Guidance, Version 4, November 2022
- Responsible Jewellery Council (RJC)
  - Code of Practices (COP) Version 1.3, June 2023
- Fairtrade
  - Fairtrade Standard, Version 1.2, November 2018

The system was developed in such a way that the prerequisites for the organizations above and their appropriate guidelines[6], were connected with national and international laws and requirements. Further information about our sustainability efforts can found in our current sustainability report, publicly available on our website:
www.heraeus.com/en/hpm/responsibility/precious_to_us/precious_to_us



[5] To simplify readability, the term "standards" is used in the remainder of the text, standing for the standards mentioned in Scheme 1
[6] Current versions see Scheme 11

The following scheme 2 shows the Heraeus sites and their certification by the organizations[6]:

Scheme 2: certifications by site and precious metal

	LBMA		LPPM		RMI	RJC	Fairtrade
	Au	Ag	Pd	Pt	Au		
Hanau			✓	✓	✓		
Fanling	✓	✓	✓	✓		✓	
Santa Fe Springs			✓	✓			
Nanjing			✓	✓			
Gqeberha			✓	✓			
Mendrisio	✓	✓	✓	✓		✓	✓
Udaipur - Choksi		✓					
Udaipur - Ravindra			✓	✓			

Furthermore, the processes, guidelines and policies are applied to all precious metals mentioned above. While our system is designed to support all applicable standards, we apply a risk-based differentiated approach where necessary. This refers to specific material and metal risks, which may need a differentiated analysis depending on the metal in question. Heraeus' products and services include the refining of precious metals, as well as the production of (investment) bars for banks, traders, and a wide variety of different precious metals containing products like conductive inks, active pharmaceutical ingredients and much more.

Heraeus processes precious metals that come from different sources like:

- material already certified as "Good Delivery"
- recycling material, such as returned material from industrial activities or old / scrap jewelry

and

- primary mine material, by-product from primary mine materials.

Highly industrialized mines are Heraeus´s main cooperation partners.

Since the annual demand for precious metals exceeds the capacity of primary production and the negative impact of primary mine material for the environment is huge, recycling becomes more and more important as alternative source.

The sources of recycled material are of most varied nature: in addition to industrial returned material and old jewelry, the so called "post-consumer precious metals" for recycling can also come from other sources like spent catalysator, alloys and other, in principle any precious metal containing products.

Heraeus is continuously committed to creating sustainable and transparent value for all partners along the entire value chain.

National governments, international organizations and industry associations are working on rules and regulations to ensure that the chain from the extraction of the raw material to the final business partner is responsible, sustainable, compliant with all legal requirements and in accordance with ethical standards. The mixture of “soft” and “hard” laws, in which Heraeus operates and contributes worldwide, has evolved significantly in the past years. Heraeus is committed to continues so in the future within the scope of continuous improvement.

All standards[5] applicable to all the Good Delivery Refiners, in addition to the measures to combat money laundering, terrorist financing and human rights abuses globally, have extended their scope to Environmental, Social and Governance (ESG) responsibilities.

Heraeus’s commitments, including ESG aspects, are reflected in our policies published on the website:

https://www.heraeus-precious-metals.com/en/responsibility/precious-to-us/

Summary of activities undertaken to demonstrate compliance:

This report includes information on all Heraeus’s (see table 1) refining sites worldwide. All systems, measures, and statements refer to Heraeus and their precious metals sourcing principles. Hence, the report also includes references to non-local Heraeus officers and committees, which provides an additional layer of compliance management systems.

This report represents a summary of measures/actions/processes in place at Heraeus to comply with guidances of the standards[5], and this one refers to LPPM Responsible Platinum and Palladium guidance.

1 Step 1: Company management systems

We have fully complied with Step 1: Established strong company management systems.

1.1 Has the Refiner adopted a supply chain policy regarding due diligence for supply chains of precious metals?

Compliance Statement with Requirement:

Heraeus Limited Hong Kong (HLH) has adopted a strong policy regarding due diligence for supply chains of Precious Metals.

In 2004, we started and completed applying the first Gold-certification of LBMA, started by obtaining the first supply chain due diligence certification – a gold certification. From then on, we continued to develop and refine our measures. Today, we have a set of policies in place to implement due diligence and fullfil all requirment of LBMA. The Supply Chain Due Diligence Policy incorporates the risks and risk management measures listed in annex II of the OECD Due Diligence Guidance.

- Compliance with Applicable Law
- Prevention of Money Laundering
- Combating of financing terrorism
- Prohibition of Corruption and Bribery
- Fight human rights abuses associated with extraction, transportation, and trade of precious metals
- Prohibition of Child Labor
- Employee Health Safety
- Environmental Protection

Our Know-Your-Business-Partner[7] (KYBP)-Process as well as other relevant policies and processes, are approved, regularly reviewed, and updated, when required, by the Heraeus´s senior Management as well as by the Heraeus Precious Metals management and the respective committees. Policies on local and Heraeus group level are made available on the respective websites:

https://www.heraeus-precious-metals.com/en/responsibility/compliance

With that policy, Heraeus Limited emphasizes to reasonably ensure that the precious metals in its supply chain originate from legal and ethical sources, that the precious metals are not associated with “illegal actions” like crimes, armed conflicts, or human rights abuses and that they will not be used for money laundering, financing terrorism, tax evasion, fraud, or any other crime.

The following graphic (Figure 2) summarizes the various sources and criteria (Governance, Human Rights and Conflicts) we use to define our own CAHRA list (short cut for Conflict affect and high-risk area), following the guidelines of the standards[5]. Then enhanced KYBP

[7] we are changing the definition from Know-Your-Customer (KYC) to Know-Your-Business-Partner (KYBP)

check is necessary. Further tools have been implemented to monitor transactions for irregularities.

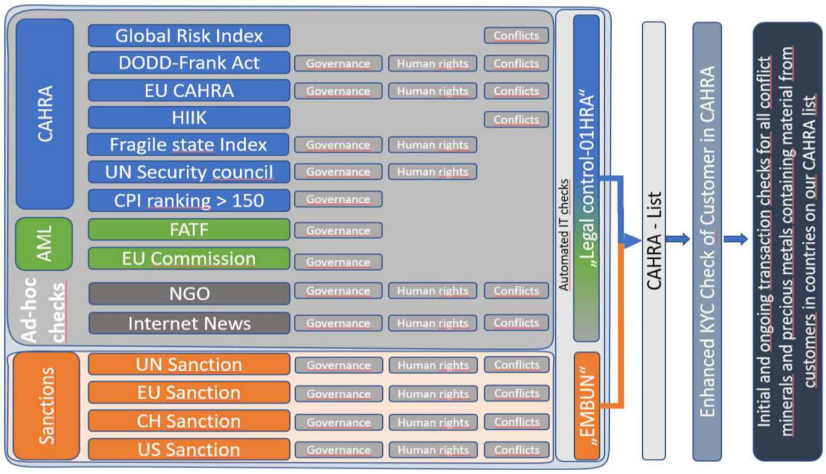


Figure 2: Process to define a CAHRA-country

1.2 Has the Refiner set up an internal management structure to support supply chain due diligence?

Heraeus Limited has set up an internal management structure to support supply chain due diligence.

Internal Compliance Management System

An efficient internal Compliance Management System (CMS) is an integral part of Heraeus's world-wide overall management system. Heraeus has allocated supply chain due diligence within its company-wide compliance management system

Within Heraeus, the CMS has the task of identifying, evaluating, managing, and removing inherent compliance risks within the company. In principle, various internal risk categories can be defined as follows:

- Risk regarding legal and regulatory requirements
- Risk regarding regulations of trade and industry associations, professional and association rules, and guidelines
- Litigation risk
- Risk of financial losses (country risk, counterparty risk, business, and transaction risk).
- Reputational Risk

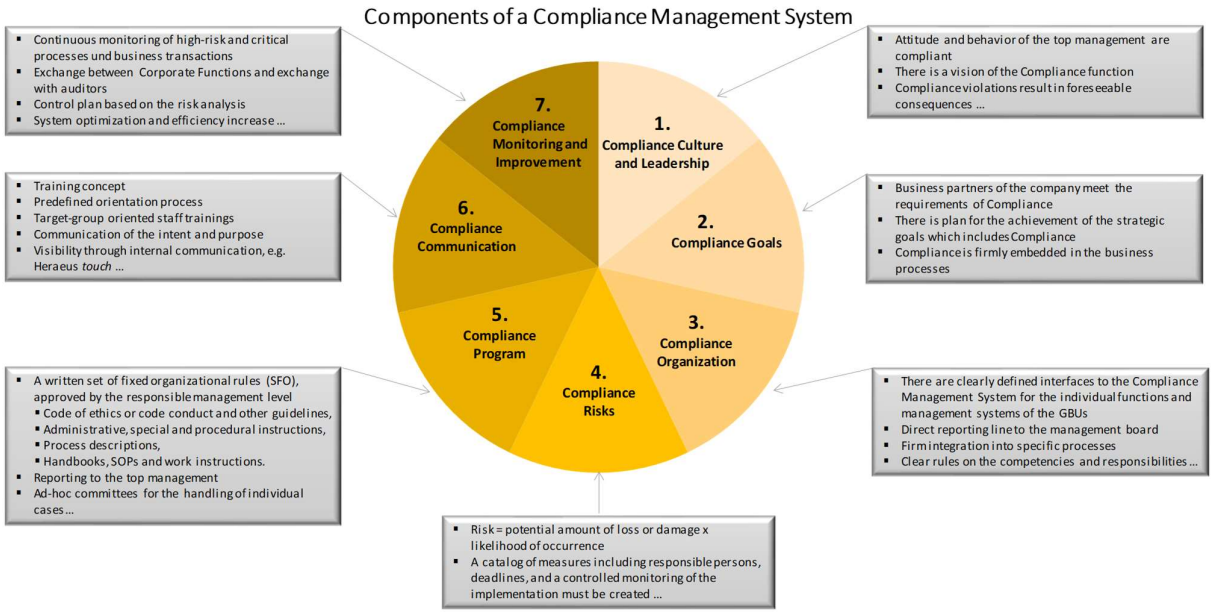


Figure 3: Components of the Heraeus[2] Compliance Management System

The CMS is therefore effective within Heraeus, Argor-Heraeus, as well as Choksi- and Ravindra-Heraeus.

Structure of the Heraeus's Internal CMS

A central component of the CMS is our "Know your business partner" approach, which is continuously used to check the legitimacy of potential and existing business partners based on legal and sector specific requirements.

The Human Rights Impact Assessment also ensures that human rights issues are a decisive part of risk management.

The ESG Impact Assessment also covers the protection of biodiversity in the supply chain. To this end Heraeus continuously collaborates with the competent stakeholders on elaboration and application of the best applicable standards on responsible sourcing.

Compliance Function

The management of the due diligence process is clearly defined. The Compliance Officer is assigned with the right competence and knowledge to take responsibility for the implementation of the supply chain due diligence processes and to report to the general management.

Heraeus manages responsible sourcing centrally from its headquarters in Hanau. The official appointed Global Head of Precious Metals Compliance Expert (PMCE) also appointed as global Compliance Officer directly reports to the Heraeus Precious Metals (HPM) CEO, who is also member of the Heraeus Holding Board and is the General Manager of Heraeus Precious Metals Germany.

At Heraeus Limited Hong Kong (HLH), a formally appointed local Compliance Officer with many years of experience is responsible for implementing the supply chain due diligence processes. This Compliance Officer reports directly to the General Manager of HLH and also supports the global Compliance Officer in compliance-related matters. In addition, HLH employs two additional experienced staff members who provide operational support in compliance topics.

The current Global Head of PMCE has 3-year experience with responsible sourcing. He nominated a skilled staff of two Compliance Managers who directly report to him. They have in total 10 years of experience in the specific fields. All relevant employees have undergone relevant trainings such as training on Anti Money Laundering and are well experienced with the industry standards such as LBMA.

For the efficient implementation of the CMS at Heraeus, clear decision-making powers and reporting channels were defined. The system is based on three elements:

- Clear allocation of responsibilities
- Strict separation of competencies in compliance with the dual control principle
- A clear set of rules and transparent processes

Reporting channels and accountability for control and decision-making (figure 4):

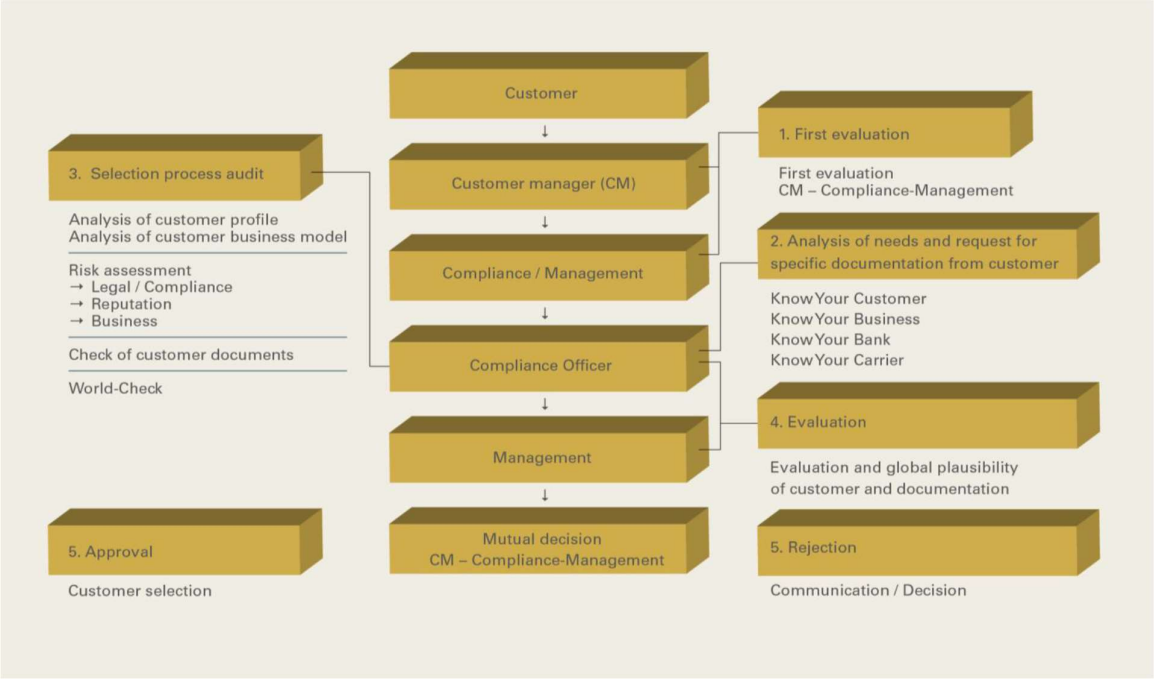


Figure 4: accountability for control and decision-making

The Compliance Officer is responsible for deciding with non-high-risk business relationships. The decision-making power over high-risk partners, in turn, lies with our management committees. The general management and its associated boards both locally (Risk Committee) and on Group level (Sourcing Committee) review major decisions. At the same time the global Compliance Officer oversees local decisions continuously. Part of the committee meetings is also transparency and training to foster transparency for all senior committee members. The Sourcing Committee meets on a quarterly basis. The committee

includes the Global Head of PMCE, HPM CEO, the site-specific compliance officers, and the general managers of the sites abroad.

At least annually, Heraeus Limited conducts internal training to all the relevant employees including senior management on Compliance, Anti-Money Laundering, Responsible Sourcing, and other pertinent topics. In the year 2024 we trained in sum 1138 employees for the whole Heraeus group, with regards to Heraeus Limited, we trained 119 employees (100 % of assigned employees).

In addition to this worldwide training, local compliance trainings were conducted at the different Heraeus sites.

The Internal Compliance Management System is continuously subject to updates as per applicable legislation, regulations, and internal standards within the scope of continuous improvement.

Heraeus established a group wide Anti-Money-Laundering Policy which applies to HLH. Cash payments are not allowed. All payments are transferred through official banking channels.

1.3 Has the Refiner established a strong internal system of due diligence, controls, and transparency over precious metal supply chain, including traceability and identification of other supply chain actors?

Heraeus has established a strong internal system of due diligence, controls, and transparency over Precious Metal supply chain, including traceability and identification of other supply chain actors.

Heraeus's Compliance Function responsibility includes evaluation, monitoring and plausibility checks of existing and potential business relationships upstream and downstream, as well as checking the economic background of its business activities and, if necessary, also their partners along the value chain and to assess them.

Central elements of the evaluation process are:

- Identification and verification of the business partner, the acting persons, their partners, and suppliers (operating licenses, tax compliance, etc.)
- Determination and examination of the economic grounds as well as the shareholder and controlling person/s
- Determination and plausibility check of the intended business activity (assessment of economic sense, volume check)
- Determination and assessment of the origin of the material including respect of human rights, ESG factors and other relevant criteria as per the organization's guidance and other relevant standards
- On site assessments[8]: ideally before or within the first six months after start of a business relationship.

[8] With respect to the requirements of guidances[6] and internal policies.

New business partners, except loop[9] business partners must adhere to our principles with regard to the responsible sourcing of our precious metal-bearing goods. They either accept our own Supplier Code of Conduct or have published their own equivalent regulations. We further sharpened-up our documentation requirements in our updated business partner check SOP and have addressed that for the rating of new or existing business partners. The Material Questionnaire is thereby aligned with the LBMA Questionnaires.

We are renewing our due diligence checks for all our suppliers in one, two- or three-years intervals based on the risk assessment we conducted in our KYBP process and the results are archived in a database. We maintain many long-standing relationships with most of our supplying partners which are typically industry heavy weight standards with similar due diligence requirements as Heraeus. Furthermore, there are numerous smaller business partners, like small jewelry manufactures.

As per the above summary, we have established a strong internal system of due diligence, controls, and transparency over Precious Metal supply chain, including.

We have adopted a robust Precious Metals incoming receipts process: specific documents must be received, and transactional details entered before we process the precious metal-bearing material.

Particularly, within our traceability system, for each lot, based on the type of the material, we collect, for example the following information/documents:

- Confirmation of the mining origin of the material (if applicable).
- Type of the material received.
- Weight and assay.
- Shipping and transportation documents.
- A unique reference number assigned to each input and output order.
- Date of arrival and date of assay finalization.

Each lot received is accurately registered in our transactional system. Specific controls are carried out before processing the material as outlined in our internal guidelines. All transactions are monitored within the EPR-System. Heraeus organizes regular training for the employees involved in the process to make sure the guidelines are followed and respected. Any form of non-conformity is unacceptable and must be reported, which proceeds with internal clarifications.

1.4 Has the Refiner strengthened company engagement with precious metal supplying counterparties, and where possible, assisted precious metals supplying counterparties in building due diligence capabilities?

Heraeus Limited has strengthened its engagement with precious metals supplying counterparties, and where possible, assisted precious metals supplying counterparties in building due diligence capabilities. All recycling business partners must accept the Heraeus Precious Metals Code of Conduct for Precious Metals Suppliers, the contents of which are fully compliant with the OECD guidelines and are updated regularly. In cases where a

[9] Loop business: Heraeus – business partner - Heraeus

business partner submits an acceptable comparable Code of Conduct and this is recognized as equivalent, it may also be accepted.

Heraeus Limited supports the principles of the Extractive Industries Transparency Initiative (EITI), promoting transparency in the extractive sector. If sourcing from EITI-implementing countries, Heraeus Limited will ensure appropriate disclosures and apply enhanced due diligence in line with LBMA requirements. During the reporting period, Heraeus Limited didn't buy mined gold/silver from a State-Owned Enterprise operating in an EITI country.

On a regular basis, we conduct assessments of our mining partners which are used to share Heraeus values and standards and to assess their alignment with the requirements stated in our supply chain guidelines, with special focus on Child labor, Human rights and ESG issues. Proposals for possible optimizations of processes and documentations are discussed and documented with our partners during on-site assessments and are followed up upon in future assessments. In principle, we expect all counterparties to adhere to OECD standards and submit respective assurance. Where mine site assessments are conducted by Heraeus, documentation and agenda are at a minimum followed along the most recent versions of the LBMA questionnaires for mine sites. In 2024 Heraeus-Group conducted programmed on-site assessments to its mining and recycled material suppliers. Regarding mining business partners, we completed 22 on-site assessments for mines producing precious metals. However, these apply to all legal entities collectively; specific on-site assessments were conducted for Heraeus Limited Hong Kong, including three on-site visits to mining counterparties and one visit to a recycling counterparty.

1.5 Has the Refiner established a company-wide confidential grievance mechanism?

Heraeus has established a company-wide grievance mechanism composed of various channels through which internal and external stakeholders can submit grievances and complaints.

We have implemented the Grievance Policy, which is accessible to any interested party, in person or anonymously, to voice concerns regarding the circumstances of precious metals extraction, trade, handling and export in a conflict-affected or high-risk area. Reports can be made via different methods: by phone, web-app, e-mail, by post and face to face. The contacts are accessible external and internal:

www.heraeus-group.com/en/corporate-responsibility/compliance/

In addition to the measures already in place such as trainings, portal posts and presentations during management meetings, we constantly enhance our processes and standard. In 2024, we continued on a stronger engagement with our affiliate companies to profit from all staff experience. Management oversight was strengthened beyond the legal entity CEOs to a Heraeus Precious Metals (HPM) Group level. Here, quarterly meetings of the sourcing committee with Heraeus Precious Metals - CEO, CFO, Compliance, Business Line Heads, and local CEOs foster discussions, decisions and awareness of risk assessments, processes, and standard.

In 2024 Heraeus Limited did not receive relevant grievances through the existing reporting channels concerning responsible sourcing.

2 Step 2: Identify and assess risks in the supply chain

Compliance Statement with Requirement:

We have fully complied with Step 2: identify and assess risks in the supply chain.

2.1 Does the Refiner have a process to identify risks in the supply chain?

Heraeus has a process to identify risks in the supply chain.

We identify and assess risks in the supply chain. For every supplier, we have established a client database and allocated a risk profile according to our risk profile criteria. This is part of our KYBP assessments. The process is a formal requirement before entering any business relationship with a supplying counterparty. Our due diligence process is carried out on a risk-oriented approach. From the following information:

- Country of business partner location
- Country of origin of material
- Business model
- Form of material
- Transport route of material
- Internal Risk Questionnaire

A risk profile is suggested based on the above information. This can be escalated or mitigated after appropriate consideration and assessment.

In particular, the time interval between checks on existing upstream business partners depends on whether the business partner is classified as high-risk or a low risk. The frequency of the reviews is from one year, two years or three years. Furthermore, as already pointed out in chapter 1.4, we perform on-site visit assessments for all mining partners regardless of their risk classification. For high-risk customers a 4-eye principle approval is required.

Within our global valid KYBP process, we use our risk assessment technique to identify possible risks in our supply chain based on a set of criteria like name, location, controlling party, principal officers and shareholders and external information sources. A sanction party list, Politically Exposed Person (PEP) and Adverse Media screening is done.

Risk assessments and continuous monitoring are managed centrally. The Global Head of PMCE and the two Compliance Manager reporting to him are responsible for this, as described in section 1.2. The assessments are based on the information received internally or from the relevant tools. KYBP screening tools include different commercial and open sources.

2.2 How does the Refiner classify identified risks in light of the standards of its due diligence system?

Comments and Demonstrations of Compliance:

The criteria for identifying high-risk business relationships and transactions are regularly reviewed and updated when necessary. These criteria are based on local legislation applicable in Hong Kong, the LBMA Responsible Gold Guidance, and the OECD Due Diligence Guidance.

Heraeus performs its Supply Chain Due Diligence in line with all measures required by standards[6] and other applicable standards before entering into a business relationship with any precious metal counterparties. We constantly monitor all transactions which take place through the course of the entire business relationship, and we conduct appropriate scrutiny and monitoring of the counterparts on a regular basis. Identified risks that require further investigation are managed by applying a strong risk-based approach.

The criteria for high-risk business relationships and transactions are regularly reviewed and updated, when required. These are based mainly on the standards[5] guidance.

Supply chain Due Diligence risk-based approach includes the risk categories based on the identification of the business partner, on the origin of the material and on the country of origin. These include (non-exhaustive list): Politically Exposed Persons; nationality, domicile of the business partner, banking details, ultimate beneficial owner, legal representatives in high-risk countries; complex structures; presence in international sanctions lists; location of the operations in the high-risk area; origin of the material from CAHRA, World Heritage Site, protected area; transportation of precious metals via CAHRA; human rights and ESG negative impacts including mercury use - which is not tolerated; artisanal small-scale mining; money-laundering and terrorism financing risks and other illegal actions.

High-risk assessment is performed by Compliance Officer with the use of external reliable sources and indexes such as Heidelberg barometer, FATF lists, SECO and International Sanctions lists, UNICEF workplace Index; EU CAHRA List, Dodd Frank`s 1502, NGO Reports, others. Supporting instruments are also platforms like Orbis, FACTIVA and RepRisk.

For existing business partners, in case of identification of risks as per internal management strategies and processes, internal clarifications are performed. Based on their results, the business relationship will be terminated, suspended, continued with improvement plan, or continued regularly, if potential risks are not confirmed or are mitigated. In cases of known instances and founded suspicion it is mandatory to proceed with communication to the relevant authorities and standards.

Risk Criteria which result in a high-risk rating:

1. Country Risk: If the customer location or the origin country of the material is listed on the high-risk country list, the country risk is considered high.
2. Business Model: The partner's business model is assessed using KYBP risk categories: low, medium, or high.

3. Form of Material: The form of material to be delivered is also classified in KYBP by risk level low, medium or high.
4. Internal Risk Questionnaire: At the end of the assessment, Compliance Officer or Manager completes a risk questionnaire that contributes to the overall evaluation.

If any single criterion is rated high-risk, the business partner is classified as high-risk overall.

For the reporting period 2024, HLH had 24 business partners classified as high-risk.

2.3 Has the Refiner undertaken EDD measures for identified high-risk supply chains?

Heraeus undertakes the EDD (extended due diligence) measures based on the type of the precious metals bearing material. Such measures include (non-exhaustive): identification of upstream participants of high-risk supply chains until the starting material, requirement of compliance with environmental standards and with tax requirements, assessment of the nature of security services provided at a mine, assessment of due diligence processes at the recycling business partners. For such measures, we pay special attention to understanding any risk of human rights violations and of support to illegitimate non-state armed groups.

One of our EDD measures for high-risk business partners is the on-site assessment of business partners producing mined material. For such an assessment our main guidance regarding documentation and some help to set the agenda is the mine assessment questionnaire. Based on the questionnaires of LBMA, we developed our internal material questionnaire to meet the challenge of the individual precious metals. Assessments are undertaken by experienced inhouse staff from Heraeus or from our subsidiary ARGOR-Heraeus, trained on the job over time by other experts. Results are checked via four-eye principle and documented as described. Additionally, external consultants can be engaged due to capacity reasons, travel restrictions or specific expertise. Basic assessment contents and documentation expectance does not change though. The frequency of the on-site assessments is the following: Two external and one internal assessment should be carried out over a period of approx. 10 years, resulting in a so-called 6-eyes principle. We aim to achieve 3 years between assessments with much shorter periods as needed. Exceptions from the above may apply based on risk reducing factors such as, type of mine, country of mine, and other available external certifications of the site. On-site assessments need to be conducted possibly before, but at least within the 6 months of the business relationship commencing.

Deviations from the standard (e.g., Covid travel restrictions) are mitigated by a constant transparency note to the Sourcing Committee about outstanding assessments, priorities, and the scheduled roadmap to full policy compliance.

In our partnership with intermediate refiners, in addition to our internal due diligence requirements and the independent assurance report on compliance with the OECD aligned responsible standard, we require additional information/documents which help us to understand and identify red flags on the Intermediate refiner supply chain. These additional requirements can be represented by, but not limited to, policies and procedures and work with our partners on roadmaps to receive independent assurance reports on the

communicated policies. This process - where needed – is currently ongoing and progress is reported to the management.

Furthermore, we pro-actively engage with partners offering pre-melted materials to Heraeus. While melting processes may have operative advantages on our business partners site, we encourage all partners to send original materials. For those partners, where this is not an option, we require full transparency and documentation on melting, compliance and transaction processes or an appropriate independence assurance report.

As the criminal environment in the gold mining sector and the precious metals industry becomes increasingly critical, Heraeus constantly reflects this situation in its due diligence. Pre-melted material is only accepted after exceptional scrutiny. Secondary and recycled materials generally pose less of a risk than primary materials. For many applications, a high level of chemical and process engineering expertise is required to manufacture the products, which prohibits the processing of low-quality materials. If it is not possible an EDD in form of an on-site visit by HLH internally, a third party is appointed. Should all EDD efforts fail HLH will not start or discontinue the business relationship.

Enhanced Due Diligence (EDD) was conducted for all 24 high-risk business partners identified during the reporting period. A total of ten on-site assessments were carried out. Five with mining business partners and five with recycling business partner. For nine business partners classified as high-risk due to the delivery of melted materials, HLH requires full transparency through photo and video documentation with weight verification before and after melting. Two business partners were classified as high-risk solely due to their location in a high-risk country. However, the due diligence review confirmed that the material, its origin, and the business partners themselves did not present any critical risks.

Desk-based EDD was applied to all business partners and all were screened for AML-related risks. No red flags or findings were identified, and therefore no further mitigation measures were required.

2.4 Does the Refiner report risk assessments to the designated manager?

Heraeus reports risk assessment to general management.

The Compliance Officer verifies the potential risks in line with the internal codes of standards[6] as well as the OECD guidelines and the FATF-Rules. All new high-risk suppliers must be approved by HPM^{2}s PMCE[10]. Quarterly an internal risk review is conducted, and its outcome presented to the HPM^2 Sourcing Committee.

[10] PMCE: Heraeus Precious Metals Compliance Experts; responsible sourcing team and its management

3 Step 3: Risk management

Compliance Statement with Requirement:

We have fully complied with Step 3: Design and implement a management system to respond to identified risks.

3.1 Does the Refiner have a process to respond to the identified risks by either (i) mitigating the risk while continuing to trade, (ii) mitigating the risk while suspending trade or (iii) disengagement from the risk?

Heraeus has adopted an automated screening of all business partners to identify risks in the supply chain. The screening allows us to manage risk through a rigorous risk assessment of all business partners and transactions through a regular re-assessment. In addition, identified risks are brought up from Compliance or business or any other stakeholder to the Heraeus Sourcing Committee which after a careful analysis decides how to proceed and what kind of action/ measures must be taken.

The results of the risk management strategy adopted are the following, to identify the 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, reporting accordingly.

In 2024 Heraeus Limited had

(i) zero mitigation of the risk while continuing to trade,
(ii) zero mitigation of the risk while suspending trade or
(iii) zero disengagement from the risk, reporting accordingly.

3.2 Where a management strategy of risk mitigation is undertaken, it should include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated senior management.

Corresponding procedures are in place and are applied accordingly. In case our risk assessment identifies high risk criteria, we actively approach our supplier to receive further information. If we cannot mitigate our risk assessment, the decision of closing the business relationship could be taken. Preferably, we engage our existing partners with requests for a long-term roadmap commitment, where short-term actions are not feasible. With this approach, we ensure ongoing and productive cooperation and retain measurable next steps. A clear commitment to specified steps and goals however is mandatory for a continuation of business.

Heraeus Limited monitors the performance of risk mitigation measures through regular reassessments, documentation reviews, and follow-up with business partners. For high-risk suppliers, progress against agreed improvement plans is tracked and reviewed by the

Compliance Team. The frequency of reassessment is based on the business partners risk profile and is conducted through our KYBP (Know Your Business Partner) checks. All findings are documented, and any deviations trigger escalation procedures.

During the reporting period, Heraeus Limited did not engage in any formal cooperation with national or local government authorities related to responsible sourcing or supply chain due diligence.

Heraeus continuously cooperates with the relevant stakeholders including national, international authorities, associations, NGO's. Constructive and efficient cooperation is a necessary step to a transparent and responsible supply chain.

In 2024, no reasons were identified for terminating any business relationships. Business relationships were continued with all business partners. No zero-conformances were identified, neither in order of business partner, no to material violations.

4 Step 4: Arrange for an independent third-party audit of the supply chain due diligence

Compliance Statement with Requirement:

We have fully complied with Step 4: Arrange for an independent third-party assessment of the supply chain due diligence.

Comments and Demonstration of Compliance:

Heraeus engaged the services of the assurance provider PricewaterhouseCoopers GmbH, and their independent reasonable assurance report can be viewed as soon as available on:

www.heraeus.com/en/hpm/responsibility/compliance_hpm/compliance.html

PwC has been chosen as a trusted, independent, and LBMA-accredited assurance provider.

5 Step 5: Report on supply chain due diligence

Compliance Statement with Requirement:

We have fully complied with Step 5: Report on supply chain due diligence.

Further information and specific details of how Heraeus´s systems, procedures, processes, and controls have been implemented to align to the specific requirements have been set out in our supply chain policy, which is available on our company website.

Refiner's details	
Refiner's name	Heraeus Limited Hong Kong
Location	30 On Chuen Street, On Lok Tsuen, Fanling, N.T. Hong Kong
Reporting year-end	01st Jan. 2024 – 31st Dec 2024
Date of Report	28th March 2025
Senior management responsible for this report	Ivy Chong Ivy.Chong@heraeus.com
Company website: https://www.heraeus-precious-metals.com/en/responsibility/compliance/	

6 Management conclusion

6.1 Is the Refiner in compliance with the requirements of the LBMA Silver for the reporting period?

Yes, Heraeus is in compliance with the requirements of the LBMA.

In conclusion, Heraeus implemented effective management systems, procedures, processes, and practices to conform to the requirements of the

- London Bullion Market Association (LBMA)
  - Responsible Gold Guidance (RGG9); Version 9, November 2021
  - Responsible Silver Guidance, Version 2, November 2023

as explained above in the "Summary of the activities undertaken to demonstrate compliance", for the reporting year ended 31st December 2024. Heraeus is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis.

7 Other report comments

If users of this report wish to provide any feedback to Heraeus with respect to this report, they can contact corporate relations on the compliance officer Dr. Patrick Henritzi. patrick.henritzi@heraeus.com.

Ivy Chong	Dr. Patrick Henritzi
General Manager	Compliance Officer / Head of PMCE

Note:

The "Refiners Data Collection, including Country of Origin" will be submitted through the official channel of LBMA: GBI database.