



Refiner's Compliance Report FY 2024 - 2025

Choksi Heraeus Private Limited

April 1st 2024 – March 31st 2025
London Bullion Market Association

Contents

1	Step 1: Company management systems.....	7
1.1	Has the Refiner adopted a supply chain policy regarding due diligence for supply chains of precious metals? 7	
1.2	Has the Refiner set up an internal management structure to support supply chain due diligence? 8	
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? .. 11	
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?	12
1.5	Has the Refiner established a company-wide confidential grievance mechanism?	12
2	Step 2: Identify and assess risks in the supply chain	14
2.1	Does the Refiner have a process to identify risks in the supply chain?	14
2.2	How does the Refiner classify identified risks in light of the standards of its due diligence system? 14	
2.3	Has the Refiner undertaken EDD measures for identified high-risk supply chains?	15
2.4	Does the Refiner report risk assessments to the designated manager?	16
3	Step 3: Risk management	16
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? 17	
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.	17
4	Step 4: Arrange for an independent third-party audit of the supply chain due diligence	19
5	Step 5: Report on supply chain due diligence.....	19
6	Management conclusion.....	19
6.1	Is the Refiner in compliance with the requirements of the LBMA Silver for the reporting period?. 19	
7	Other report comments.....	20

Introduction

In 1952, pioneer Ravindra Choksi laid the foundation in India for industrial use of Platinum and other precious metals. Since then, the family-owned company has been in the forefront of innovation, developing technology for application of precious metals in various walks of life. Year 1994 saw the advent of a very successful Indo-German joint-venture with world renowned Heraeus, one of the leading addresses in Industrial precious and special metals business. Heraeus, the technology group headquartered in Hanau, Germany, is an international family-owned company, founded in 1851.

Since the founding of the Choksi Heraeus Private Limited (“CHPL / Choksi Heraeus”) in 1988, our entrepreneurial activities have repeatedly required adjustments to changing conditions to take advantage of new opportunities. Sustainability has become a central entrepreneurial guiding principle and has long been incorporated into the principles of our entrepreneurial and social actions.

The plant is spread over 7500 Sq.m. floor area, situated in Udaipur, a city of lakes & palaces, and well connected to major cities of India. The Company follows a well proven Quality Management System (ISO 9001:2015) and has established its obligation to the society with Environmental Management System (ISO 14001:2004).

Choksi Heraeus serves the needs of Industries in Switchgear, Automotive, Aerospace, Electronics, Ceramic & Glass Surface Decoration, Jewellery and Photovoltaic with solutions and products of Precious Metals & Special Materials.

Manufacture is carried out using the latest technology that is developed in-house and also from our joint venture collaborator Heraeus Precious Metals, Germany. CHPL being part of the multinational Heraeus group of Germany are in the same league with the major global manufacturers. Choksi Heraeus is not only manufacturers of catalysts; but the whole gamut of precious metal products falls within their range and combines businesses in the environmental, energy, electronics, health, mobility and industrial applications sectors.

Table 1: Choksi Heraeus & Heraeus Precious Metals with his worldwide sites

▪ Choksi Heraeus Private Ltd.	Udaipur	India ¹
▪ Ravindra Heraeus Private Ltd.	Udaipur	India ¹
▪ Heraeus Precious Metals GmbH & Co.KG	Hanau	Germany
▪ Heraeus Limited	Fanling	Hongkong
▪ Heraeus Precious Metals North America	Santa Fe Springs	USA
▪ Heraeus Precious Metals Technology (China) Co., Ltd	Nanjing	China
▪ Heraeus PGM SA (Pty) Ltd.	Gqeberha	South Africa
▪ Argor-Heraeus SA	Mendrisio	Switzerland ²

Although the same due diligence procedure is applied to all precious metals, this designated LBMA report will focus on Silver. All relevant guidances are implemented into local due diligence, including LBMA Responsible Silver Guidance (see Scheme 1 below) on which will be the focus of this report. It should be emphasized that all regulations apply without restriction to all precious metals processed. CHPL products and services includes:

- Engineered Materials.
- Thin Film Materials.
- Electronic Assembly Materials
- Solder pastes and SMT adhesives.
- Jewellery and Investment
- Gold & Silver Coins, Silver bars – Casted & Minted are available in various design.

¹ 50 % - 50 % joint venture of Heraeus Precious Metals, Germany

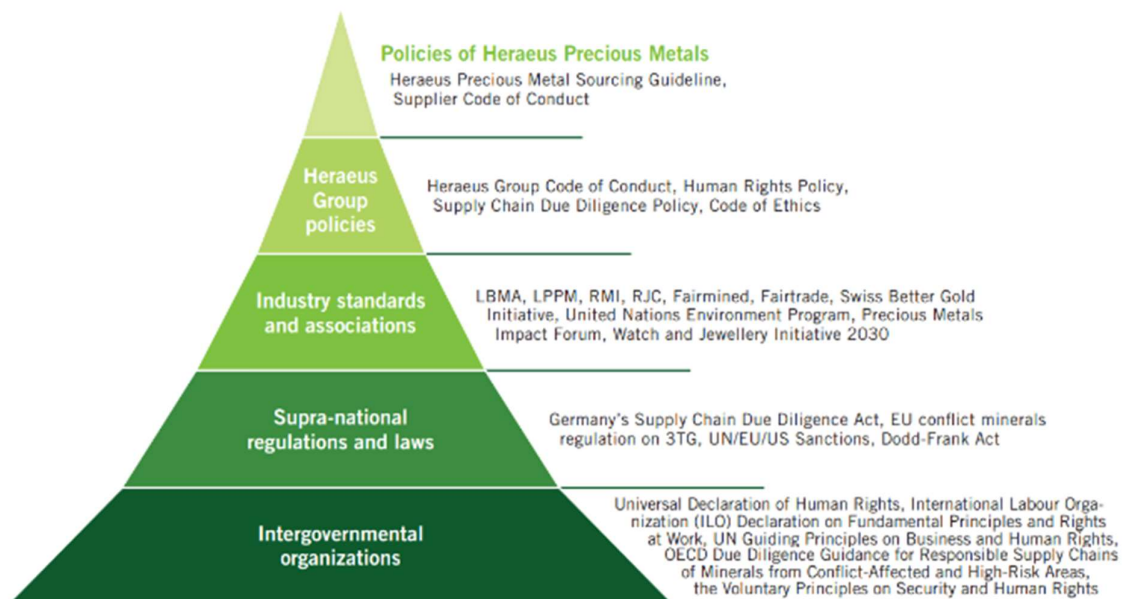
² 100 % affiliate of Heraeus Precious Metals, Germany

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

Choksi Heraeus & Heraeus Precious Metals' work and management system is design with respect to the following "standards"³:

- 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 standards above and their appropriate guidelines⁴, related to national and international laws and requirements.



³ To simplify readability, the term "standards" is used in the remainder of the text, standing for the standards mentioned in Scheme 1

⁴ Standards of organizations; current versions see Scheme 11

The following scheme 2 shows the Heraeus sites and their certification by the standards⁴:

Scheme 2: certifications by sites and precious metal

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

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. Choksi Heraeus' products and services include the refining of precious metals, as well as the production of a wide variety of functional materials containing Silver and much more. CHPL processes precious metals that come from three different sources:

- from Choksi Heraeus & Heraeus Precious Metals (HPM) own material (so called "loop business")
- from material already certified as "Good Delivery"
- from recycling material, such as returned material from industrial activity or old jewelry.

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.

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

National governments, international standards 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. Choksi Heraeus is committed to continues so in the future within the scope of continuous improvement.

All standards³ 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.

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

- <https://www.choksiheraeus.com/csr.html>
- <https://www.choksiheraeus.com/suspolicy.pdf>

Summary of activities undertaken to demonstrate compliance:

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

This report represents a summary of measures, actions and processes in place at Choksi Heraeus to comply with guidances of the standards⁴ and this one refers to LBMA London Bullion Market Association 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 has a well-established company-wide policy regarding due diligence for the supply chain of Precious Metals, the Heraeus Supply Chain Due Diligence Policy. This policy also applies to Choksi Heraeus. In addition, CHPL has a local supply chain policy that applies only to CHPL. The CHPL Supply Chain Policy refers to the OECD Guidelines on Conflict Minerals.

Being a secondary extractor and refiner of precious metals from out of spent material received from various industries viz. Chemical, process chemistry, electrical, Photovoltaic which are mostly large enterprises. Before entering into an agreement with them, CHPL ensures that the source of the material is transparently available. We process only secondary material – and with one exception only from within India.

The Heraeus Supply Chain Due Diligence Policy is fully compliant with Annex II of the OECD Due Diligence Guidance as well as LBMA Responsible Silver Guidance. The document includes requirements on prevention of money- laundering and terrorist financing.

Regarding the latter, the policy sets out our full commitment to:

- 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

Heraeus Supply chain due diligence policy, CHPL Supply Chain Policy as well as other relevant policies and processes, are approved, regularly reviewed, and updated, when required, by the Choksi Heraeus's senior management as well as by the Heraeus Precious Metals senior management and the respective committees. The latest version of Supply policy issued by Heraeus, can be found on the website in the download section

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

Policies on local India and Heraeus group level are made available on the respective websites:

- <http://www.choksiheraeus.com/scp.pdf>

With those policies, Choksi Heraeus 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 high risk country list (including conflict affect and high-risk areas), following the guidelines of the standards³ Then enhanced “Know your business partner” (KYBP) check is necessary. Further tools have been implemented to monitor transactions for irregularities.

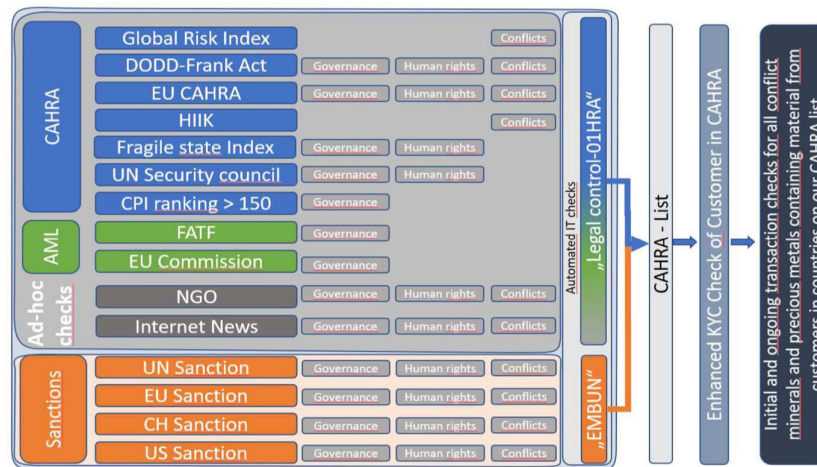


Figure 2: Process to define a high risk country

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

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

Comments and Demonstration of Compliance:

At Choksi Heraeus, we are committed to meeting the highest standards of the LBMA Responsible Silver Guidance. Below, we outline our measures to comply with these standards⁴.

Internal Compliance Management System

An efficient internal compliance management system (CMS) is an integral part of Choksi Heraeus and HPM's world-wide overall management system. CHPL has allocated supply chain due diligence within its company-wide compliance management system with sufficient resources.

Within CHPL, 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

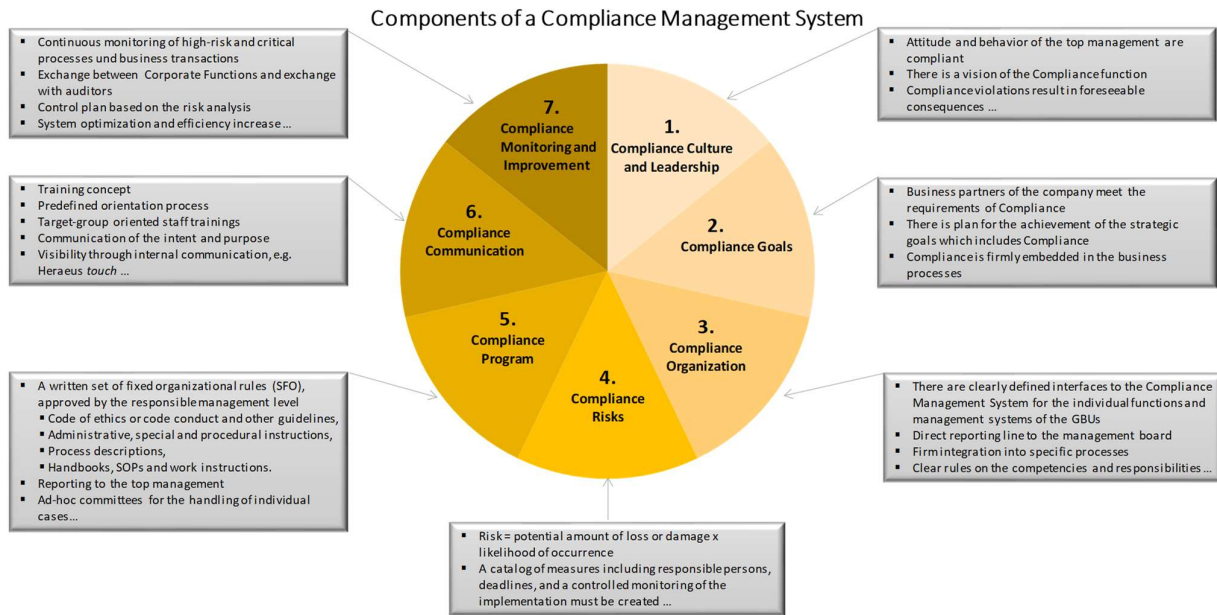


Figure 3: Components of the Choksi Heraeus and Heraeus ~~Fehler! Textmarke nicht definiert.~~ Compliance Management System

The CMS is therefore effective within Choksi- and Ravindra-Heraeus, Heraeus Precious Metals and Argor-Heraeus.

Structure of Choksi Heraeus's Internal CMS

An internal management system has been set up to define the governance, roles and responsibilities and communication as per the Heraeus Supply Chain Due Diligence Policy. The assigned local Compliance Officer designs and supervises the overall process. The Compliance Officer is supported by officers, who are responsible for implementing and enforcing these policies within our organization and further fine tuning the process with corresponding operating procedures. The Compliance Officer also performs the day-to-day KYBP checks. The Compliance Officer is assigned with the right competence and knowledge to manage the entire process.

Compliance Function

The management of the due diligence process is clearly defined. The CHPL 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.

Although Choksi and Heraeus Precious Metals (HPM) are a 50-50 joint venture with different management structures, both entities work closely together. CHPL has its own appointed compliance officer with many years of experience in responsible sourcing. The local Compliance Officer directly reports to the CHPL General Manager. This officer actively participates in HPM's compliance meetings, which are held under the umbrella of HPM's comprehensive responsible sourcing programme. CHPL is further supported by two experienced compliance managers from the Heraeus Precious Metals Compliance Expert (PMCE) team. The PMCE team is led by the officially appointed Global Head of Compliance, who reports directly to the HPM CEO. The CEO is also General Manager of Heraeus Precious Metals Germany (HPMG) and a member of the Heraeus Holding Board. The Global Head of PMCE has three years of experience in responsible sourcing and has nominated a skilled team of the above mentioned two compliance managers with a combined ten years of expertise in the field. All relevant employees have undergone training in Anti-Money Laundering and are familiar with industry standards such as the LBMA Responsible Gold Guidance.

For the efficient implementation of the CMS at Choksi 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):

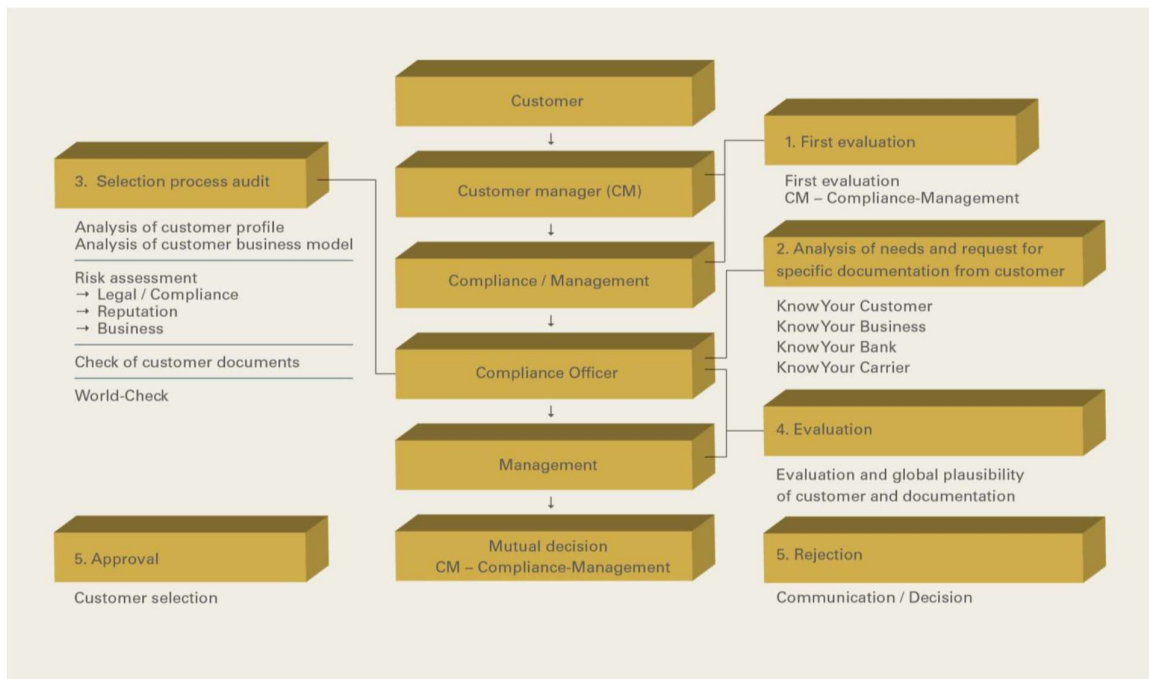


Figure 4: accountability for control and decision-making

The CHPL compliance officer is responsible for deciding on 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, Choksi Heraeus and HPM conducts internal training to all the relevant employees including senior management on anti-money laundering, responsible sourcing, and other pertinent topics.

In the year 2024-25 we trained in sum 12 employees for CHPL. The internal compliance management system is continuously subject to updates as per applicable legislation, regulations, and internal standards within the scope of continuous improvement. In 2024/2025 no breaches of the internal due diligence processes triggering internal sanctions have been noted.

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

Choksi Heraeus has established a strong internal system of due diligence, controls, and transparency over precious metal supply chains, including traceability and identification of other supply chain actors.

CHPL'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 standard's guidance and other relevant standards

New business partners, except loop⁵ 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 with equivalent regulations. We further sharpened-up our documentation requirements in our updated business partner check standard operating procedure (SOP) and have addressed that for the rating of new and existing business partners.

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 well-known industry global players with similar due diligence requirements as Choksi Heraeus & HPM. 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 traceability.

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:

- Type of material received.
- Weight and assay
- 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 CHPL's ERP-System. CHPL organizes together with HPM 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.

⁵ Loop business: Choksi Heraeus – business partner – Choksi Heraeus

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?

Choksi Heraeus 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 business partner submits an acceptable comparable Code of Conduct and this is recognized as equivalent, it may also be accepted. In the reporting year, CHPL continued to be actively engaged with large business organizations both in the public sector and Private sector.

Choksi Heraeus supports the principles of the Extractive Industries Transparency Initiative (EITI), promoting transparency in the extractive sector. If sourcing from EITI-implementing countries, Heraeus will ensure appropriate disclosures and apply enhanced due diligence in line with LBMA requirements. This report refers to silver, however, during the reporting period, CHPL 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, there were completed 22 on-site assessments. However, these apply to all legal entities collectively; no on-site assessments were conducted for CHPL Silver. CHPL does not deal with mining companies or process any mining materials which are generally perceived to be from high- risk areas.

CHPL conduct audits of the partners which are used to share CHPL 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. No audits were conducted during the reporting period.

In principle, we expect all counterparties to adhere to OECD standards and submit respective assurance. Where visits are conducted by CHPL, documentation and agenda are at a minimum followed along the most recent versions of the LBMA questionnaires.

No such risk was identified during the reporting period. There where zero due diligence issues on which precious metals supplying counterparties were specially engaged during the reporting period.

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

Choksi Heraeus has established, together with HPM, a company-wide grievance mechanism composed of various channels through which internal and external stakeholders can submit grievances and complaints. We promote broad-based employee participation and risk identification to management.

We have implemented a Grievance mechanism, 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 or any other issue. Besides the possibility to raise compliance violations through internal channels, CHPL is also offering employees and business partners the opportunity to voice concerns over any compliance violations anonymously. All reports can be made via phone, e-mail or post to Compliance Officer, Mrs. Bhanupriya Mehta Jain at bhanupriya@ravindraheraeus.com

In addition to this, CHPL did not receive grievances through the proposed reporting channels. Furthermore, we utilized the Heraeus Precious Metals grievance mechanism "SpeakUp", publishes on

the internal and external websites.

<https://www.heraeus-group.com/en/corporate-responsibility/compliance/>

However, no relevant grievance were raised to Choksi Heraeus in the reporting year 2024/25.

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?

Choksi 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 KYBP process, we use our CHPL 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 India, the LBMA Responsible Gold Guidance, and the OECD Due Diligence Guidance.

Choksi Heraeus performs its supply chain due diligence in line with all measures required by standards³ 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 organisation's guidances. We use Internet search and commercial databases to verify the nature of our customers' business, including on-site visits, especially for smaller customers (proprietorship). Written confirmation from them is required to confirm adherence to our "Code of Conduct and material questionnaire for precious metals suppliers". No supplier risks were identified in the financial year 2024 / 2025 which would require a site visit.

Supply chain due diligence risk-based approach includes the risk categories based on the identification of the business partner, the industry the company is active in, 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 continued regularly, if potential risks are not confirmed or are mitigated, continued with improvement plan or suspended. 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, CHPL had no business partner classified as high-risk.

CHPL sourced exclusively from within India, which is formally listed as a high-risk country. However, during the due diligence review, it was confirmed that the material, its origin, and the business partners themselves did not present any critical risks. The business partners operate industrial facilities with transparent structures and traceable material flows. CHPL maintains a very limited number of business relationships—fewer than ten—and all of these partners exclusively supply spent catalysts from own production. Therefore, no red flags were identified, and no further mitigation measures were required.

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

Choksi Heraeus undertakes the EDD (enhanced due diligence) measures based on the type of the precious metals bearing material. These include (non-exhaustive list): identification of all the participants of high-risk supply chain until the starting material, understanding of the risk of human rights violations, compliance with environmental standards, nature of security services provided in the mine, support to illegitimate non-state armed groups, compliance with tax requirements, assessment of due diligence processes for the recycling business partner supply chain.

One of our EDD measures for high-risk business partners is the on-site assessment. For such an assessment our main guidance regarding documentation and some help to set the agenda is the mine assessment questionnaire. We use the LBMA questionnaire when conducting the on-site assessments. In doing so, we

take into account the challenges regarding individual precious metals. Assessments are undertaken by experienced inhouse staff from Heraeus or from the 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.

If on site visits are not possible, we have identified 3rd party assurance provider, who are specialized to compliance assessments and were successfully tested with first assessments. They meet our expectations and comply with the requirements of the LBMA and the EU. If even these providers are unable to attend, it is clearly a special case in which a decision on cooperation is made on the basis of extensive research, discussions and presentations to the sourcing committee. Due to the exceptional rarity of such cases, this is not laid down in any work instructions, as the facts are not available in advance.

Deviations from the standard (e.g., 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.

Nevertheless, for the reporting period, no EDD in form of an on-site assessment was required due to identified risks. The frequency of the on-site visits as part of EDD is described above in detail. If it is not possible an EDD in form of an on-site visit by CHPL together with the Compliance Team from HPMG internally, a third party is appointed. Should all EDD efforts fail CHPL will not start or discontinue the business relationship.

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

Choksi Heraeus reports risk assessment to general management.

The Compliance Officer verifies the potential risks in line with requirements of the standards⁴ as well as the OECD guidelines and the FATF-Rules. All new high-risk suppliers must be approved by HPM^{Fehler! Textmarke nicht definiert.}s PMCE⁶. Quarterly an internal risk review is conducted, and its outcome presented to the Heraeus Precious Metals Sourcing Committee.

3 Step 3: Risk management

Compliance Statement with Requirement:

⁶ PMCE: Heraeus Precious Metals Compliance Experts; responsible sourcing team and its management

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?

Choksi Heraeus has adopted a process of 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 Choksi Heraeus & Heraeus Sourcing Committee which after a careful analysis decides how to proceed and what kind of action and/ or measures must be taken.

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.

Based on the results of the KYBP-screening, the following actions are taken to address the risk:

- (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 CHPL 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.

Choksi Heraeus 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 Heraeus Precious Metals Germany (HPMG) 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, Choksi Heraeus did not engage in any formal cooperation with national or local government authorities related to responsible sourcing or supply chain due diligence.

Choksi Heraeus & Heraeus Precious Metals 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 India, bids are submitted for the materials. For this reason, an adequate inspection must be carried out beforehand, which must have a positive outcome. Transactions are released by the director of Choksi Heraeus.

In 2024, no reasons were identified for terminating any business relationships. Work 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:

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

<https://www.choksiheraeus.com/rar.pdf>

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 Choksi 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	Choksi Heraeus Private Limited - CHPL
Location	A-196 (A), F' Road, M.I.A. Madri, Udaipur 313003, India
Reporting year-end	April 01 st 2024 – 31 st March 2025
Date of Report	July 18 th 2025
Senior management responsible for this report	Kishore Choksi, Managing Director, CHPL Kishore.choksi@choksiheraeus.com
Company website: www.choksiheraeus.com	

6 Management conclusion

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

Yes, Choksi Heraeus is compliant with the requirements of the LBMA.

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

- London Bullion Market Association (LBMA)
 - Responsible Silver Guidance, Version 2, November 2023

as explained above in the "Summary of the activities undertaken to demonstrate compliance", for the reporting year April 1st 2024 to 31st March 2025. Choksi 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 Choksi Heraeus with respect to this report, they can contact corporate relations on the compliance officer Mrs. Bhanupriya Mehta Jain at bhanupriya@ravindraheraeus.com

Kishore Choksi
Managing director

Dr. Patrick Henritzi
Compliance Officer Heraeus Precious Metals

Note:

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