

**ARGOR-HERAEUS SA**  
**Mendrisio (Switzerland)**

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**Independent Reasonable Assurance Report**  
LBMA Responsible Gold Guidance

for the year ended 31 December 2024

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## Independent Reasonable Assurance Report to the Board of Directors of ARGOR-HERAEUS SA, Mendrisio, Switzerland

We were engaged by ARGOR-HERAEUS SA to provide reasonable assurance on its Refiner's Compliance Report for the year ended 31 December 2024.

The assurance scope consists of the Refiner's Compliance Report and the Country of Origin Annex.

### Responsibilities

The Board of Directors of ARGOR-HERAEUS SA is responsible for the preparation and presentation of the Refiner's Compliance Report and the Country of Origin Annex in accordance with the *LBMA Responsible Gold Guidance* (the Guidance). This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the directors as relevant for demonstrating compliance with the Guidance are the activities described within the Refiner's Compliance Report. Our responsibility is to carry out a reasonable assurance engagement in order to express a conclusion based on the work performed. We conducted our assurance engagement in accordance with International Standard on Assurance *ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board and the guidance set out in the *LBMA Responsible Gold Programme – Third Party Audit Guidance for ISAE 3000 Auditors (the Audit Guidance)*.

This report and its annex have been prepared for ARGOR-HERAEUS SA for the purpose of assisting the Board of Directors in determining whether ARGOR-HERAEUS SA has complied with the Guidance and for no other purpose. Our assurance report is made solely to ARGOR-HERAEUS SA in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than ARGOR-HERAEUS SA for our work, or for the conclusions we have reached in the assurance report.

### Inherent limitations

Non-financial information, such as that included in the Refiner's Compliance Report and the Country of Origin Annex, is subject to more inherent limitations than financial information, given to more qualitative characteristics of the subject matter and the methods used for determining such information. The methods used by Refiners to comply with the Guidance may differ. It is important to read the ARGOR-HERAEUS SA supply chain due diligence policy available on ARGOR-HERAEUS SA's website.

### Independence and competency statement

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We have applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Description of the procedures performed**

The procedures performed on the Refiner's Compliance Report are based on our professional judgement and have included inquiries, primarily with Refiner's personnel responsible for the preparation of information included in the Refiner's Compliance Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

- Inquiries with the management and the relevant staff to gain an understanding of the Refiner's processes and risk management protocols in place, in the refinery business, and to gain an understanding of internal control over the preparation of the Refiner's Compliance Report relevant to the engagement;
- Inquiries with the management and the relevant staff for obtaining information about the production process and the process adopted by the Refiner in order to comply with the requirements of the Guidances;
- Site visit to the Refiner's venue and operating sites for observing the traceability system and obtaining information on the process adopted by the Refiner in order to comply with the requirements of the Guidances;
- Review of a selection of additional supporting documentation, including counterparty due diligence file and transaction's documentation;
- Obtain supporting documentation, on a sample basis, in order to analyse the consistency of the qualitative information included in the Refiner's Compliance Report with the available evidence;
- Review the statements made by the management in the Refiner's Compliance Report as compared to the findings arising from the above procedures performed;
- Review of the Compliance Report.

### **Emphasis of matter paragraph**

We draw attention to the fact that the Country of Origin Annex is not publicly available.

**Conclusion**

In our opinion, the ARGOR-HERAEUS SA's Compliance Report and the Country of Origin Annex for the year ended 31 December 2024, in all material respects, describe fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein, is in accordance with the requirements of the LBMA Responsible Gold Guidance, Version 9 dated November 2021

Geneva, 31 March 2025

**Forvis Mazars SA**



Franck Paucod  
Licensed audit expert  
(Auditor in charge)



Tatiana Gomes  
Licensed audit expert

**Attachments:**

- ARGOR-HERAEUS SA's Compliance Report 2024

Copy to London Bullion Market Association

## Introduction

Argor-Heraeus SA, headquartered in Mendrisio, Switzerland, provides highly customized solutions in terms of products and services, with a strong emphasis on the quality and responsibility of the precious metals processed.

Argor-Heraeus was fully taken over by Heraeus Holding GmbH in 2017, when the family-owned and German-based group increased its stake to 100% of Argor-Heraeus shares, incorporating it into the Operational Company Heraeus Precious Metals. Argor-Heraeus offers a range of products and services, including the refining of gold, silver, platinum, and palladium from both primary and secondary sources. Our offerings also include the production of coins and investment bars for banks and traders, as well as semi-finished and finished products for the watch and jewelry industries, alongside products designed for the electronics and chemical sectors. Argor-Heraeus processes precious metals that come from three different sources:

- material already certified as “Good Delivery”
- material out of mines
- recycled material, such as return material from industrial activities or old jewelry.

A significant portion of the raw materials utilized by Argor-Heraeus originates from industrially operated mines or Large-Scale Mines (LSM), with a smaller fraction sourced from artisanal and small-scale mines (ASM).

In this regard, as a founding member of the Swiss Better Gold Association (SBGA), Argor-Heraeus is strongly committed to supporting the ASM Sector. Ensuring responsible practices is crucial for a sustainable social and environmental development of ASM activities and communities. We acknowledge the complexities involved in formalizing ASM; however, we recognize that these efforts are necessary to support these miners to access the official precious metals market and good market conditions. By enabling this market access, we allow the ASM community to build a sustainable business case and thus contribute to improving the living and working conditions of the many individuals who directly or indirectly depend on these mines. As part of this commitment, we offer Swiss Better Gold, Fairmined Gold, and Fairtrade Gold to our customers, hence advocating for more sourcing from responsible ASM suppliers. We are also actively involved in projects to support ASMs in phasing out the use of highly toxic mercury. By paying market prices and an additional premium, we not only enable an improvement in working and living conditions, but also participate in protecting flora and fauna and safeguard biodiversity.

We also process precious metals from various secondary sources, such as industrial scraps and old jewelry—the so called “post-consumer material”—along with precious metals investment bars. Argor-Heraeus is highly committed to creating sustainable and transparent value for all stakeholders 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 origin of the precious metals to the

final customer is traceable, sustainable, compliant with all legal requirements, and in accordance with ethical standards. These industrial standards and legal regulations, in which developments Argor-Heraeus contributes, has evolved significantly in the past years, and continues to do so within the scope of continuous improvement.

The OECD Due Diligence Guidance for Responsible Supply Chains of minerals from conflict-affected and high-risk areas (OECD Guidance) with its five steps framework represents one of the benchmark references for the LBMA Responsible Gold and Silver Guidance as well as the LPPM Responsible Sourcing Guidance, applicable to the all the Good Delivery Refiners. In addition to the responsible sourcing requirements like measures to combat money laundering, terrorist financing and human rights abuses globally, the precious metals industry standards have extended their scope to Environmental, Social, and Governance (ESG) responsibilities.

Regarding the Swiss applicable laws, Argor-Heraeus, being a precious metals refinery, is classified as a financial intermediary and is subject to compliance with the Swiss AML legislation. From January 1, 2023, it is subject to surveillance by the Swiss State Authority Central Precious Metals Control Office. Annual audits are conducted to ensure compliance of Argor-Heraeus with the Swiss AML legislation.

With the enactment on January 1, 2022, of the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO), Argor-Heraeus reviewed its internal compliance management processes and procedures to ensure compliance with the DDTrO provisions as it was duly audited by external auditor MAZAR.

Argor-Heraeus' commitments, including ESG aspects, are reflected in our policies published on the website: <https://argor-heraeus.com/regulations>.

<b>Refiner's details</b>	
Refiner's name	Argor-Heraeus SA
Location	Via Moree 14, CH-6850 Mendrisio
Reporting period	01.01. - 31.12.2024
Date of Report	31.03.2025
Senior management responsible for this report	Robin Kolvenbach (Co-CEO) & Hans-Jürgen Deutsch (Co-CEO)

## **Summary of activities undertaken to demonstrate compliance**

The scope of this report focuses on the Argor-Heraeus' site in Mendrisio, Switzerland. However, all systems measures, and statements refer to and encompass all other Argor-Heraeus and Heraeus Precious Metals sites and their precious metals sourcing principles. Hence, the report also includes references to Heraeus Precious Metals' officers and committees, which provides an additional layer of compliance due diligence.

This report represents a summary of measures/actions/processes in place at Argor-Heraeus to comply with the LBMA Responsible Gold and Silver Guidance.

### **Step 1: Company management systems**

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

### **Has the Refiner adopted a supply chain policy regarding due diligence for supply chains of gold and/or silver?**

#### **Compliance Statement with Requirement:**

Argor-Heraeus has adopted a strong policy regarding due diligence for supply chains of precious metals. In 2004, we adopted the Precious Metals Supply Chain Due Diligence Policy based on our company Policy of Compliance and Ethics. This Supply Chain Due Diligence Policy, which has been constantly updated, is fully compliant with Annex II of the OECD Due Diligence Guidance as well as with the LBMA Responsible Gold/Silver Guidance, LPPM Responsible Platinum and Palladium Guidance, the Swiss Conflict Minerals and Child Labor Due Diligence Legislation. The document includes requirements on prevention of money-laundering and terrorist financing according to the Swiss Anti-Money Laundering Legislation.

Regarding the latter, the Policy sets out our unwavering commitment to:

- prevent human rights abuses associated with extraction, transportation, and trade of precious metals;
- prevent money laundering and terrorism financing;
- responsibility to conduct systematic risk-based due diligence over the entire supply chain;
- screen and monitor the transactions and governance structures in place to maintain adequate records of Due Diligence documents and supply chain traceability;
- ensure ongoing training for the staff involved in the supply chain.

The Policy also includes Environmental, Social, and Governance (ESG) factors as per the LBMA guidance.

Following the enforcement of the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO), provisions of the Supply Chain Policy were integrated with additional references to child labor.

The Supply Due Diligence Policy as well as other relevant policies and processes, are approved, regularly reviewed, and updated, when required, by the senior management of Argor-Heraeus, Heraeus Precious Metals and the Heraeus Group. Policies on local and group level are made available on the respective websites:

- <https://argor-heraeus.com/regulations>
- <https://www.heraeus-group.com/en/sustainability/>

The knowledge of this Supply Due Diligence Policy is made to all employees through access to the local server and annual training on compliance matters.

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

Argor-Heraeus 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 a critical component of Argor-Heraeus' overall management system. CMS main effort is to embed the supply chain due diligence into every single structure and process and to define the governance, roles, responsibilities, internal audit, and communication.

At Argor-Heraeus, the CMS is tasked with 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.

The CMS is therefore not only effective within Argor-Heraeus, but also within the Heraeus Group and outside the organization.

#### ***Structure of the Argor-Heraeus' internal CMS***

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

In our CMS, we place a special emphasis on human rights related topics ensuring that human rights issues are a decisive part of our risk management.

Furthermore, we also pay close attention to environmental topics, including the protection of biodiversity.

To this end Argor-Heraeus continuously collaborates with the competent stakeholders on elaboration and application of the best applicable standards on responsible sourcing.

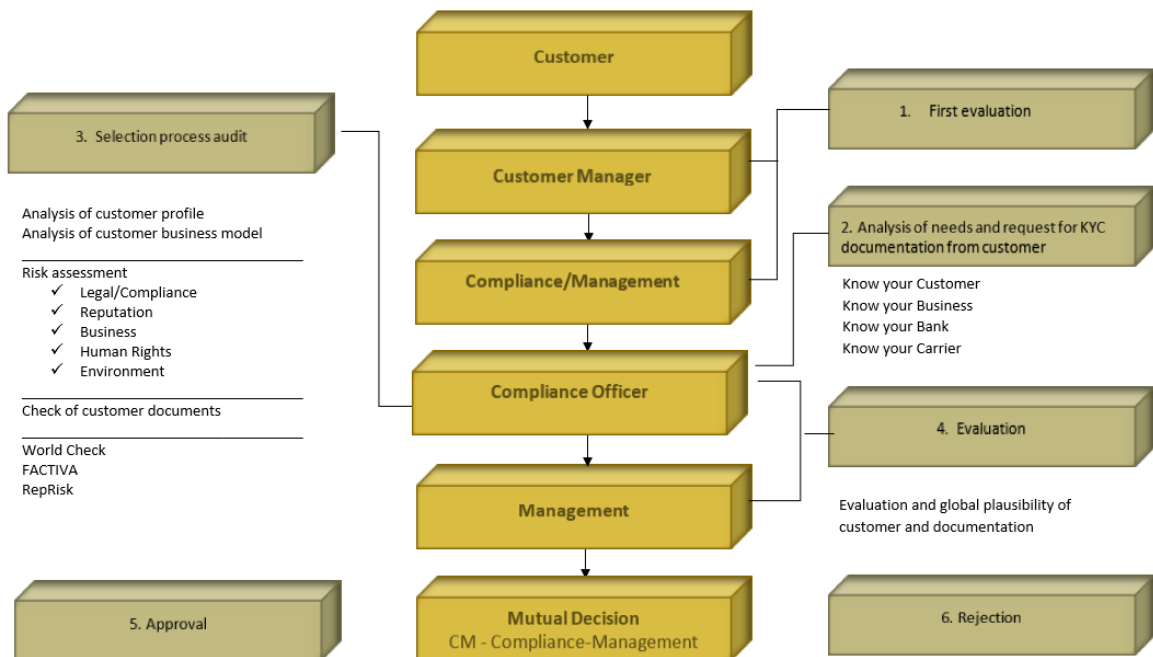
### **Compliance Function**

The management of the Due Diligence process is clearly defined. The Compliance Officer possesses the necessary competence and knowledge to take responsibility for the implementation of the supply chain due diligence processes and to report to the general management (direct reporting line to the CEO). He reports additionally to Heraeus Precious Metals' Global Head of Compliance to foster compliance's independence.

To ensure the efficient implementation of the CMS at Argor-Heraeus, clear decision-making processes and reporting channels were defined. The system is based on three key elements:

- Clear allocation of responsibilities: roles and responsibilities are explicitly defined to ensure accountability.
- Strict separation of competencies: compliance practices adhere to the dual control principle, ensuring that no individual has unilateral control over compliance processes.
- Transparent processes: a clear set of rules and transparent procedures guide the compliance efforts.

Reporting channels and accountability for control and decision-making:



The Compliance Officer is responsible for dealing with non-high-risk business relationships.

The decision-making power over high-risk partners, in turn, lies with the general management. The general management and its associated boards both locally (Risk Committee & AHS Compliance Meeting) and on Heraeus Precious Metals level (Sourcing Committee) review major decisions. At the same time, the Heraeus Precious Metals' Global Head of Compliance oversees local decisions. Part of the committee meetings is also to foster transparency for all senior committee members.

At least annually, Argor-Heraeus conducts internal training to all the relevant employees in functions at risk on Anti-Money Laundering, Responsible Sourcing, and other pertinent topics.

Regarding the Annual Training 2024, conducted by the Swiss Association of Manufacturers and Traders in Precious Metals (ASFCMP), a total of 36 employees, involved in compliance, from Argor-Heraeus and the Heraeus Precious Metals Business Unit, attended. Focus of the training was on the Swiss Anti-Money Laundering Legislation, supervision of the Swiss precious metals industry; responsible sourcing with attention to transparency; different sources of risk, and Non-Good Delivery Refineries. Additionally, internal training on Argor-Heraeus Policies was conducted to all the employees in functions at risk. On the Heraeus Group level, online trainings on compliance topics, including anti-bribery, and corruption are yearly conducted as well.

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 no breaches of the internal due diligence processes that would trigger internal sanctions have been noted.

Cash payments are forbidden, and no exceptions are made.

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

Argor-Heraeus has established a strong internal system of due diligence, controls, and transparency over its precious metals supply chain, including traceability and identification of other supply chain actors.

Argor-Heraeus' Compliance Organization is responsible for the evaluation, monitoring, and plausibility checks of existing and potential business relationships, both upstream and downstream. This includes assessing the economic context of our business activities and, when necessary, that of our partners along the value chain.

The central elements of the evaluation process include:

- 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 of the shareholders 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 LBMA and other relevant standards;
- On site visits: ideally before or within the first six months after start of a business relationship for all mining and all high-risk customers. If the visit is not possible due to security reasons, a third party is appointed.

Through these measures, we have established a robust internal system for due diligence, controls, and transparency in the precious metal supply chain, including traceability and identification of other supply chain actors.

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.

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

- Confirmation of the mining origin of the material;
- 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.

Argor-Heraeus organizes regular training for the employees involved in the process to make sure the guidelines are followed and respected.

Any kind of non-conformity is unacceptable and must be reported to the Compliance Officer, who will proceed with internal investigations and implement the necessary processes. In 2024, no incidents of non-conformity related to the counterparty's identification, origin, and traceability of precious metals were identified.

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

Argor-Heraeus has strengthened its engagement with precious metals supplying counterparties, and, where possible, assisted precious metals supplying counterparties in enhancing their due diligence capabilities. Additionally, we have regularly reviewed and updated our supplier agreements to stay fully compliant with the OECD guidelines.

On a regular basis, we conduct assessments of our mining partners to make sure they comply with the required regulatory and legislative standards as well as Argor-Heraeus' values. Furthermore, we assess their alignment with the requirements stated in our supply chain guidelines, with special focus on child labor, human rights and ESG. Proposals for possible optimizations of processes and documentations are discussed and documented with our partners during on-site visits are followed up upon in future visits.

In 2024, the on-site visit assessment program to our mining partners was successfully completed, visiting all mining partners.

In principle, we expect all counterparties to adhere to OECD standards and provide the corresponding assurance. When visits are conducted by the Heraeus Group, the accompanying documentation and agenda will always satisfy the most recent versions of the LBMA questionnaires.

### **Payments**

All the payments to/from Argor-Heraeus are done via banking channels. Cash payments are prohibited.

During the reporting period, Argor-Heraeus didn't buy mined precious metals from a State-Owned Enterprise operating in an EITI country.

In 2024, Argor-Heraeus purchased gold from one state-owned company based in Azerbaijan.

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

Argor-Heraeus has established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management.

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: [GrievancePolicy](#). Reports can be made via different methods: by phone, e-mail, by post and face to face. In 2023 we have added new channels for communication of grievances and increased the visibility of the grievance mechanism on our homepage [argor-heraeus.com/grievances](http://argor-heraeus.com/grievances). In addition to those already existing, it offers now international telephone contacts with local phone numbers and in local language as well as an instant chat availability in more than 60 languages to broaden the possibilities of launching grievances.

In addition to the measures already in place such as trainings, regular communication in our employee portal and presentations during management meetings, we constantly enhance our processes and organization. We focused on a stronger engagement with our parent and sister companies to profit from all staff experience. Furthermore, management oversight was strengthened beyond the legal entity CEOs to a Heraeus Precious Metals level. Here, quarterly meetings of the Sourcing Committee with Heraeus Precious Metals' CEOs, CFO, Compliance, Business Line Heads and CEOs of local entities foster discussions, decisions, and awareness of risk assessments, processes and organization. At least quarterly local compliance meetings have been conducted as well, involving all related functions, like compliance, legal, sales, and management.

In 2024, Argor-Heraeus received no grievance through the official reporting channels.

In 2023, the NGO Human Rights Watch approached Argor-Heraeus with a case from previous years regarding the mining company Midroc Gold Mine Plc in Ethiopia. Argor-Heraeus stopped its business relationship with Midroc Gold Mine Plc in 2018, on the day our monitoring systems first detected negative public reporting. At all times Argor-Heraeus has fully complied with the applicable due diligence requirements of the OECD, LBMA, and the Responsible Jewellery Council (RJC). The studies quoted by Human Rights Watch were produced only after the situation became known and we had already ended our relationship with Midroc Gold Mine Plc. Over the past years, several organizational and process changes were implemented to respond more directly to risks in Argor-Heraeus' value chain. Since being contacted by Human Rights Watch, we have maintained regular contact to evaluate and implement potential improvements. The report by Human Rights Watch on Midroc Gold Mine Plc was published in March 2023. The clarification process involved the LBMA, RJC, Watch & Jewellery Initiative 2030, and several further stakeholders and was completed in 2023. For 2024, no substantial changes have been registered.

In 2023, Argor-Heraeus was approached by the NGO Fastenaktion due to alleged negative impacts of activities of the mining customer MINEROS. After a detailed exchange, Fastenaktion corrected their analysis and report publicly. The major aspect of the grievance case was thereby withdrawn. We continue the dialog with Fastenaktion and a personal meeting with them and representative of the local communities is planned for March 2025.

Another case on which Argor-Heraeus is working on, refers to concerns raised by representatives of communities in Dominican Republic due to the alleged negative impacts of a mine activities on the water quality and other aspects of the life of the community. After communication with involved NGOs, the mine, and affected communities as well as a thorough investigation of local developments, the allegation of the grievance could not be confirmed. Argor-Heraeus is constantly monitoring the situation and has established a fruitful cooperation with the parties involved.

In addition to the official grievance channels, Argor-Heraeus is in constant contact with the relevant stakeholders including NGO's such as SWISSAID, Human Rights Watch, Fastenaktion, and many others.

## **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.

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

Argor-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. 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-based approach.

In particular, the time interval between checks on existing upstream business partners depends on whether the business partner is classified as a high risk or a non-high risk. The frequency of the reviews is once a year for high-risk customers and every three to five years for non-high-risk ones.

Furthermore, as already pointed out, we perform on-site visit assessments for all high-risk customers and for all mining partners regardless of their risk classification.

We use proper modelling techniques to map our KYBP (Know Your Business Partner) process which are used as a reference to identify possible risks in our supply chain. The Compliance Officer takes care of the risk assessments and continuous monitoring based on the information received internally or from the relevant tools. KYC screening tools include RepRisk, Factiva, WorldCheck, and other open sources.

### **How does the Refiner classify identified risks in light of the standards of its due diligence system? Comments and Demonstrations of Compliance:**

Argor-Heraeus does identify risks in light of the standards of their due diligence system.

Argor-Heraeus performs its Supply Chain Due Diligence in line with all measures required by the LBMA and other applicable standards before entering a business relationship with any precious metal counterparty. 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 Swiss Anti-Money Laundering Legislation, LBMA Responsible Gold and Silver Guidance as well as the OECD.

Supply Chain Due Diligence risk-based approach includes the risk categories based on the identification of the customer and on the origin of the material. These include (non-exhaustive list): Politically Exposed Persons; nationality, domicile of the customer, 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 high-risk country, World Heritage Site, protected area; transportation of precious metals via high-risk area; human rights and ESG negative impacts including mercury use; artisanal small-scale mining; money-laundering and terrorism financing risks and others. High-risk assessment is performed by Compliance Officer with the use of external reliable sources and indexes such as Heidelberg barometer, FATF reports and 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 WorldCheck, FACTIVA, RepRisk.

All the customers classified as a high-risk are subject to the enhanced due diligence and continuous monitoring. On-site visits are mandatory, possibly before, but at least within the 6 months of the business relationship commencing.

Account opening of all the high-risk business relationships is subject to the approval by the general management as well as annual review and confirmation of the continuance of the business with such customers.

For existing customers, 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 LBMA.

As of 31.12.2024 Argor-Heraeus had 82 business partners classified as high-risk. Mainly, these customers or their beneficial owners or legal representatives are located in a high-risk country, according to the internal Argor-Heraeus classification (to consider that countries which are not FATF members are classified as a high-risk); they are Politically Exposed Persons or are Artisanal and Small-Scale Mines. No zero-tolerance cases, including the risk of child labor were identified.

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

Argor-Heraeus undertakes the EDD measures adopting the risk-based approach which is based on the risk profiles like location, supplier, and type of precious metals bearing material. These

include (non-exhaustive list): identification of all the participants of high-risk supply chain until the origin of the 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 customer supply chain. Additionally, for artisanal and small-scale mining (ASM), a detailed understanding of the structure and participants to the supply chain as well the use of mercury. For the due diligence on this category of suppliers, Argor-Heraeus cooperates with the relevant organizations and standards like Swiss Better Gold Association (SBGA), FAIRMINED, FAIRTRADE, other relevant stakeholders.

One of our EDD measures for high-risk customers is the on-site assessment. For such a visit our main guidance regarding documentation and help to set the agenda is the LBMA Standard. Visits are undertaken by experienced inhouse staff from Argor-Heraeus or from Heraeus Precious Metals, 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 visit contents and documentation expectance does not change though. Furthermore, external visits shall not be conducted by the same external entity twice and external visits shall always be followed by internal staff visits where possible. Furthermore, the typical frequency for on-site mine assessments is every three years.

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.

In 2024 Argor-Heraeus conducted programmed on-site visits to its mining suppliers with 19 on-site visits of which 3 were conducted by external assessors.

In addition to the areas of assessment as per the LBMA on-site visit report template, additional focus during most of the mining on-site visits has been put on the artisanal mining near the customers mining concessions and the connected risks, community relationships and environmental impact.

Within the scope of Argor-Heraeus social responsibility commitment, we continue supporting responsible ASM Sector. In 2024, in cooperation with the Swiss Better Gold Association (SBGA), we have started the onboarding due diligence for new ASM providers in Colombia and Peru, including preliminary on-site visits which will be followed by full Compliance on-site visit assessments.

**Does the Refiner reports risk assessment to the designated manager?**

Argor-Heraeus reports risk assessment to Senior Management.

The Compliance Officer verifies the potential risks in line with the internal codes of Argor-Heraeus as well as the OECD guidelines and the FATF-Rules as well as Swiss AML-Rules. All new high-risk suppliers must be approved by Argor-Heraeus Senior Management, while those existing must be confirmed once a year. Quarterly an internal risk committee of ARGOR is conducted. Additionally, (see above) the Argor-Heraeus Compliance Officer involves Heraeus Precious Metals' Global Head of Compliance, which in turn informs the Heraeus Precious Metals Sourcing Committee about high-risk suppliers.

**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.

**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?**

Argor-Heraeus has adopted an automated and permanent 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 internal Risk Committee or Argor-Heraeus quarterly compliance meeting which after a careful analysis decides how to proceed and what kind of action/measures must be taken. Additionally, the risks with potential higher impacts are as well reported to and monitored by the Heraeus Precious Metals Sourcing Committee.

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.

**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.

During 2024 Argor-Heraeus conducted compliance clarifications on 6 cases. The adopted measures, based on the case, included contact with the relevant customer, internal analysis, and research, contact with authorities and relevant stakeholders. All the clarification processes were concluded, and the level of details received gave us comfort to continue with the business relationships subject of to the continued implementations or application of risk mitigation measures.

All the measures as described above were duly implemented, followed, and registered. Cases still to complete, are subject to continuous monitoring.

This year, the company has decided to terminate 2 business partners as a precautionary DD measure. One of them has been terminated in October 2024, therefore transactions occurred until September 30, 2024. These customers were located in Africa.

As part of Argor-Heraeus' ongoing monitoring of risk management at the above-mentioned mines, action plans were established and reviewed, and supplementary information provided by the mines following our recommendations. Regular contacts with these suppliers and external consultant were in place.

Argor-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.

#### **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 audit of the supply chain due diligence.

##### **Comments and Demonstration of Compliance:**

Argor-Heraeus engaged the services of the assurance provider MAZAR SA, and their independent reasonable assurance report can be viewed as soon as available on [www.argor.com](http://www.argor.com). MAZAR SA has been chosen as a trusted, independent, and accredited global LBMA and LPPM partner.

#### **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 Argor-Heraeus 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 [www.argor.com](http://www.argor.com).

**Management conclusion****Is the Refiner in compliance with the requirements of the LBMA Responsible Gold Guidance and Responsible Silver Guidance for the reporting period?**

Yes, Argor-Heraeus is in compliance with the requirements of the LBMA, LPPM and the DDTro.

In conclusion, Argor-Heraeus implemented effective management systems, procedures, processes, and practices to conform to the requirements of the LBMA Responsible Gold Guidance and of the Responsible Silver Guidance, as explained above in the “Summary of the activities undertaken to demonstrate compliance”, for the reporting year ended 31 December 2024.

Argor-Heraeus is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis.

**Other report comments**

If users of this report wish to provide any feedback to Argor-Heraeus with respect to this report, they can contact corporate relations on [hans.deutsch@heraeus.com](mailto:hans.deutsch@heraeus.com).

Hans Deutsch



Co-CEO

Argor-Heraeus SA

Robin Kolvenbach



Co-CEO

Argor-Heraeus SA