

SUPPLY CHAIN DUE DILIGENCE POLICY



Argor-Heraeus supports worldwide efforts and cooperates actively with various panels to ensure that precious metals come from legitimate, ethical sources, and that they have not been associated with crime, armed conflict, human rights abuses or adverse ESG factors. It is our firm conviction and our unalterable policy to refuse any business proposal which might be connected with any illegitimate activity.

Our supply chain due diligence policy and practices and our congruent commitment are consistent with the OECD due diligence guidance on conflict minerals as well with the LBMA Responsible Gold and Silver Guidance, RJC Standards and the Swiss Conflict Minerals and Child Labour Due Diligence Legislation.

We employ this policy by having implemented a program of strict due diligence procedures and our commitment to conduct our activities and business:

- With honesty and transparency;
- Do not support fraud, corruption or any other illegal activity;
- Maintain high moral, ethical and social standards;
- Cultivate proper business relationships with all counterparts;
- Seek good and transparent relations with governmental and non-governmental organizations;
- Have fair and responsible relations with employees and all other stakeholders.

We implemented this policy through an effective and comprehensive management system which is based on strong local and international KYC due diligence practices in order to identify our upstream and downstream partners and if necessary, even our partner's partner. In that regard we are strongly committed:

1. Not to tolerate nor profit from, contribute to, assist or facilitate the commission of:

- Torture, cruel, inhuman and degrading treatment;
- Forced or compulsory labour;
- The worst forms of child labour;
- Employment:
 - of children less than 15 years old or, if higher, the applicable age for completion of compulsory education (ILO convention 138);
 - of young people under 18 years old that perform work that might jeopardize their health, safety and morals (ILO convention 138).
- Human rights violations and abuses;
- War crimes, violations of international humanitarian law, crimes against humanity or genocide.

2. Not to engage with, and to immediately discontinue engagement with, customers or suppliers where we identify a reasonable risk that they are committing, or are sourcing from or linked to any party committing, abuses described above or any other illegal party.

3. Not to tolerate direct or indirect support to non-state armed groups, including, but not limited to, procuring precious metals from, making payments to or otherwise providing assistance or equipment to the non-state armed groups or their affiliates who illegally:

- a. Control mine sites, transportation routes, traders or other intermediaries or any other actors in the supply chain and/or
- b. Tax or extort money or precious metals through the supply chains.

4. Not to engage with, respectively immediately to discontinue engagement with any business opportunity or business partner where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as described above.
5. Not to tolerate direct or indirect support to public or private security forces who, illegally:
 - a. Control mine sites, transportation routes and upstream actors in the supply chain, and/or
 - b. Tax or extort money or minerals at point of access of mine sites along transportation routes or at points where they are traded, or from intermediaries, export companies or international traders.
6. To support efforts to engage with public or private security forces in accordance with the Voluntary Principles on Security and Human Rights, recognising that the role of such security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law.
7. To support efforts to engage with local authorities, international organizations and civil society organizations to avoid the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.
8. To adopt a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces as identified in paragraph 4, if it will be identified that such a reasonable risk exists.
9. To suspend or discontinue engagement with upstream suppliers that support public or private security forces for illegal activities as on paragraph 4, if the attempts at mitigation will fail within six months from the adoption of the risk mitigation measures.
10. Not to offer, promise, give or demand bribes or kickbacks in any form to individuals, including government officials, customers, contractors and suppliers or any other organization.
11. Not to misrepresent taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export of gold. Likewise, we will not conceal the origin of precious metals.
12. To support efforts and contribute to avoid and disclose money-laundering and financing of terrorism, tax evasion or tax fraud where we identify a reasonable risk of money-laundering and financing of terrorism, tax evasion or tax fraud resulting from, or connected to the supply and distribution chain of precious metals.
13. To suspend or discontinue engagement with business partners in case we should identify that precious metals supplier or supplying counterparty, other known upstream companies or their UBOs, are known money launderers, fraudsters, terrorists or have been implicit in serious human rights or environmental abuses or, fraudulent misrepresentation of the origin of minerals, money-laundering and payment of taxes, fees and royalties to governments.
14. To make inquiries on policies and practices of primary gold suppliers for the ESG factors. In particular:

- Environmental management including:
 - Air, water, land pollution and incident management plans
 - Water stewardship, especially in water scares and stressed areas
 - Unauthorised sourcing from Protected Areas
 - Storage and handling of hazardous chemicals,
 - Management of labour issues,
 - Community engagement,
- Management of business integrity and ethical conduct.

15. Not to source minerals from areas designed as World Heritage Sites.

16. Not to source minerals/precious metals in breach of international sanctions.

We perform annual training sessions with relevant employees and partners and encourage them to raise any suspicious relation and/or transactions to management and/or compliance officer.

We require our employees, agents, consultants, and business partners to comply with our policy, and will – wherever possible – enforce it with appropriate measures, up to and including termination of employment or contracts.

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