

Independent Assurance Report (Limited Assurance Engagement) on the LBMA Refiner's Compliance Report of Heimerle + Meule GmbH for reporting year 2021

To the Management of Heimerle + Meule GmbH, Pforzheim

KPMG Cert GmbH Umweltgutachterorganisation, Cologne, ("KPMG" or "we") has been engaged with letter dated 24 November 2021 to carry out a limited assurance engagement on the LBMA Refiner's Compliance Report of Heimerle + Meule GmbH, Pforzheim, (further "Company") for the year ended 31 December 2021. The Refiner's Compliance Report is based on the criteria described in the LBMA Responsible Gold Guidance, published by the London Bullion Market Association ("LBMA"), available at www.lbma.org.uk.

Heimerle + Meule GmbH's Responsibilities

The legal representatives of the Company are responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the LBMA Responsible Gold Guidance (version 8). This responsibility includes establishing appropriate risk management procedures and internal controls relevant to the preparation of the Refiner's Compliance Report that is free from material misstatements, whether due to fraud or error. The criteria identified by the senior management as relevant for demonstrating compliance with the Guidance are the activities described within the Refiner's Compliance Report.

Our Responsibilities

It is our responsibility to express a conclusion on the Refiner's Compliance Report for the year ended 31 December 2021 based on our work performed within a limited assurance engagement.

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 (revised) – "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (IAASB) and the guidance set out in the LBMA Responsible Sourcing Programme – Third Party Audit Guidance for ISAE 3000 Auditors.

ISAE 3000 requires that we have to plan and perform the assurance engagement in such a way that we obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Refiner's Compliance Report has not been prepared, in all material respects, in accordance with the LBMA Responsible Gold Guidance. We do not, however, issue a separate conclusion for each disclosure. As the assurance procedures performed in a limited assurance engagement are less comprehensive than in a reasonable assurance engagement, the level of assurance obtained is substantially lower. The choice of assurance procedures is subject to the auditor's own judgement.

Within the scope of our engagement we performed, amongst others, the following procedures:

- Inquiries of management to gain an understanding of Heimerle + Meule GmbH's policies and procedures for risk management;
- Interviews with senior management and relevant staff responsible for the preparation of the Refiner's Compliance Report;
- Interviews with relevant staff responsible for providing the information in the Refiner's Compliance Report;
- Visit to site operating in Pforzheim and Vienna, Germany;
- Assessing the suitability of the reporting criteria including the appropriateness of relevant methods, policies, procedures, and internal controls that the refiner has in place with the LBMA Responsible Sourcing Guidance;
- Reviewing a selection of Gold supplying counterparty due diligence dossiers and transactions;
- Reviewing the overall presentation of the Refiner's Compliance Report to ensure consistency with our findings.

In our opinion, we obtained sufficient and appropriate evidence for reaching a conclusion for the assurance engagement.

Ensuring the Independence and Quality of the Auditor

During performance of the engagement we observed the requirements of independence and quality assurance set out in legal provisions and professional pronouncements, in particular the professional code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Our Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Refiner's Compliance Report of Heimerle + Meule GmbH for the period from 1 January to 31 December 2021 has not been prepared, in all material respects, in accordance with the requirements of the LBMA Responsible Gold Guidance.

Restriction on Use/limited Liability

This assurance report is addressed solely to Heimerle + Meule GmbH, in accordance with the terms of our engagement contract. Those terms permit disclosure to other parties, solely for the purpose of Heimerle + Meule GmbH showing that it has obtained an independent assurance report in connection with Heimerle + Meule GmbH's Refiner's Compliance Report. Accordingly, our report shall not be used by any other person or for any other purpose. We have provided the services described above on behalf of Heimerle + Meule GmbH. We have carried out our engagement on the basis of the General Engagement Terms included in our engagement agreement dated 24 November 2021. By taking note of and using the information as contained in our assurance report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms in the engagement agreement (including the limitation of our liability for negligence to EUR 1 million) and acknowledges their validity in relation to us.

Cologne, 31 March 2022

KPMG Cert GmbH
Umweltgutachterorganisation

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Managing Director

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Appendix


Refiner's Compliance Report


Appendix

Refiner's Compliance Report

Heimerle + Meule GmbH is aware of its responsibility to respect human rights and contribute to society as a corporate citizen. As an important part of the supply chain of gold, Heimerle + Meule GmbH wants to and must fulfil its duty of care. A key basis for this is the adherence to the Responsible Gold Guidance (RGG) of the London Bullion Market Association (LBMA) Heimerle + Meule GmbH has committed itself to fulfil the requirements of this set of rules and has integrated the necessary measures into its internal processes. This report summarizes how Heimerle + Meule GmbH, as a Good Delivery Gold Refiner, meets the requirements of the RGG.

 Heimerle + Meule Heimerle + Meule Group	Details of the refiner
Company name	Heimerle + Meule GmbH
Business address	Dennigstraße 16, 75179 Pforzheim, Germany
Other sales points	Heimerle + Meule GmbH, Subsidiary: Vienna, Perfektastraße 45, 1230 Vienna, Austria
Annual report	2021
Date of this report	17.02.2022
Responsible persons managing this report	Mr. Georg Steiner (Managing Director)

 Heimerle + Meule Heimerle + Meule Group	Definitions and Explanations
General Management	Consists of the Senior Manager and the Managing Director
ARM	Alliance for Responsible Mining https://www.responsiblemines.org/en/
ASM	Artisanal and Small-scale Mining. OECD defines ASM as: formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and transportation. ASM is normally low capital intensive and uses high labor intensive technology. "ASM" can include men and women working on an individual basis as well as those working in family groups, in partnership, or as members of cooperatives or other types of legal associations and enterprises involving hundreds or even thousands of miners.
Basel AML	Basel AML; a country ranking and review of money laundering and terrorist financing risk around the world
Responsible Gold Officer	Corresponds to the compliance officer in LBMA's RGG
"RGG-Handbuch"	Internal management system handbook/manual that incorporates the requirements of the LBMA RGG and establishes the responsibilities, definitions, and process descriptions for managing supply chain due diligence at Heimerle + Meule GmbH.
RJC CoC	The Chain of Custody standard of the Responsible Jewellery Council
SGI	Sustainable Governance Indicators
WJP	World Justice Project

 Heimerle + Meule Heimerle + Meule Group	Summary of activities carried out to prove compliance
Step 1: Establish strong company management systems	
Requirements met	Heimerle + Meule GmbH has fully complied with Step 1: Establish strong management systems.
◆ Adopt a company policy regarding due diligence for supply chains of gold	
Requirements met	Heimerle + Meule GmbH has a “policy regarding due diligence for supply chain of gold” in place.
	<p>The policy regarding due diligence for supply chains of gold is based on the model policy of Annex II of the Organisation for Economic Cooperation and Development (OECD) and its <i>Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas</i>.</p> <p>This policy is supplemented by an additional “policy of the Heimerle + Meule GmbH regarding laws, human rights, environment and health” to cover social and environmental aspects required in the LBMA RGG version 8.</p> <p>Both policies are reviewed annually as part of the management system review and adjusted, if necessary.</p> <p>The above-mentioned policies can be viewed on Heimerle + Meule GmbH’s webpage: https://www.heimerle-meule.com/company/responsibility/policy-concerning-conflict-minerals</p> <p>The policies were published on the company’s intranet and posted on notice boards on the company’s premises.</p>
◆ Set up an internal management structure to support supply chain due diligence	
Requirements met	<p>In order to support supply chain due diligence Heimerle + Meule GmbH established a management system based on the requirements of the RGG of the LBMA and on the above-mentioned policies.</p> <p>The management system is described in the company’s “RGG-Handbuch” and is valid for both Heimerle + Meule GmbH locations in Pforzheim and Vienna. The management system includes relevant documentation such as the “RGG-Handbuch”, policies, process descriptions, trainings, KYC documentation, and management review.</p>
◆ Develop a strong internal system of due diligence, controls and transparency over gold supply chains, including traceability and identification of other actors in the supply chain	
Requirements met	<p>At Heimerle + Meule GmbH each delivery is registered in the ERP system and is assigned a unique identification number, which enables traceability.</p> <p>Materials received (except: deliveries which are not suitable for video documentation due to their size or composition) undergo a weight control which is supported by video recording during unpacking. This process enables precise documentation of the receipt of goods for each delivery.</p>

The following information is recorded in the ERP system for each gold bearing delivery:

- Type of gold
- Weight and assay
- Reference for the gold-supplying counterparty due diligence file
- Date of arrival at the refinery

Training is provided every two years to all employees who either handle the gold or are involved in gold accounting, i.e. recycling and trading departments. Training is also triggered by changes or updates in the management system (e.g. adjustment to new LBMA RGG versions). Employees are trained in the company’s internal due diligence management systems and systems for risk assessment.

Additional training, such as for specific issues like anti-money laundering, is provided to employees whose work is closely related to the identification and management of risks (e.g. goods receipt, sales, etc.)

New employees undergo an initial on-boarding training, which covers management systems, the LBMA RGG principles, the supply chain policy for gold as well as the policy regarding laws, human rights, environment and health of the Heimerle + Meule GmbH.

♦ Strengthen the company’s commitment to gold-supplying counterparties and, where possible, support gold-supplying counterparties in building due diligence capacity

Requirements met

Heimerle + Meule GmbH’s “policy regarding due diligence for supply chain of gold” and the “policy of the Heimerle + Meule GmbH regarding laws, human rights, environment and health” are available on our webpage to anyone who may wish to access them, including business partners (<https://www.heimerle-meule.com/company/responsibility/policy-concerning-conflict-minerals/>).

The policy is communicated in the following ways:

- On a yearly basis, suppliers of fine gold, gold-bearing alloys, and gold salts or respective solutions, which are not certified according to LBMA or RJC CoC, must agree to the policy of Heimerle + Meule GmbH regarding the supply chain of gold in writing.
- Sales agreements and sales receipts refer to our policy and require any supplier of recycled material to confirm in writing that they commit to Heimerle + Meule GmbH’s policy.

Through the company’s commitment to responsibly source raw material from the ASM sector Heimerle + Meule GmbH engages with artisanal and small-scale mining (ASM) cooperatives with the

goal of implementing responsible OECD-compliant supply chains. This includes, but is not limited to:

- regular virtual meetings with spokesmen of member communities and management of the cooperative, e.g. organizational staff, board etc. in order to understand needs for development and current challenges
- collaborating with national mining authorities where possible to mitigate the risk of corruption through follow-up of payment of fees and correct representation of taxes by producing and exporting groups
- where possible, providing financial support in order to facilitate the export of material produced by groups and purchased by Heimerle + Meule GmbH
- where possible, engaging with mining authorities to exchange knowledge and build capacity mutually

Finalized cooperation agreements require ASM suppliers to adhere to Heimerle + Meule GmbH's policies which essentially include the protection of international human rights, the abolition of coercion and child labor, elimination of discrimination in recruitment and employment, as well as responsibility for the environment. Furthermore counterparties are encouraged to implement responsible mining standards enabling OECD-conformant legal supply chains.

◆ Establish a confidential grievance mechanism

Requirements met

An internal process has been developed to manage grievances. For employees, a functional mailbox can be used to submit grievances and concerns. For external and internal stakeholders, complaints, grievances, suggestions or questions can be directly addressed to the Compliance officer using the following e-mail address: compliance@heimerle-meule.com.

Step 2: Identify and assess risks in the supply chain

Requirements met

Heimerle + Meule GmbH has fully complied with Step 2: Identify and assess risks in the supply chain.

◆ Identify risks in the gold supply chain

Requirements met

Heimerle + Meule GmbH has established procedures to avoid commercial relationships with counterparties who do not comply with our policy regarding due diligence for gold supply chains as well as our policy regarding laws, human rights, environment and health.

The company's risk assessment process involves the following measures:

- verification of the origin of gold
- collection of information for the KYC process
- plausibility check of delivered material

In order to evaluate the conditions of extraction, processing and transport of mined gold, the following measures are taken by Heimerle + Meule GmbH as well as through joint initiatives:

Review of the context of locations of gold origin and transport, relying on evidence from credible sources, own and/or independent third-party visits and available reports and/or studies.

Identification of organizational structures in the supply chain:

- Identification of entities along the supply chain including individual miners through local networks and NGOs on the ground
- Collection of evidence of incorporation of the business partner and identification (KYC) of other supply chain actors (e.g. beneficial owners of export company, etc.)
- Identification of beneficial owners of the counterparty
- Assessment of the formalization status and legitimacy of the ASM individuals and entities (licences, proof of payment of fees, etc.) in cooperation with local and national authorities and NGOs on the ground.
- Collection of information and assessment of mining practices by means of photographic records through on-site assessments by the company or by third parties

A summary of risks identified within our existing high-risk supply chains and instances of risk mitigation can be provided per request.

◆ **Assess risks in the supply chain**

Requirements met

The company’s risk assessment and risk management is designed to prevent gold from unknown sources and/or doubtful ethical origin from entering our facilities. The KYC process is designed to give us a better understanding of our gold supplying counterparties.

To assess risks in the supply chain, first, the countries of origin are classified according to their respective risks in green and red categories (this corresponds to low and high-risk categories) using publicly available sources including WJP, Basel AML, SGI.

Second, Heimerle + Meule GmbH’s KYC process is based on the following steps:

- Identification of the customer and Beneficial Owner
- Beneficial Owners (>25% shares) are checked in terms of PEPs and World Compliance sanctions lists
- Directors are checked in terms of PEPs and World Compliance sanctions lists
- Companies (as a whole) are checked in terms of World Compliance sanctions lists
- Obtaining business and financial details

- Assigning a unique counterparty number, if previous checks and documentation are complete

Client data is subject to continuous monitoring by a web-based application. The web-based application informs responsible personnel of changes. Changes are reviewed and may trigger action or changes in risk status.

The review of all collected data results in a calculated overall risk and each client is assigned a color rating (green, yellow or red). Customers classified other than “green” are subject to enhanced due diligence according to LBMA-RGG.

The diversification of our supply chain into artisanal and small-scale mining has different risks than sourcing recycled gold. To perform enhanced due diligence Heimerle + Meule GmbH reviews whether counterparties operate in or transport mineral through conflict-affected and high-risk areas. Therefore, Heimerle + Meule GmbH:

- Identifies the mines and miners with whom a business relationship is being considered through in person meetings by Heimerle + Meule GmbH employees or independent third parties
- Verifies the KYC information (mining permit, export license, beneficial owners, miners IDs, organization chart, and so on) and other pertinent information from credible sources
- Uses good faith efforts to identify `red flags`
- Checks with local authorities, non-governmental organizations, local partners, etc.
- Shares its policy regarding child labor with its counterparties. Heimerle + Meule GmbH relies on partners (also NGOs and independent auditors) on-site to check and monitor in addition to own visits.

◆ Report risk assessment to designated Senior Management

Requirements met

Information gathered on the counterparty and resulting risk analysis is discussed event related with the General Management. They are ultimately responsible for the approval, suspension or refusal of a business relationship. General Management approves all new supply chains that have been assessed as high risk. In addition, they reevaluate on a yearly basis and decide whether to continue the business relationship or not.

Step 3: Design and implement a strategy to respond to identified risks

Requirements met

Heimerle + Meule GmbH has fully complied with Step 3: Design and implement a management system to respond to identified risks.

◆ Report findings to designated senior management	
Requirements met	General Management is informed about the data collected and the potential and actual risks on a case-by-case basis.
◆ Development of a strategy for the risk management of identified risks. Devise and adopt a risk management plan for: a) Continuing trade throughout the course of risk mitigation efforts b) Temporarily suspending trade while pursuing ongoing risk mitigation efforts c) Disengaging with a supplier	
Requirements met	Heimerle + Meule GmbH has defined a strategy for dealing with the identified risks. For this purpose, potential risk areas (e.g. money laundering, financing of terrorism, corruption) are identified and combined into different patterns of action based on the severity of the suspicion.
	If a risk or suspicion of risk is identified, the business relationship is suspended until adequate evidence can be gathered to permit a decision. If the suspicion is substantiated by evidence the following measures are taken: <ul style="list-style-type: none"> • suspension of business relationship • cancellation of forthcoming deliveries • transfer of material to quarantine storage • if required, a notification to relevant authorities is issued
◆ Implement the risk management plan, monitor and track performance of risk mitigation, report back to designated senior management and consider suspending or discontinuing engagement with a supplier after failed attempts at mitigation	
Requirements met	If corrective, preventive or improvement measures are required, these are discussed and initiated together with the business partner. The effectiveness of these measures will be reviewed after six months at the latest and new requirements may be made in accordance with the findings of the review.
◆ Undertake additional fact and risk assessments for risks requiring mitigation, or after a change of circumstances	
Requirements met	If risk mitigation measures have been completed, these are taken into account and evaluated as part of the overall risk management process.
Step 4: Carry out independent third-party audit of due diligence practices	
Requirements met	Heimerle + Meule GmbH has fully complied with Step 4: Arrange for an independent third-party audit of the supply chain due diligence. Heimerle + Meule GmbH is audited on a yearly basis by an auditor approved by the LBMA. KPMG was selected as an independent company to carry out the annual audit process in accordance with the ISAE 3000 standard.

Step 5: Reporting on supply chain due diligence for 2021

Requirements met

Heimerle + Meule GmbH has fully complied with Step 5: Report on supply chain due diligence.

The Heimerle + Meule GmbH Policy regarding due diligence for supply chain of gold and the policy of the Heimerle + Meule GmbH regarding laws, human rights, environment and health are found here:

<https://www.heimerle-meule.com/company/responsibility/policy-concerning-conflict-minerals/>

This is the Heimerle + Meule GmbH Compliance Report for reporting year 2021, it is found on our homepage and published by the LBMA.

If users of this report wish to provide any feedback to Heimerle + Meule GmbH with respect to this report, they can contact Heimerle + Meule GmbH's Compliance Officer on compliance@heimerle-meule.com.



Conclusion on risk management

◆ Compliance with requirements of the LBMA Responsible Gold Guidance for the period reported

Requirements met

General Management of Heimerle + Meule GmbH is directly involved in the decision-making process of our gold supply chain.

The guidelines of LBMA's RGG and the applicable legal requirements are covered by the company's "RGG-Handbuch" together with relevant documentation and form the basis of Heimerle + Meule GmbH's supply chain due diligence management system.

In conclusion, Heimerle + Meule GmbH implemented an effective supply chain due diligence management system, procedures, processes and practices to conform to the requirements of the LBMA Responsible Gold Guidance for the reporting year ended 31. December 2021.

Pforzheim, dated Friday 17th February 2022

sgd. Georg Steiner (Managing Director)

This document was issued electronically and is therefore valid without signature.