

**INDEPENDENT LIMITED ASSURANCE REPORT
TO THE MANAGEMENT OF ITALPREZIOSI S.P.A. ON ITS REFINER'S COMPLIANCE REPORT
FOR THE LONDON BULLION MARKET ASSOCIATION'S RESPONSIBLE GOLD GUIDANCE
AND RESPONSIBLE SILVER GUIDANCE FOR THE YEAR ENDED DECEMBER 31, 2023**

**To the Board of Directors of
Italpreziosi S.p.A.**

We were engaged by Italpreziosi S.p.A. (hereinafter "Italpreziosi" or the "Refiner") to perform a limited assurance engagement of the Refiner's Compliance Report, prepared on the basis of the London Bullion Market Association ("LBMA") Responsible Gold Guidance - version 9 - and Responsible Silver Guidance - version 2 - for the year ended December 31, 2023 (hereinafter "Refiner's Compliance Report").

Management's Responsibilities for the Refiner's Compliance Report

The management of Italpreziosi is responsible for the preparation of the Refiner's Compliance Report for the year ended December 31, 2023 in accordance with the requirements of the LBMA Responsible Gold Guidance - version 9 - and the LBMA Responsible Silver Guidance - version 2 - (the "Guidances"). The management is also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of the Refiner's Compliance Report that is free from material misstatement, whether due to fraud or error

The criteria identified by the management as relevant for demonstrating compliance with the Guidances are those described within the Refiner's Compliance Report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) 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 behaviour.

Our auditing firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in the LBMA Responsible Sourcing Programme - LBMA Third Party Assurance Guidance V2 for ISAE 3000 Auditors (the "LBMA Audit Guidance") to carry out the assurance engagement.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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Auditor's Responsibility

Our responsibility is to express a conclusion based on the procedures performed about the compliance of the Refiner's Compliance Report with the Guidance. We conducted our work in accordance with the criteria established in the *"International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* ("IAASB") for limited assurance engagements and the LBMA Third party Assurance Guidance V.2. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Refiner's Compliance Report is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on Refiner's Compliance Report are based on our professional judgement and have included inquiries, primarily with company 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 Italtrezioli'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 Italtrezioli 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 Italtrezioli in order to comply with the requirements of the Guidances;
- 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 of a selection of additional supporting documentation, including supplier counterparty due diligence file and transaction's documentation.

Inherent limitations

Information included in the Refiner's Compliance Report is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The criteria used by refiners to comply with the Guidances may differ and those used by the Refiner as relevant for demonstrating compliance with the Guidances are described within the Refiner's Compliance Report.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Refiner's Compliance Report as of December 31, 2023 is not prepared, in all material respects, in accordance with the requirements of the LBMA Responsible Gold Guidance V.9 and Responsible Silver Guidance V.2.

DELOITTE & TOUCHE S.p.A.

A handwritten signature in black ink, appearing to read 'Monica Palumbo', is written over a faint, light gray circular background.

Monica Palumbo

Partner

Milan, Italy
March 29, 2024

Italpreziosi S.p.A.
Compliance Report 2023

Table 1: Refiner's details	
Refiner's name	Italpreziosi S.p.A.
Entities and locations	Headquarters: Zona Industriale San Zeno, Località S. Zeno, 32, 52100 Arezzo AR
Reporting year-end	31.12.2023
Date of Report	19.02.2024
Senior Management responsible for this report	Mr. Roberto Tanganelli
Compliance Officer	Miss. Serena Pallini
<p>History</p> <p>Italpreziosi was founded in 1984 and became one of the main operators in the refining and trading of precious metals, a synonym for quality and reliability. The headquarters and the refining plants of Italpreziosi SPA are located in Arezzo, Italy. The plants have an annual refining capacity of more than 350 tonnes of silver and gold combined. Italpreziosi works with several business partners including all operators in the precious metals business: mines, professional dealers, banks, jewel producers, industrial consumers and private investors. Italpreziosi has been an Associate Member of the LBMA (London Bullion Market Association) since 2008, member of the RJC (Responsible Jewellery Council) since 2012 and of the IPMI (International Precious Metals Institute) since 2011. In addition, it is registered with Banca d'Italia as a professional operator in gold n. 5000120. In 2020, we signed the "OECD Stakeholder Statement on Implementing Gender-Responsive Due Diligence and ensuring the human rights of women in Mineral Supply Chains" through Women's Rights and Mining (WRM). In 2022, Italpreziosi became member of RMI (Responsible Minerals Initiative), Watch and Jewellery Initiative 2030 and Fairmined Authorized Supplier by the Alliance for Responsible Mining and and it's a member of the Processor Working Group of Initiative for Responsible Mining Assurance (IRMA).</p> <p>Italpreziosi is committed to promoting sustainable and ethical businesses that allows the creation of a more inclusive market for all and respecting the environment. This is why we are active in associations and organizations to improve sustainability in the precious metal industry and to reduce impacts on the environment, in the community and in health. Italpreziosi believes that collaboration and partnerships with specialized organizations, institutions and associations, and with companies in the supply chain represent a key resource to achieve this goal. This is why Italpreziosi has also been a member of the Program Advisory Group (PAG) of the planetGold Program funded by GEF since 2019, where various stakeholders involved in the supply chain work together to create projects to help artisanal miners in eight different countries. Italpreziosi actively participates in multi-stakeholders roundtables and joins events to share its experience in order to boost and constantly support the</p>	

creation of a more sustainable supply chain and transparency.

Italpreziosi has always believed and worked proactively to develop a sustainable path simultaneous to the business; in line with this philosophy, in 2023, Italpreziosi changed its statutes and became a Benefit Corporation as per the Italian legislation n. 208/2015. With the new statutes, italpreziosi formally has objectives beyond profit, pursuing sustainable goals to create a positive impact on society and the environment, in line with the *UN 2030 Agenda-Sustainable Development Goals*. In line with its objectives, in 2023 as well, Italpreziosi obtained the Gender Equality - UNI PdR 125:2022, ISO 9001 and Carbon Management - ISO 14064 certifications.

Methodological Note

Italpreziosi receives lots of high-, medium- and low-grade materials containing Precious Metals and returns precious metals such as, producing gold bars from mines, industrial scraps and recycled jewels, as well as precious metals in the form of investment gold supplied by private investors and banks. All Italpreziosi products are created for the industrial, banking and investment sector.

This Compliance Report refers to the year 2023.

Italpreziosi evaluation

Table 1: Summary of activities to demonstrate compliance

Step 1: Company Management Systems

Compliance Statement with Requirement:

We have fully complied with Step 1: Establish strong responsible sourcing company management systems.

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

Comments and Demonstration of Compliance:

The present Compliance Report refers to the entire perimeter of Italpreziosi, composed by the headquarters and the refining plants, located in Arezzo, Italy.

Italpreziosi has adopted a company-wide policy and procedures regarding due diligence for the supply chain of gold and silver.

In 2016 Italpreziosi started formalizing a Supply Chain Policy for responsible Gold and Silver which is based on the Code of Conduct and the Annex II of the OECD due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas guidance. This sets out the responsibility for conducting due diligence, screening and monitoring of all transactions and governance structures in place. The latest Supply Chain Policy can be found on the website.

The policy has then been updated, so to include ESG principles in the Due Diligence process.

The supply chain policy is approved by the Board of committee and publicly available on the website.

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

Comments and Demonstration of Compliance:

Italpreziosi has set up an internal due diligence structure and procedures which are based on national and international laws and legislation, such as the OECD Due Diligence Guidance, on the United States' Dodd Frank Act, on the European Union's Conflict Minerals Regulation, on the national regulations and on the documentation guaranteed by the London Bullion Market Association (LBMA), the CRAFT Code de Alliance for Responsible Mining (ARM) and the Responsible Jewellery Council (RJC).

Italpreziosi's internal management system, formalized in the Internal Due Diligence Manual, updated in 2023, collects and maintains documentation regarding the sources of Mined and Recycled gold and silver and the other precious metals in order to ensure that the material is sourced from a responsible, sustainable and transparent supply chain. The current version has been updated to be aligned with the recently released LBMA RGG v9 and RSG v2.

The internal management system is always monitored by the Board of Directors who periodically control the activities of the Compliance department; each member of the Board has solid knowledge and sensitivity to compliance topics. The Compliance team is composed as follows:

- The Due Diligence Committee: it's made up of the Heads of the Administrative, Commercial, Legal, Logistics, Sustainable Offices, Compliance Officer and Compliance Analyst and it has the objective of monitoring the activities of the Compliance Department and managing any specific cases of high risk; the members are selected on the basis of industry experience, specific deep knowledge and sensitivity to responsible sourcing and compliance topics in general;
- The Compliance Officer: she's responsible for managing the activities carried out by the Compliance Department, which include the review, evaluation and monitoring of the activities carried out by the team and therefore of the due diligence processes. The Compliance Officer is responsible for organising refresher courses in the area of due diligence and responsible sourcing. Finally, the Compliance Officer must report every three months all the activities carried out by the Department to the Due Diligence Committee, which will assess and monitor the situation. The Compliance Officer has an experience of more than 4 years in the industry Compliance sector; she's active in participating in conferences, roundtables and workshops held by the national and international organizations of the sector (such as OECD, LBMA, W&JL, RJC...). With a background in legal studies, she is active in the monitoring and studying of new regulations and standards;
- The Compliance Analyst: he/she's responsible for carrying out the due diligence process by requesting documentation directly from potential counterparts, and for reporting each process to the Compliance Officer, who, following the review of the same, gives a response. The Compliance Analyst must therefore file the documentation in digital form, communicate the response to the counterpart and the Sales Department, and periodically monitor the active accounts. There are two Compliance Analysts, one dealing with the Italian counterparts, the other with the foreign side. Each

Compliance Analyst receives a general training regarding compliance topics from the Compliance Officer, then delving into the specific area. With a background in legal studies, they're active in the monitoring and studying of new regulations and standards. The Compliance Analysts (in particular the one who deals with the foreign counterparts) are active in participating in conferences, roundtables and workshops held by the national and international organizations of the sector (such as OECD, LBMA, W&J, RJC..);

- All employees in the relevant departments (e.g. treasury, back office, sales department, logistics, administration), corresponding to 55 out of 89 employees, periodically (at least annually) participate in training related to compliance aspects (e.g. in relation to laws and regulations updates, internal processes, anomalies identifications, risk analysis and monitoring, non-conformities reporting); in fact, each department is fundamental in monitoring the operations of all counterparties, so each employee has an obligation to detect any anomalies and to promptly report to the compliance department. The compliance department will then be responsible to take in charge and to solve them.

Italpreziosi does not accept or make any cash transactions, payments are made exclusively through banking channels. All records are kept for 10 years.

1.3. Has the Refiner established a traceability system over gold and/or silver supply chains, including chain of custody mapping and identification of supply chain actors?

Comments and Demonstration of Compliance:

The due diligence process-KYC documentation allow Italpreziosi to map and to guarantee a transparent supply chain up to the origin (in line with the internal Due Diligence Manual); strict and in-depth research allows to identify all the supply chain actors. Italpreziosi proceeds to the counterparty account activation only after the successful finalization of the due diligence process; non-activation may be due to various reasons, e.g. the traceability of the supply chain cannot be ensured. In 2023, some cases of non-activation of potential counterparties occurred, but none for reasons listed as "red flags" by LBMA.

Italpreziosi's internal management system collects and maintains documentation regarding the sources of Mined and Recycled gold and silver (and the other metals) in order to ensure that the material is sourced from a responsible, sustainable and transparent supply chain. Italpreziosi has developed a traceability system through the software (AdHoc). The system allows the correct traceability through the collection and maintenance of all the gold supply chain information (type, weight, reference to the counterpart, receipts and dates). The system allows the identification of each lot refined, including assigning a unique reference number to each input and output through the internal ERP system (Zucchetti AdHoc).

Italpreziosi traceability system for Silver is currently being implemented and digitalized. At the moment, it allows the assigning of a unique reference number to each input through the internal ERP system (Zucchetti AdHoc), and we are implementing it to support the production processes in order to also identify each output lot.

This implementation will likely be ready by the end of 2024; as for now we collect all the silver supply

chain information (type, weight, reference to the counterpart, receipts and dates) and we are able to manually trace them back throughout all the production process from start to finish.

Specific controls regarding received materials are carried out before processing incoming material as outlined in the internal guidelines:

- evaluation of quality through laboratory analysis, which includes analysis of eventual presence of hazardous chemicals and mercury;
- transportation documents;
- weight.

Italpreziosi maintains adequate records of the supply chain documentation and traceability for 10 years. The Internal Due Diligence Manual (Policy) draws all the updated internal processes in verifying, identifying, monitoring and managing each counterpart. Regular training of the employees ensures that the guidelines are followed through, especially training to detect any possible anomaly; any form of nonconformance is unacceptable and must be reported to the Compliance Officer and the Due Diligence Committee.

The traceability system is also guaranteed in terms of payments; Italpreziosi does not accept or make any cash transactions, payments are made exclusively through banking channels. Moreover, Italpreziosi has in place a strong transaction monitoring system and bank payments are constantly controlled in order to have effective monitoring.

Italpreziosi always cooperates with government authorities providing full access to the records and all the information collected.

1.4 Has the refiner strengthened company engagement with Gold/Silver supplying counterparties, and where possible, assist Gold/Silver supplying counterparties in building due diligence capabilities?

Comments and Demonstration of Compliance:

Italpreziosi has strengthened company engagement with gold and silver supplying counterparts. Italpreziosi shares with all the potential new counterparties the Supply Chain Policy and the Code of Ethics: it's also asked to read and sign the Policies that make references to the OECD guidelines and the EITI principles.

Moreover, in the KYC Questionnaire, based on the new LBMA toolkit, Italpreziosi requests detailed information regarding national and international regulations and standards, with also a focus on environmental, AML, bribery, in order to assess whether the counterpart is knowledgeable or need support to improve their knowledge on this matter. In doing so, Italpreziosi invites the counterparts to read and apply the OECD Guidelines to their Due Diligence procedures, be conscious about Environmental and Sustainability, reduce the impact to the environment, and avoid the use of mercury. At the beginning of 2022, Italpreziosi developed an integration to the KYC questionnaire on ESG topics, which was then sent to all our counterparts, in order to explore these aspects in more detail and begin to develop KPIs; the issues requested cover corporate structure, human resources (with a focus on gender equality), environment practices specifically on carbon footprint. Moreover, according to Carbon

Footprint guidelines, we are monitoring Emissions of the entire supply chain to be more aware and to mitigate our contribution to climate change, and not only do we organize education on the matter, but we are certifying the procedure. In 2023, Italpreziosi sent the KYC questionnaire based on ESG to all the counterparties in order to update and monitor the profile.

Moreover, in 2020, Italpreziosi has developed a private website for suppliers working in potential high risk supply chains, called "Chain of Information". The aim is to allow all the counterparts to properly understand the key standards and regulations fundamental for us, such as the OECD Due Diligence Guidelines, explained in each of its 5 steps. A section is dedicated to the Sustainable Development Goals, why they are important, how to integrate them in the business and how to report them annually to the stakeholders. Information, formation and transparency represent key means for Italpreziosi in order to create more engagement with all the stakeholders in the supply chain, that is why the website is called "Chain of Information". The website is also available to counterparties for whom the relationship has been suspended so that it can be a source of training and continuous improvement.

In 2023, we decided to make the portal available for all, so we've published it at the beginning of the year, introducing it through a panel during the *OECD Responsible minerals forum 2023*. The portal is now open source and we hope to contribute to create awareness concerning those fundamental topics of the sector, for all the counterparties and stakeholders.

In order to strengthen the system, the Compliance Department organizes meetings or video-conference calls with the counterparties with the aim to discuss the topics, to help understand, deepen all the aspects linked to the responsible supply chain. The extent is positive and it represents also a possibility to invite counterparts to share more of their sustainability initiatives publicly to better communicate their mission to the stakeholders.

In order to create awareness, Italpreziosi also believe that it's very important to participate in roundtables organized by national and international organization of the sector, to discuss the most important topics, such as responsible sourcing, women empowerment, environment, community engagement; in 2023, the company took part in many events organized by OECD, RMI, W&JI, ARM. Italpreziosi is also committed in organizing events itself (linked to those topics), involving all the actors of the supply chain.

The outcome of the due diligence process may be positive or negative; in the event that the outcome of the due diligence process is negative, because unmanageable non-conformities have been detected (e.g. we cannot properly identify the UBOs, we can't identify all the actors in the supply chain), Italpreziosi supports the counterparty in improving procedures (e.g. by sharing the 'chain of information' portal and related instructions) so as to have a positive impact on the supply chain in terms of due diligence procedures.

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

Comments and Demonstration of Compliance:

Italpreziosi has developed a procedure in which is defined the grievance and whistleblowing mechanism, which is public available on the website, in three different languages such as Italian, English, Spanish. The mechanism allows any employees, stakeholder, internal or external to the company, to submit a report of unlawful conduct that may constitute a breach of International, European laws and regulations, international standards, values and principles enshrined in the Code of Ethics and/or that may cause damage of any kind to the company, customers, shareholders, partners, third parties and, more generally, to the community and/or public administration, of which they have become aware in the context of their work.

Complaints can be submitted to Italpreziosi, in particular to the compliance department, via dedicated channels, such as telephone, dedicated email, mail and public platform (in progress), available on the website. Only the authorized people (compliance dept.) can take in charge the complaint and proceed to solve it by proactively analyzing it and the documentation provided, giving a feedback. The confidentiality is strictly guaranteed; the identity of the person making the report, the person involved and the person mentioned in the report, as well as the content of the report and the relevant supporting documentation will not be disclosed, without the express consent of the person making the report. In addition, the complaint is archived and accessible only to the authorized team.

One complaint was submitted to Italpreziosi during 2023; the compliance department took charge of it and after the analysis, it has been solved positively.

Moreover Italpreziosi has a strong training system which allows the constant update of the staff formation in different departments regarding anti money laundering and due diligence, so that each employee is capable to detect any potential anomaly, so properly and promptly communicate it to the Compliance Department, which then can hold the cases and open potential investigations.

Step 2: RISK IDENTIFICATION AND ASSESSMENT

Compliance Statement with Requirement:

We have fully complied with Step 2: Identify and assess responsible sourcing risk in the supply chain:

2.1. Does the refiner have a Due Diligence process to identify risks in the supply chain?

Comments and Demonstration of Compliance:

Italpreziosi adopts a strict due diligence process towards all the business counterparties, compliant to the internal Due Diligence Manual. The process includes procedures to identify the risks in the supply chain, which are explained in the Internal Due Diligence Manual and in the related document "Supply Chain Assessment Form" (SCAF) which represent a key document for the assessment of the counterparts. This document is inspired by the OECD Guidelines, LBMA refiner toolkit, the EU regulation on conflict minerals and the national and international AML regulations.

After the due diligence process, the compliance team assess the risk for all the counterparties. For every supplier Italpreziosi has established a database and allocated a risk profile form (SCAF). The form defines



the high-risk and the potential risks categories criteria, the final risk rating and specific comments regarding the counterpart. In 2023, we have added additional risk criteria, following the new AML laws updates. The risk assessed can change during the relationship, some new information may become available and we update the risk profile.

As previously mentioned, all employees in the relevant departments (e.g. treasury, back office, sales department, logistics, administration) periodically (at least annually) participate in training related to compliance aspects (e.g. in relation to laws and regulations updates, internal processes, anomalies identifications, risk analysis and monitoring, non-conformities reporting); in fact, each department is fundamental in monitoring the operations of all counterparties, so each employee has an obligation to detect any anomalies and to promptly report to the compliance department. The compliance department will then be responsible to take charge and solve them.

Also, Italpreziosi draws up annually a *"High Risk Countries Index"*, based on different criteria, such as: Governance, Security, AML, Corruption, Environment and Human Rights. The sources used are always International Organizations, Private Compliance Companies, Governments' databases and regulations, and NGOs reports.

Moreover, for each country, Italpreziosi produces a *"Country File"* with all the direct links to the main Governmental Authorities, National cadasters, Mining Agencies, National Laws, Environmental Laws and Commitments of the Country in the mining sector, the list of World Heritage Sites in the country and the Mercury commitment of the Country, in order to have an updated overview and make the Check-DD even more efficient.

High Risk Countries Index and Country File include in their sources domestic and international sanctions list (i.e. EU, UK, US, UN) and the location risk criteria as referenced by LBMA (Dodd Frank, EU CAHRA, Global Peace Index, UN Human Rights, FATF, Basel AML Index, the Heidelberg Conflict Barometer, the Human Rights and Rule of Law Index, the Fragile State Index, the Yale Environmental Performance Index, the SDG index).

Concerning resources, skills and experience of the team conducting the risk assessments and continuous monitoring, please refer to section 1.1

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

Comments and Demonstration of Compliance:

Supply chain due diligence comprising all measures required by the LBMA is performed before entering into a business relationship with any gold or silver or other minerals supplying counterpart.

Italpreziosi has set up in its Internal Due Diligence Manual (version 8.0 updated in 2024), its own KYC procedure, in which are defined all the activities in order to collect and verify all the ESG, financial, corporate, legal and public information relating to all the new potential business partners, also through specific databases (Worldcheck, Dun & Bradstreet, public lists and reports, international sanctions), and then assess the counterparty risk, and further monitoring and controls.

Before the response, the DD Process must be held. After the acquisition of the official documents of the counterpart by the Compliance Analyst (requested by email, or hand delivery, or by post) and after the analysis and acquisition of all the information by Worldcheck, Dun & Bradstreet, public lists and reports, the Compliance Analyst presents the profile of the counterpart to the Compliance Officer, who will have

to assess the risk: low, low risk plus (with potential high risks), high risk, zero tolerance. The assessed risk determines the frequency of the due diligence monitoring, following the timing explicated in the Due Diligence Manual. The assessed risk can change during the relationship, some risk indicators can arise and the risk profile has to be updated.

The risk is identified following the categories, divided in three macro areas of red flags, both for Mined and Recycled Gold and Silver: Location of mineral origin and transit red flag, Supplier red flag, Type of material red flags.

If the counterpart doesn't fit in any of the abovementioned red flags and have all documents fully complying, the counterpart's account is approved as a low risk profile; if the counterpart is compliant but there are any potential risks, the risk assessed is low risk plus; if there are any risk indicators related to the three categories, the risk is high; when there are unmanageable anomalies, the account cannot be opened/is closed, so the risk is zero tolerance.

Less than 1,5% of the entire purchase of gold and less than 5,2% of the entire purchase of silver of 2023 originated from high risk suppliers, identified as high risk due to the country of origin; Enhanced Due Diligence was taken in compliance with the due diligence procedures (please refer to section 2.3).

During 2023, four profiles were suspended because unmanageable risks were identified (the risks identified did not imply due communication to LBMA or to the authorities).

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

If the counterpart fits in at least one of the abovementioned red flags, the profile will be high-risk. Still, depending on which red flag and category the counterpart fits in, the Compliance Analyst will have to make enhanced research as explained in the Due Diligence Manual/Policy, which consists of the Enhanced Due Diligence Process. If after the advanced research, the Compliance Officer, together with the Senior Management, defines that there are the bases for starting a business relation, the counterparty account will be approved with a high-risk status (which will be identified in the SCAF). This advanced research regards specific reports and documentations which are open sources from International Organizations, NGOs, Compliance companies, Governments' databases, and could also be represented by confidential informal information from local private and public stakeholders (which can happen directly or through the whistleblowing process outlined in our policy). Site visits are crucial to verify the documents and reports received. The time for the site visit of 6 months may vary based on exceptional circumstances and applicable only if the risk related to the counterparty profile is manageable and the event that involves this variation must be of an extraordinary nature. Furthermore, in the event that the aforementioned circumstances arise and have a longer duration than expected, where necessary, it is possible to use the remote audit system. This system consists of a visit to the office or to the site remotely with the use of specific apps. The site visits are recorded, in compliance with the the European privacy legislation (GDPR), and archived together with an accompanying remote site visit report. Seven remote site-visits and three in-person site visits were conducted during 2023; no evidence of unmanageable high risk was identified by Italpreziosi. Annually, a list of counterparties that will be subject to site visits is prepared, which can be revised during the course of the year. No intermediate refineries with high-risk supply chains supply to Italpreziosi. The account will be monitored and controlled following the timing explicated in the Due Diligence Manual/Policy. During the monitoring and controlling of the counterparts, if any anomalies are found (for example if any transaction is considered abnormal or suspicious, and/or exceed the legal limits, will be reported to the competent authorities), the counterpart will be required to give clarifications. If

these won't be fully satisfying or poor in documentation, the Compliance Officer will have to decide whether to suspend the business relation and the account, or request more information, sharing together with the Due Diligence Committee. If the clarifications will fully satisfy the doubts, the business relationship will continue, still, with a modification in the SCAF, where the potential risk or high-risk will be identified and assessed.

Italpreziosi also draws up annually a "High Risk Countries Index", based on four criteria: Governance, Security, AML, Corruption, Human Rights and Environment. The sources used are always International Organizations, Private Compliance Companies, Governments' databases and regulations, and NGOs reports.

Moreover, for each country, Italpreziosi produces a "Country File" with all the direct links to the main Governmental Authorities, National cadasters, Mining Agencies, National Laws, Environmental Laws and Commitments of the Country in the mining sector, the list of World Heritage Sites in the country and the Mercury commitment of the Country, in order to have an updated overview and make the Check-DD even more efficient.

Step 3: RISK MANAGEMENT

Compliance Statement with Requirement:

We have fully complied with Step 3: Design and implement risk management system

1. Does the Refiner have a process to respond to the identified risks 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?

Comments and Demonstration of Compliance:

In some cases of high risk, where relevant and possible, it is necessary to accompany the practice with a plan of mitigation / improvement measures that allow the company to monitor and control that the counterparty is engaging in the adoption of measures that improve their practices. This type of plan is progressive, and where relevant, the company indicates to the counterpart possible and appropriate solutions or measures on the basis of each case.

The cases in which it is possible to start a plan are for example:

- Corruption
- Non-fraudulent misrepresentation of the origin of minerals
- Failure to comply with government taxes, fees and royalties
- Material violations of local environmental, health, safety, labor and community legislation and / or ESG risks that are highly likely to cause highly adverse impacts.

The risk mitigation / improvement plan is open with the approval of the Due Diligence Committee, signed and reviewed by the Compliance Officer and is then monitored by the Compliance Analyst. At the end of the defined time, the Compliance Officer, with the documentation requested from the counterpart (reports, policies and presentations), presents the developments to the Committee and the

counterpart's mitigation outcome will be defined.

The risk monitoring strategy should at a minimum:

- Identify significant and measurable improvements towards eliminating the risk within six months of the adoption of the improvement plan.
- Define additional measures in a revised improvement plan based on progress achieved within the first six months.
- Formally evaluate performance to determine that measures have been adequately undertaken by the deadline (for example, an on-site follow-up visit, or remote review, as appropriate).

To facilitate monitoring activities, as appropriate, the Compliance Analyst should:

- Consult relevant stakeholders such as local or central authorities, upstream companies, international or civil society organizations and interested third parties.

After the six-month period, the Compliance Officer should consider:

- Suspend the relationship where a limited or non-measurable improvement can be demonstrated, until the supplier responds to the improvement plan; or
- Ending the relationship after failed attempts at risk mitigation and performance improvement.
- The Compliance Officer should frequently review the decision to continue with the business relationship as part of the risk mitigation strategy (i.e. at least annually).
- During 2023, Italpreziosi did not activate any Risk Mitigation Plan, so the usual monitoring based on the identified risk was carried out. During the year, Italpreziosi suspended four accounts after the due diligence update, finding a high risk that was no longer manageable.

Step 4: INDEPENDENT THIRD-PARTY ASSURANCE

Compliance Statement with Requirement:

We have fully complied with Step 4: **Obtain independent assurance on conformance with RGG and RSG:**

Comments and Demonstration of Compliance:

Italpreziosi has been arranging independent third-party audits of the supply chain due diligence since 2016. Since 2019 Italpreziosi engaged Deloitte & Touche S.p.A. (listed in the LBMA's Approved Service Providers List) to perform a limited level of independent external assurance on compliance against the LBMA Responsible Gold Guidance version 9 and Responsible Silver Guidance version 2 for the period 1 January 2023 to 31 December 2023.

Italpreziosi selected Deloitte among LBMA's Approved Service Providers List ensuring its independence during the selection and engagement process.

Report on supply chain due diligence

Further information and details of how Italpreziosi's systems, procedures, processes and controls have been implemented to align to the specific requirements in the LBMA Responsible Sourcing Programme and have also been set out in the Supply Chain Policy which is available on the company website. Italpreziosi has issued a Management Review, for the LBMA Responsible Sourcing Programme Management System, which provide full explanations and clarifications on the following matters: 1) Details on the Gold/Silver; 2) New Business relationship arisen in 2023; 3) Examination and investigation on the monitoring documents provided by all the information sources useful for this aim; 4) Explanation about the training activity implemented during 2023; 5) Countries of origin of the recycled and mined gold/silver purchased during 2023.

Moreover, Italpreziosi yearly publish the Sustainability Report in accordance with GRI, where it transparently share all the information regarding due diligence and its supply chain. Italpreziosi takes part to different initiatives in the supply chain in order to support ASM, as defined in the website and in the Sustainability Report website (<https://www.italpreziosisustainability.com/en/>).

Italpreziosi overall conclusion

Table 3: Management conclusion	
YES	In conclusion, Italpreziosi implemented effective management systems, procedures, processes and practices to conform to the requirements of the LBMA Responsible Gold Guidance version 9 and Responsible Silver Guidance version 2, for the reporting year end 31 December 2023. Since Italpreziosi is committed to continuous improvement, it has updated the risk analysis procedure with the inclusion of additional risk indicators for the SCAF and enhanced its own risk analysis process.
Table 4: Other report comments	
If users of this report wish to provide any feedback to Italpreziosi with respect to this report, they can contact the Compliance Officer: serena.pallini@italpreziosi.it .	

Arezzo, February 19th 2024

Signature

Roberto Tanganelli

President of the Due Diligence Committee

