

SUPPLY CHAIN DUE DILIGENCE POLICY OF HERAEUS DEUTSCHLAND GmbH AND ITS WORLDWIDE SITES

As a family owned company with over 165 years tradition, Heraeus commits itself to the principle of sustainability by introducing the Heraeus Code of Conduct and publishing a sustainability report. Due to this we are aware that the choice and control of its suppliers, especially in the precious metal trading and in sourcing critical raw materials, is of key importance for a business activity focusing on sustainability.

Our Sourcing Policy ...

... is lying down and reshaping the already existing principles for the choice and control of suppliers, in particular for our precious metal trading and recycling businesses. Our worldwide efforts focus to ensure that precious metals come from legitimate, ethical sources, and that they have not been associated with crime, armed conflict or human rights abuse.

We do not tolerate any misrepresentation of taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export of Precious Metals. Establishing business relationships with suppliers which acts against those principles is not tolerated throughout our organization.

Precious metals ...

... for us include Gold, Silver, Platinum, Palladium, Rhodium, Iridium, Ruthenium and Osmium.

How we handle risk products

When purchasing risk products special duties of due diligence applies. Products are considered as risk products if their exploitation and purchase involve a particularly high risk of violation of human rights, violation of international trade rules and realization of criminal offenses. We do not tolerate nor profit from, contribute to or assist in

- Violation of Occupational safety
- Torture, cruel, inhuman and degrading treatment
- Worst forms of child labor or any form of forced labor
- Corruption or any other illegal activities
- Violations of granting of the freedom of association
- Violations of international humanitarian law
- War crimes, genocide or any other crimes against humanity

Our compliance system for 3T (Tin, Tungsten and Tantalum) and Precious metals

For years, Heraeus has established an effective and comprehensive compliance management systems based on strong local and international KYC due diligence practices to target anti-money laundering, bribing in commercial transactions and to comply with the regulations set forth in the OECD due diligence guidance on conflict minerals.

Our definition of high risk is in accordance with Annex II of the OECD due diligence guidance on conflict minerals and includes Gold, Tin, Tungsten and Tantalum originating from the Democratic Republic of Congo or its neighboring countries. The Compliance officer has the authority to deny any new suppliers classified as high risk. Senior management retains the ultimate control and responsibility for the supply chain.

We do not to engage with, respectively immediately 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.

We perform annual training sessions with relevant employees and encourage them to raise any suspicious transactions to management immediately. Our employees can also raise any concern via our external whistleblowing hotline.

Corresponding to Annex II of OECD

Since 2010, we established an appropriate supply chain policy corresponding to the model set out in the Annex II of OECD's due diligence guidance on conflict minerals. This sets our responsibility for conducting risk based due diligence, screening and monitoring of transactions and governance structures in place for all Heraeus

entities involved in purchasing, refining or other transactions with conflict minerals (including but not limited to Gold, Tin, Tungsten and Tantalum).

How we identify and assessed risks in the supply chain

For every supplier we have established a client database and allocated a risk profile according to our risk profile criteria. This process is now a formal requirement before entering any business relationship with our precious metals supplying counterparty.

We perform enhanced due diligence and do not accept any conflict minerals that originate from or transits via a conflict affected area or human rights abuse high risk area. In addition, we conduct appropriate scrutiny and monitoring of transactions undertaken through the course of the relationship with our counterparts.

An internal management system has been set up to define the governance, roles and responsibilities, internal audit, training schedules and communication. The compliance officer has been assigned to manage the process, and has a direct line of reporting to the executive senior management.

LBMA and LPPM

Heraeus is an accredited Good and Silver producer to the LBMA standards and Platinum and Palladium producer to the LPPM standards and it is our commitment to abide to LBMA'S Responsible Gold and Silver Guidance as well as LPPM's corresponding guidance on Platinum and Palladium.

Due diligence of our supply chain counterparts comprises of all the measures required by the LBMA Responsible Gold & Silver Guidance and respective LPPM Guidance and is performed before entering into a new business relationship with any of our precious metals supplying counterparts.

We have a robust lot receipts process and specific documents must be received and transactional details entered before we process precious metal bearing material.

We distinguish our precious metals supplying counterparts into the following categories:

Mining counterparts:

We request a third party due diligence process to comply with OECD guidelines or do an on-site audit ourselves.

We do neither source mining material originating in the Democratic Republic of Congo (DRC) nor do we have any mining counterparts from the DRC or its neighboring countries.

Recycling material – secondary precious metals:

All our counterparties have to undergo a due diligence process, before we accept material. For recycling material from high risk countries we engage very strict due diligence processes to prevent any commingling of secondary precious metals with precious metals of unknown or conflict-affected origin.

For investment precious metals:

our supplier agreements do make reference to the OECD due diligence guidance on conflict minerals.

Third party audit

An independent third-party audit of our supply chain due diligence is performed annually based on the LBMA and LPPM requirements and regulations set forth in the OECD due diligence guidance on conflict minerals.

Further information and specific details of how our systems, procedures, processes and controls have been implemented to align to the specific requirements in the LBMA Responsible Gold and Silver Guidance are detailed in our annual Compliance report found in the our download section here:

www.herae.us/conflictminerals