

<b>SUPPLY CHAIN POLICY</b>	Doc.-No.:	4.03.01-POL
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## 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 Guideline

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

We aim to establish long-term relationships with our immediate suppliers and counterparties.

We exercise due diligence with our precious metals suppliers consistent with the OECD Guidance, the respective responsible guidance of LBMA and LPPM, the Responsible Business Alliance's responsible Minerals Assurance Process (RMAP) and comply with the European Union regulation 2017/817.

### Precious metals

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

### Handling of risk products

Products are considered "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. When accepting risk products in our supply chain special duties of due diligence apply. We do not tolerate nor profit from, contribute to, assist in or want to be linked to:

- Violation of Occupational safety
- Torture, cruel, inhuman and degrading treatment
- Worst forms of child labor or any form of forced labor
- Other gross human rights violations and abuses such as widespread sexual violence
- Corruption or any other illegal activities like bribery or money-laundering
- Violations of granting the freedom of association or the right to organize
- Violations of international humanitarian law
- War crimes, genocide, or any other crimes against humanity
- Direct or indirect support to non-state armed groups as well as public or private security forces
- fraudulent misrepresentation of origin of minerals
- Non-payment of taxes, fees and royalties to respective governments
- Non-compliance with Environment and Sustainability legal requirements

We will not engage respectively immediately disengage with any business opportunity or business partner where we identify a risk as described above. Business relationships with partners acting against those principles is not tolerated throughout our organization.

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

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 Minerals from Conflict-Affected and High-Risk Areas.

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 Minerals from Conflict-Affected and High-Risk Areas (including but not limited to Gold, Tin, Tungsten and Tantalum).

Our definition of high risk is in accordance with Annex II of the OECD due diligence guidance on Minerals from Conflict-Affected and High-Risk Areas and includes Gold, Tin, Tungsten and Tantalum and their Minerals. 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 expect our suppliers of precious metal and precious metal containing material to take appropriate steps to ensure that they adopt a similar policy and the provisions of this policy are communicated to their employees and down their own supply chain.

We perform annual training sessions with relevant employees and encourage them to raise any suspicious transactions to management immediately.

## Identifying and assessing risks in the supply chain

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

If we are offered any minerals originating from or transiting through Conflict-Affected and High-Risk Areas we conduct an extensive due diligence check. Only if we can exclude any risk mentioned above for these products a business relationship can be established.

In addition, we conduct appropriate scrutiny and monitoring of all transactions undertaken through the course of the relationship with our counterparts by using sophisticated IT systems.

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 this process and has a direct line of reporting to the executive senior management.

We review our system for any deficiencies at least annually and improve our compliance systems as necessary to meet any new requirements.

## Grievance mechanism:

We encourage our employees or any external stakeholders to use our grievance mechanism, allowing to anonymously voice concerns over our supply chain or any newly identified risk. Such concerns are treated discreetly, strictly confidential and any attempt to identify a whistle-blower who has chosen to raise his concerns anonymously is strictly forbidden.

Please use any of the following options so we can receive, review and respond accordingly to any supply chain grievance

**Our internal compliance hotline:** +49 (0) 6181 / 35 - 5500 or write to [heraeuscomplianceofficer@heraeus.com](mailto:heraeuscomplianceofficer@heraeus.com)  
**External ombudsman:** +49 (0) 6105 / 921355 or write to [dr-buchert@dr-buchert.de](mailto:dr-buchert@dr-buchert.de)

Concerns can also be reported to the **Responsible Minerals Initiative's** grievance mechanism at:

<http://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/grievance-mechanism/>

Similarly, anyone else involved in the gold or silver supply chains is encouraged to [contact LBMA](#) with all legitimate concerns they may have.

## LBMA and LPPM

Heraeus is an accredited Gold 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 latest 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 audit report to comply with OECD guidelines or – if not available - we conduct on-site audits ourselves. Such audits are based on LBMA's or LPPM's questionnaire on mined material including assessment of the environmental impact of the mining site.

### Recycling material – secondary precious metals

All our counterparties must undergo a due diligence process, before we accept material. For recycling material from high risk countries, we engage very strict due diligence processes and material checks 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 refer to the OECD due diligence guidance on Minerals from Conflict-Affected and High-Risk Areas.

## Third party audit

An independent third-party audit of our supply chain due diligence is performed annually based on the LBMA, LPPM and RMI requirements and the regulations set forth in the OECD due diligence guidance on Minerals from Conflict-Affected and High-Risk Areas.

Further information of how our systems, procedures, processes and controls have been implemented to align to the specific requirements in the LBMA, LPPM and RMI Guidance are detailed in our annual compliance report and can be found in our download section here: <http://www.heraeus.com/conflictminerals>

If you have additional questions, please contact Juergen Mueller-Schaefer, Head of PMCE, at [juergen.mueller@heraeus.com](mailto:juergen.mueller@heraeus.com)