

## Announcement

9<sup>th</sup> January 2014

### Responsible Gold Audit completed successfully

View into the Business Groups: inspections in Hanau and Hong Kong completed successfully - London Bullion Market Association certifies Heraeus as a refiner of conflict-free gold products.



The LBMA certifies that Heraeus is a refiner of conflict-free gold products.

The audits carried out in Hanau and Hong Kong by PriceWaterhouseCooper (PwC) between July and November 2013 confirm that Heraeus is a refiner of conflict-free gold bullions of the London Bullion Market Association (LBMA). LBMA swears its listed refiners to a gold compliance system which includes an obligation to abstain from sourcing gold in regions where there are armed conflicts or serious violations of human rights. In June already, Argor-Heraeus was certified to comply with that system.

### Rules and have to be followed

PwC was able to confirm that the rules Heraeus has set for its enterprise meet and, in many cases, even exceed LBMA requirements. For example, Heraeus' guidelines are not limited to gold alone but are focussed on all precious and special metals. The enterprise adds niobium, cobalt and molybdenum to the list of metals such as tantalum, tungsten and tin defined as conflict materials.

Many indicators assist Heraeus in its attempt to consistently avoid war, serious violations of human rights, environmental pollution and child or forced labour anywhere in the world. Heraeus either audited the mines it works with itself or had independent auditing companies do so with regard to these indicators. Heraeus also requires its commercial partners in the gold sector to confirm that they comply with the Sourcing Policy.

To read more about the background of the Good Delivery Status and the LBMA please refer to next page.

## **Background of the Good Delivery Status**

As a responsible, family-owned company, Heraeus looked into this subject matter years ago and, as a result, drafted a company policy for the selection and verification of its suppliers. This is to ensure that none of the company's worldwide production facilities processes precious metals or other raw materials from mines located in conflict areas, specifically in Congo. After many years of a practice of selecting and auditing its suppliers particularly in the precious metals business, Heraeus turned the underlying principles into a Sourcing Policy which it keeps refining continuously. The rules of the Sourcing Policy are authoritative for all Heraeus staff worldwide. Employees contributing to the process of procurement are periodically trained on Sourcing Policy matters.

The Sourcing Policy rules are supplemented by the guideline on avoiding money laundering or participating in criminal offences and, with regard to recycling, by the guideline on accepting precious metals to be recycled. Both guidelines contain further rules aimed at avoiding the procurement of goods from dubious suppliers.

## **Background of the LBMA**

The LBMA is an international organisation that sets consistent gold and silver bullion quality standards for its members. These standards cover physical requirements on the bullions as well as sustainability issues.

The conflicts in Central Africa caused by the exploitation of raw materials in the Democratic Republic of the Congo and its neighbouring countries were the reason why the LBMA expanded its requirements on producers of so-called "Good Delivery" bullions to their sources of supply as well. This affected the distribution and recycling facilities in Hanau and Hong Kong. New York and Newark also participated in the audit.