

Chimet S.p.A.
Badia Al Pino (Italy)

Independent Reasonable Assurance Report
LBMA Responsible Gold Guidance

for the year ended 31 December 2024

Independent Reasonable Assurance Report to the Board of Directors of Chimet S.p.A., Badia Al Pino, Italy

We were engaged by Chimet S.p.A. to provide reasonable assurance on its Refiner's Compliance Report for the year ended 31 December 2024.

The assurance scope consists of the Refiner's Compliance Report and the Country of Origin Annex.

Responsibilities

The Board of Directors of Chimet S.p.A. is responsible for the preparation and presentation of the Refiner's Compliance Report and the Country of Origin Annex in accordance with the *LBMA Responsible Gold Guidance* (the Guidance). This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the directors as relevant for demonstrating compliance with the Guidance are the activities described within the Refiner's Compliance Report. Our responsibility is to carry out a reasonable assurance engagement in order to express a conclusion based on the work performed. We conducted our assurance engagement in accordance with International Standard on Assurance *ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board and the guidance set out in the *LBMA Responsible Gold Programme – Third Party Audit Guidance for ISAE 3000 Auditors (the Audit Guidance)*.

This report and its annex have been prepared for Chimet S.p.A. for the purpose of assisting the Board of Directors in determining whether Chimet S.p.A. has complied with the Guidance and for no other purpose. Our assurance report is made solely to Chimet S.p.A. in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Chimet S.p.A. for our work, or for the conclusions we have reached in the assurance report.

Inherent limitations

Non-financial information, such as that included in the Refiner's Compliance Report and the Country of Origin Annex, is subject to more inherent limitations than financial information, given to more qualitative characteristics of the subject matter and the methods used for determining such information. The methods used by Refiners to comply with the Guidance may differ. It is important to read the Chimet S.p.A. supply chain due diligence policy available on Chimet S.p.A.'s website.

Independence and competency statement

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants 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 behavior.

We have applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of the procedures performed

The procedures performed on the Refiner's Compliance Report are based on our professional judgement and have included inquiries, primarily with Refiner's 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 the Refiner'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 the Refiner 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 the Refiner in order to comply with the requirements of the Guidances;
- Review of a selection of additional supporting documentation, including counterparty due diligence file and transaction's documentation;
- 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 the statements made by the management in the Refiner's Compliance Report as compared to the findings arising from the above procedures performed;
- Review of the Compliance Report.

Emphasis of matter paragraph

We draw attention to the fact that the Country of Origin Annex is not publicly available.

Conclusion

In our opinion, the Chimet S.p.A.'s Compliance Report and the Country of Origin Annex for the year ended 31 December 2024, in all material respects, describe fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein, is in accordance with the requirements of the LBMA Responsible Gold Guidance, Version 9 dated November 2021.

Geneva, 28 March 2025

Forvis Mazars SA



Franck Paucod
Licensed audit expert
(Auditor in charge)



Tatiana Gomes
Licensed audit expert

Attachments:

- Chimet S.p.A.'s Compliance Report 2024 and Country of Origin Annex

Copy to London Bullion Market Association

Table 1: Refiner's details

Name:	Chimet S.p.A.
Location:	Via dei laghi 31/33 – 52041 Loc. Badia al Pino Civitella in val di Chiana (AR) ITALY
Reporting year-end:	31/12/2024
Date of Report:	28/03/2025
Senior management responsible for this Report:	Luca Benvenuti, CEO
In 1976 Chimet inaugurated its first production site in Badia al Pino, followed in the 80s by the inauguration of a second production site in Viciomaggio, both in the province of Arezzo, showing the bond that has always existed between these business activities and this territory. Chimet has its core business in the activity of refining and recovery precious metals. Recognising that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, and recognising that Chimet has the responsibility to respect human rights and not contribute to conflict, Chimet commits to adopt high standards of due diligence in order to combat systematic or widespread abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering and combating terrorist financing activities. Since 2003 Chimet is certified ISO 14001 in order to evaluate, report, and improve its environmental performance and environmental responsibilities of its suppliers. Moreover, Chimet has implemented in its management system the RJC COP Guidelines obtaining certification in 2018. This Report outlines how Chimet has complied with requirements of the LBMA Responsible Gold Guidance, Responsible Silver Guidance.	

Chimet evaluation

Table 2: summary of activities undertaken to demonstrate compliance

1. COMPANY MANAGEMENT SYSTEMS

Compliance Statement with Requirement:

Chimet has fully complied with Step 1: establish strong company management systems.

1.1. Has the Refiner adopted and committed to a supply chain policy regarding due diligence for supply chains of gold and silver?

Chimet has adopted since 2012 a company Policy which is consistent with the Model Policy set forth in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and a Sustainability Policy for minimizing the impact of activities on the environment and conduct business in a socially responsible and ethical manner.

The [Supply Chain Due Diligence Policy](#) (AP_004) is reviewed annually by the Compliance Officer and then approved by the senior management, and eventually updated when circumstances require, in order to establish a management system useful for ensure that no source of raw materials for the production of pure precious metals is involved in conflicts, money laundering, human rights abuses, terrorist financing. Chimet performs due diligence over its counterparties using a risk-based approach before conducting any business activity and ongoing monitoring of the relationship in order to assess the risk of contribution to

conflict, money laundering, terrorist financing, serious human rights abuse, to address environmental and sustainability responsibilities and implement a strategy to respond to identified risk.

In order to further reinforce its own due diligence process, Chimet S.p.A. formalized a system in which all the due diligence documents are traced with the relative deadlines of submission and reception. Regarding ESG topics, Chimet S.p.A. has set up a system for monitoring and maintaining the ISO 14001 and EMAS certifications, issued its first Sustainability Report concerning its 2021 performances. This first Report was built on the GRI Standards (GRI-Referenced), and was later followed, in 2023, by a second one, that includes further ESG information concerning its 2022 performances, consistently with the GRI-In Accordance option, as did in 2024 referred to 2023.

Chimet has also launched a Sustainability Policy, addressing different ESG topics and the guiding principles Chimet is committed to. Both this policy, and the Supply Chain Due Diligence Policy, are published in Chimet website ([Chimet](#)).

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

Chimet set up an internal management system in order to collect all the KYC documentation, as requested by the LBMA Guidance (v.9 of RGG and v.2 of RSG). The documentation requested within this management system, put in place since March 2022, has been shared with new suppliers, and is shared with counterparts previously assessed upon the requalification process. Together with the new versions of the KYC documentation, it is acknowledged that more clarity and formalization, with regards to the documentation requested to the counterparties, should be implemented in the Company relevant procedures, consistently with the expectations of the Assurance Providers and the relevant Guidance requests.

Following the Corrective Action Plan aimed at addressing the Non-conformities (NC) emerged during the 2024 audit, the system in use for collecting documents and classifying the risk of the counterparties has been updated, improving standardization and completeness. During 2024 the company has updated its own Responsible Sourcing Procedure with regards to the definitions, the responsibilities, risk assessment and qualification of counterparties. New version of the internal check lists were issued to define the necessary documents to be collect in order to finalize the risk assessment.

Furthermore, Chimet has improved the qualification dates in the database and the risk qualification date reflected in the KYC documents, by further strengthening the controls while entering the data in the database system. With regards to the foreign counterparties' risks identification, Chimet improved the tools dedicated.

Chimet has improved the clarity of its procedures, providing a better overview of the documents and steps taken for the counterparties' risk identification, and also had issue dedicated new tools with regards to the latter.

Chimet has defined roles and responsibilities for the management of the supply chain due diligence process and qualification of the counterparties that deliver raw materials for precious metals recovery in order to ensure responsible sourcing. The nominated Compliance Officer has the right competence and knowledge to manage the entire process and to report to the general management. Furthermore three person are nominated as Compliance Analyst to collaborate with Compliance Officer.

Personnel involved in the supply chain process is periodically trained by the assigned people responsible for the implementation of due diligence. During 2024 the employees that have been trained on supply chain due diligence Policy, procedures and registration forms to be applied, were 16, around 25% of white-collar employees.

For all transactions in precious metals, payments have been made through official banking channels.

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?

Chimet has implemented specific procedures about production and traceability. Specific documents such: type of precious metal received (Mined /Recycled), weight and assay (declared and processed), reference to the precious metal supplying counterparty due diligence file, date of arrival at the refinery and date of

finalization of the refining process, are collected and maintained and all transactional details are stored before processing any precious metals bearing material.

All supply chain documentation records are stored for ten years.

Each incoming lot is identified by univocal number and registered in accountability system. Specific controls such as conformity to transport of goods and wastes applicable national and international regulations, weight check, deleterious element, radioactivity level, regarding received materials are carried out before processing incoming material as outlined in internal guidelines.

Regular training of our employees ensures that our guidelines are followed; any form of non-conformance is unacceptable and reported to the Compliance Officer and senior management. No such escalation was necessary during the reporting period.

All payments are made and received through official banking channel.

Chimet cooperates with government authorities by providing full access to records and information as appropriate.

In 2024 no issue arised for which it was necessary to cooperate with authorities.

1.4. Has the Refiner strengthened company engagement with precious metal (Gold/Silver) supplying counterparties and, where possible, assisted gold/silver-supplying counterparties in building due diligence capacities?

Chimet believes in and builds long term relationship based on trust and mutual recognition.

On "KYC forms", Chimet asks its counterparties to commit to their compliance with Chimet' s Precious Metals Supply Chain Policy and Sustainability Policy, in which company's types of expectations are reported.

Currently, no business relationship with Artisanal or Smal Scale Miners are established, nor with Large-Medium Scale Mine. Where possible, Chimet is ready to assist and encourage counterparties to improve responsible sourcing practices and environmental responsibilities, for example with little Italian precious metals scraps collectors and smelters.

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

Chimet puts in place an e-mail address allowing any employee, supply chain actor, or stakeholder to voice concerns over precious metals supply chain or any newly identified risk: quality@chimet.com.

Employees have available a mailbox that can be used anonymously by them.

All grievances are managed by Compliance officer that, after assessment, communicates the resolutions to stakeholders.

Moreover, Chimet S.p.A. provides a whistleblowing IT platform, which can be freely accessed from the company's home page www.chimet.com and can be carried out with any digital device (PC, tablet or smartphone) either from inside the company or from outside the company to allow stakeholders to send in reports of problems or anomalies detected in the precious metals supply chain or risks identified.

During 2024 no grievances have been received.

2. RISK IDENTIFICATION AND ASSESSMENT

Compliance Statement with Requirement:

Chimet fully complied with Step 2: identify and assess risks in the supply chain.

2.1. Does the Refiner have a due diligence process to identify risks in the supply chain?

Chimet performs a due diligence activity on a risk-based approach over counterparties before starting any business relationship and established an ongoing monitoring process of the relationship in order to assess the risk of contribution to conflict, money laundering, terrorist financing and serious human rights abuse, sustainability responsibility, also implementing a strategy response to identified risks.

Chimet formalize the risk evaluation associated with each counterparty; as already mentioned, with regards to the foreign counterparties' risks identification, Chimet improved the tools dedicated.

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

Each precious metals supplier's risk is assessed according to the qualification process in which the presence or suspected presence of red flag is identified. In case the presence of red flag can be excluded, the counterparty is considered at low risk and a validity level is assigned to each counterpart: industrial, manufacturing, commercial counterparties qualifications are reviewed every 5 years, cash for gold stores qualifications are reviewed every 3 years, mines counterparties are assessed more strictly and are evaluated by the Senior Management every year.

Chimet planned and performed one on-site visit by an independent third party in order to qualify a new waste management supplier, as part of the follow-up related to the mitigation plan concerning risks connected to wastes produced by the precious metals recover and refiner processes. The visits took place at the production site and the outcome was that the counterparty resulted to operate in accordance with the local and international pertinent laws and LBMA Guidelines for Responsible Sourcing, in particular with regards the monitoring of environmental aspects. The final assessment issued by the third-party underlined low-risk for the supplier.

During 2024 no on-site visit were carried out at counterparties supplying recycled gold and silver material as no red flags were identified in the risk assessment.

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

If during the preliminary assessment of a counterparty a high risk is identified, the responsible sourcing procedure requires to carry out an EDD by collecting further documentation evidence and performing a dedicate on- site visit, eventually undertaken by a third party.

As mentioned in section 2.2, during 2024 no on-site visit has been undertaken for a counterparty supplying recycled gold and silver material.

3. RISK MANAGEMENT

Compliance Statement with Requirement:

Chimet fully complied with Step 3: Design and implement a management strategy to respond to identified risks.

Does the Refiner have a process to respond to the identified risks by either (i) mitigating the risk while continuing to trade, (ii) mitigating the risk while suspending trade or (iii) disengagement from the risk?

Where appropriate actual and potential risks identified in the supply chain risk assessment are communicated to Senior Management according to procedure for internal communication and by specific form.

Since September 2024, a specialized web platform has been available to fulfill the due diligence and prevention obligations required by KYC, AML and CFT rules and regulations, in particular for foreign counterparties. This platform is, in fact, used to complete the information collection and risk assessment for each new qualification or renewal for all foreign counterparties and to perform screening on ultimate beneficials, on the management and on the different counterparties.

There were cases for which new suppliers were rejected before ending the due diligence and risk-assessment process because of the lack of information provided by the counterparty.

Chimet, according to the procedure, explicitly has defined and formalized how to manage cases of potential risks and red flags identified. This procedure provides for two document to manage the risk: Supply Chain Assessment Form and Mitigation Plan.

Corresponding procedures are in place and are applied accordingly. In case the risk assessment identifies higher risk criteria, Chimet actively approaches the supplier to receive further information. If risk assessment can't be mitigated, the decision of closing the business relationship is taken.

Since Supply Chain due diligence is a dynamic process, Chimet periodically updates its procedure and questionnaires, and these are shared with suppliers upon the requalification process.

If during the relationship should emerge evidences that lead to higher risk assessment of one counterpart a risk mitigation plan is implemented or the transactions are suspended.

4. INDEPENDENT THIRD-PARTY ASSURANCE

Chimet has fully complied Step 4: arrange for an independent third-party audit of the supply chain due diligence.

Chimet engaged the services of the assurance provider Forvis Mazars SA, and their independent reasonable assurance report can be viewed as soon as available on www.chimet.com.

5. REPORT ON SUPPLY CHAIN DUE DILIGENCE

Compliance Statement with Requirement:

Chimet has fully complied Step 5: Report on supply chain due diligence.

Further information and specific details of how Chimet systems, procedures, process and controls have been implemented to align to specific requirements in the LBMA Responsible Gold Guidance and Responsible Silver Guidance have been set out in our supply chain policy, which is available on the company's website www.chimet.com.

MANAGEMENT CONCLUSION

Is the Refiner in compliance with the requirements of the LBMA Responsible Gold Guidance, Responsible Silver Guidance for the reporting period?

Yes, Chimet is overall in compliance with LBMA Responsible Gold Guidance and Responsible Silver Guidance.

Chimet implemented an effective management system, procedures, processes and practices to conform to the requirements of the Guidance, as explained above in table 2, for the reporting year ending on the 31st of December 2024.



Luca Benvenuti
Chief Executive Officer



Giovanni Prelazzi
Compliance Officer