

**Italpreziosi S.p.A,
Arezzo (Italy)**

Independent Reasonable Assurance Report

LBMA Responsible Gold Guidance

LBMA Responsible Silver Guidance

For the year ended 31 December 2024

Independent Reasonable Assurance Report to the Board of Directors of Italtreasures S.p.A, Arezzo, Italy

We were engaged by Italtreasures S.p.A to provide reasonable assurance on its Refiner's LBMA Responsible Sourcing Guidance Compliance Report ("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

Italtreasures S.p.A.'s Management 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 and Silver Guidance*. This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the Management 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/Silver Programme – Third Party Audit Guidance for ISAE 3000 Auditors (the Audit Guidance)*.

This report and its annex have been prepared for Italtreasures S.p.A for the purpose of assisting the Board of Directors in determining whether Italtreasures S.p.A has complied with the Guidance and for no other purpose. Our assurance report is made solely to Italtreasures S.p.A in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Italtreasures 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 Italtreasures S.p.A precious metal supply chain policy available on Italtreasures S.p.A.'s website [Supply chain and Community Italtreasures](#).

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.

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 Italtreziosi 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, and of the LBMA Responsible Silver Guidance, Version 2 dated November 2023, including its gold supplement.

Geneva, May 9, 2025

Forvis Mazars SA

Franck Paucod
Licensed audit expert
(Auditor in charge)



Tatiana Gomes
Licensed audit expert

Enclosures:

- Italtreziosi S.p.A.'s Compliance Report 2024

Copy to London Bullion Market Association

Italpreziosi S.P.A. Compliance Report 2024

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	31.12.2024
Date of Report	9.05.2025
Senior Management responsible for this report	Mr. Roberto Tanganelli
Compliance Officer	Miss. Serena Pallini

History

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).

Italpreziosi is committed to promoting sustainable and ethical businesses that enable the creation of a more inclusive market for all and respect the environment; we are active in associations and organisations to improve the sustainability of the precious metals industry and to reduce impacts on

the environment, community and health. Italtreziosi believes that collaboration and partnerships with specialised bodies, institutions and associations as well as with companies in the supply chain represent a fundamental resource for achieving this goal. This is why Italtreziosi 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. Italtreziosi actively participates in multi-stakeholders roundtables and joins events to share its experience in order to boost and constantly support the creation of a more sustainable supply chain and transparency.

Italtreziosi became a Benefit corporation in May 2023, taking an important step in its commitment to a positive impact on society and the environment; as a Benefit corporation, Italtreziosi is committed to pursuing purposes of common benefit in a responsible and transparent way, balancing the interests of the members with those of the community, in line with the *UN 2030 Agenda-Sustainable Development Goals*. Then, in March 2024, Italtreziosi achieved the B Corp certification, as we underwent the rigorous assessment process that analyzes the social and environmental impact, governance practices, and commitment to transparency.

In line with its ongoing objectives, Italtreziosi successfully obtained its Gender Equality (UNI PdR 125:2022), ISO 9001, and Carbon Management (ISO 14064) certifications throughout 2023. Furthermore, in 2024, the company embarked on the path to develop science-based climate targets through the SBTi (Science Based Targets initiative) and it became member of The World Jewellery Confederation (CIBJO).

Methodological Note

Italtreziosi 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 Italtreziosi products are created for the industrial, banking and investment sector.

This Compliance Report refers to the year 2024.

Italtreziosi evaluation

Table 1: Summary of activities to demonstrate compliance

Step 1: Company Management Systems

Loc. San Zeno, Strada, A 32 - 52100 Arezzo - Italy. Tel. +39-0575-383041 Fax. +39-0575-383201

Email info@italpreziosi.it web www.italpreziosi.it

C.F. e P.I. n. 01111420517 - Capital Share fully paid € 25.000.000,00 - C.C.I.A.A. n. 83621

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), on the EU Anti-Money Laundering Directives, the FAFT Recommendations.

Italpreziosi's internal management system, formalized in the Internal Due Diligence Manual, updated in 2024, 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:

- AML and Compliance Committee: it's composed by the 2 members of the Board of Directors who hold a specific management proxy relating to i) the implementation of the *benefit purposes* pursued by the company; ii) the implementation of the anti-money laundering; by the Compliance Officer; by the Head of the Sustainability and Quality Assurance Office; by the Legal Officer. It has the objective of reviewing and monitoring the activities of the Compliance Department and managing any specific cases of high risk; the members have been selected on the basis of the 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 trainings in the area of AML, due diligence and responsible sourcing. Finally, the Compliance Officer must report every three months all the activities carried out by the Department to the AML and Compliance Committee, which will assess and monitor the situation. The Compliance Officer has an experience of more than 5 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&J, 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. He/she proceed to the request of the documentation directly to the potential counterparts, to the DD analysis and to report each process to the Compliance Officer. 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 58 out of 94 employees, periodically (at least annually) participate in training related to compliance aspects (e.g. in relation to laws and regulations updates, internal

Loc. San Zeno, Strada, A 32 - 52100 Arezzo - Italy. Tel. +39-0575-383041 Fax. +39-0575-383201

Email info@italpreziosi.it web www.italpreziosi.it

C.F. e P.I. n. 01111420517 - Capital Share fully paid € 25.000.000,00 - C.C.I.A.A. n. 83621

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.

Moreover, the Sustainability Team works proactively in the due diligence process, assessing ESG topics, implementing the EYC programme (see section 1.4).

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 2024, 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 allows the assigning of a unique reference number to each input through the internal ERP system (Zucchetti AdHoc), and we trace each output lot also. We are working to improve the input-output traceability in the production process of silver batch. 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

Loc. San Zeno, Strada, A 32 - 52100 Arezzo - Italy. Tel. +39-0575-383041 Fax. +39-0575-383201

Email info@italpreziosi.it web www.italpreziosi.it

C.F. e P.I. n. 01111420517 - Capital Share fully paid € 25.000.000,00 - C.C.I.A.A. n. 83621

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 AML and Compliance 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 and it ask them to comply with them: the Policies 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, biodiversity and nature. 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. In 2024, Italtreziosi sent the KYC questionnaire based on ESG (Empower Your Counterpart - EYC) to all the counterparties in order to update and monitor the accounts and organize follow-up meetings.

In 2020, Italtreziosi started a project called "Chain of Information", born as a private website for suppliers working in potential high risk supply chains. The aim was to allow all the counterparties 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. Information, formation and transparency represent key means for Italtreziosi 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 *2023 OECD Responsible minerals forum*. 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 counterparties to share more of their sustainability initiatives publicly to better communicate their mission to the stakeholders.

In order to create awareness, Italtreziosi 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 2024, the company took part in many events organized by OECD, RMI, W&JL, ARM. Italtreziosi 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), Italtreziosi 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. In the event of negativity, where possible, Italtreziosi provides recommendations and tools

(e.g. *Chain of Information* website link), to help the counterparty to engage in a path of improvement.

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 Officer, via dedicated channels, such as public platform, telephone, dedicated email, mail. In 2024, Italpreziosi published a dedicated *Complaint platform*, publicly available on the website <https://www.italpreziosi.it/en/complaint>; this tool allows anyone to access and to report a complaint, even maintaining anonymity, if desired. Only authorized personnel can handle the complaint and access the information; the authorized personnel must then proceed to resolve it by proactively by analyzing the complaint and the supporting documentation provided, and providing 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 2024; 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. 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 9.0 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. Through the collection of the counterparty documentation, the Compliance Analyst is in charge for the analysis of the profile, also through specific databases (Worldcheck, Dun & Bradstreet, public lists and reports, international sanctions). During the onboarding process (document analysis and research), the compliance analyst is responsible for identifying any anomalies associated with the counterparty, which are then identified in the risk criteria. The Compliance Officer, in the review process, then assess the risk of the counterparty: low, low risk plus, high risk, zero tolerance.

Once the counterparty has been activated, the counterparty's risk is assessed and categorised on the basis of the criteria (indicators) that are defined in the Internal Due Diligence Manual, reported in the *Supplier Risk Assessment* and in the *Supply Chain Assessment Form (SCAF)*. The *Supplier Risk Assessment* form is an internal tool created in 2024 that allows a quantitative risk assessment of all the counterparties on the basis of the indicators identified during the onboarding – monitoring process; the SCAF is a document focused on the specific counterparty, located in digital form in each counterparty's file. The form defines the high-risk and the potential risks categories criteria, the final risk rating and specific comments regarding the counterpart (qualitative risk assessment).

The sources used to determine the risk criteria are, for ex, OECD Guidelines, LBMA refiner toolkit, the EU regulation on conflict minerals, the national and international AML regulations.

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

Loc. San Zeno, Strada, A 32 - 52100 Arezzo - Italy. Tel. +39-0575-383041 Fax: +39-0575-383201

Email info@italpreziosi.it web www.italpreziosi.it

C.F. e P.I. n. 01111420517 - Capital Share fully paid € 25.000.000,00 - C.C.I.A.A. n. 83621

ITALPREZIOSI[®]



compliance department will then be responsible to take charge and solve them.

Also, Italpreziosi has developed a tool to help categorise counterparty risk, focused on country risk studies. 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 International Organizations, Private Compliance Companies, Governments' databases and regulations, NGOs reports, international sanctions list (i.e. EU, UK, US, UN), 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).

The country risk categorisation will determine a counterparty risk categorisation criterion.

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 9.0 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. During the onboarding process (document analysis and research), the compliance analyst is responsible for identifying any anomalies associated with the counterparty, which are then identified in the risk criteria. The Compliance Officer, in the review process, then assess the risk of the counterparty: low, low risk plus, high risk, zero tolerance.

The risk criteria (indicators) are defined in the Internal Due Diligence Manual, reported in the *Supplier Risk Assessment* and in the *Supply Chain Assessment Form* (SCAF). The *Supplier Risk Assessment* form is an internal tool created in 2024 that allows a quantitative categorisation of the risk of all the counterparties on the basis of the indicators identified during the onboarding – monitoring process; determining a numerical value for each risk category, a calculation then allows the numerical definition of the counterparty risk. The SCAF is a document focused on the specific counterparty, located in digital form in each counterparty's file. The form defines the high-risk and the potential risks categories criteria, the final

risk rating and specific comments regarding the counterpart (qualitative risk assessment).

The sources used to determine the risk criteria are, for ex, OECD Guidelines, LBMA refiner toolkit, the EU regulation on conflict minerals, the national and international AML regulations.

The risk is identified following specific 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. The specific risk indicators are: country risk (where the counterpart is located – ref “High Risk Countries Index”); country of origin risk (to assess the risk of the supply chain up to the origin – ref “High Risk Countries Index”); presence of PEP; complexity of the company structure; other HR business linked with the company; type of supplier; documentation discrepancies; negative news / legal proceedings / convictions; any other anomalies.

The “High Risk Countries Index” is an internal tool, based on different criteria, such as Governance, Security, AML, Corruption, Environment and Human Rights -which is fundamental to categorize the risk of the country. The sources used are International Organizations, Private Compliance Companies, Governments’ databases and regulations, NGOs reports, international sanctions list (i.e. EU, UK, US, UN), 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).

Through the Supplier Risk Assessment tool, by calculating the numbers associated with each risk indicator, the counterpart risk is defined (Legenda: 0-1,2: LR / 1,3-2,5: LR+ / 2,6-5: HR). When there are unmanageable risk anomalies, the account cannot be opened/is closed, so the risk is 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.

Less than 3.5% of gold suppliers and less than 4.1% of all suppliers that shipped silver in 2024 are high-risk accounts; enhanced Due Diligence was taken in compliance with the due diligence procedures (please refer to section 2.3).

During 2024, two 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?

Through the Supplier Risk Assessment tool, if the final calculation of the numbers associated with each risk indicator results in 2,6-5, the risk associated is high, and an enhanced due diligence is carried out.

Depending on the red flag identified, the enhanced due diligence is tailored to the counterparty, as explained in the Due Diligence Manual/Policy.

Examples of enhanced due diligence measures: extensive research, increased frequency of monitoring measures, additional opinions request from public authorities / other entities, frequent meeting and follow-up, additional documentation request, etc.

Site visits are crucial to verify the documents and reports received, they constitute an EDD tool. 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. Two remote site-visits and six in-person site visits were conducted during 2024; 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. One intermediate refinery with high-risk supply chains supplied to Italpreziosi in 2024 and all the required due diligence procedure were carried out. The account have been 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 AML and Compliance 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.

Step 3: RISK MANAGEMENT

Compliance Statement with Requirement:

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

Loc. San Zeno, Strada, A 32 - 52100 Arezzo - Italy. Tel. +39-0575-383041 Fax. +39-0575-383201

Email info@italpreziosi.it web www.italpreziosi.it

C.F. e P.I. n. 01111420517 - Capital Share fully paid € 25.000.000,00 - C.C.I.A.A. n. 83621

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 AML and Compliance 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 (or other agreed timeframe) 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 2024, Italtreziosi activate one Risk Mitigation Plan, so the usual monitoring based on the identified risk was carried out. During the year, Italtreziosi suspended two 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:

Italtreziosi has been arranging independent third-party audits of the supply chain due diligence since 2016. In 2024 Italtreziosi engaged Forvis Mazars Switzerland SA (listed in the LBMA's Approved Service Providers List) to perform the independent external assurance on compliance against the LBMA Responsible Gold Guidance version 9 and Responsible Silver Guidance version 2 for the period 1 January 2024 to 31 December 2024.

Italtreziosi selected Forvis Mazars Switzerland SA 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 Italtreziosi'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. Italtreziosi 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 2024; 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 2024; 5) Countries of origin of the recycled and mined gold/silver purchased during 2024.

Moreover, Italtreziosi yearly publish the Impact Report in accordance with GRI, where it transparently share all the information regarding due diligence and its supply chain. Italtreziosi 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/>).

Italtreziosi overall conclusion

Table 3: Management conclusion

YES

In conclusion, Italtreziosi 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 2024. Since Italtreziosi is committed to continuous improvement, it has updated the risk analysis procedure with the inclusion of an internal tool as the Supplier Risk Assessment form.

Table 4: Other report comments

If users of this report wish to provide any feedback to Italtreziosi with respect to this report, they can contact the Compliance Officer: serena.pallini@italpreziosi.it.

Arezzo, May 9th 2025

Signature

Roberto Tanganelli

President of the AML and Compliance
Committee



Loc. San Zeno, Strada, A 32 - 52100 Arezzo - Italy. Tel. +39-0575-383041 Fax. +39-0575-383201

Email info@italpreziosi.it web www.italpreziosi.it

C.F. e P.I. n. 01111420517 - Capital Share fully paid € 25.000.000,00 - C.C.I.A.A. n. 83621

ITALPREZIOSI®

