

UMICORE PRECIOUS METALS (THAILAND) LTD.
REFINER COMPLIANCE REPORT

1. REFINER'S DETAIL

Refiner's name	Umicore Precious Metals (Thailand) Ltd. (UPMT)
Location	Prawet District, Bangkok, Thailand
Reporting Year-end:	01/01/2021 – 31/12/2021
Date of Report:	30/03/2022

Umicore Precious Metals (Thailand) Ltd. (hereinafter referred to as UPMT) is a subsidiary of AGOSI AG based in Germany, which is a part of the international UMICORE group. UPMT was established in 1993 and was able to draw from AGOSI's over one hundred years of experience in the precious metal business. UPMT is focused on precious metal refining, production, and distribution of semi-finished products for the jewellery and electroplating industry.

(For further information on the Umicore Group and AGOSI, please visit www.umicore.com and <https://www.agosi.de> respectively)

UPMT is listed on the "Good Delivery List" for Silver by the LBMA. In addition, UPMT is a Code of Practices certified member of the Responsible Jewellery Council (RJC) under the member group AGOSI AG since December 2011. UPMT has been certified for RJC Chain-of-Custody standard since June 2013. UPMT is listed by Responsible Minerals Initiative (RMI) as a "Conformant Gold Refiner" since Feb 2017.

2. SUMMARY OF ACTIVITIES UNDERTAKEN TO DEMONSTRATE COMPLIANCE

STEP 1: ESTABLISH STRONG COMPANY MANAGEMENT SYSTEM

We have fully complied with Step 1: Establish strong management systems.

1.1 UPMT has a policy regarding due diligence for supply chains of silver and other precious metals (gold and PGM)

A UMICORE Group Policy "Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas" has been in effect within the Umicore Group and UPMT since February 2013.

Based on the principles of the group policy, UPMT has developed the 'Umicore Precious Metals Thailand (UPMT) - Supply Chain Due Diligence Policy on Precious Metals', which is consistent with the Model Supply Chain Policy in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. This Policy covers Silver, Gold and PGM, collectively referred to "precious metals" by UPMT. This policy details UPMT's responsibility and commitment to considering and preventing human rights violations and other risks in our supply chain that may be connected to the extraction, trading, handling and exporting of minerals from conflict-affected and high-risk areas.

1.2 UPMT has established an internal management structure to support supply chain due diligence

UPMT has developed the Supply Chain Security Guideline (hereinafter referred to as the UPMT Guideline) to manage the responsible sourcing of precious metals at UPMT. The UPMT Guideline is part of the UPMT IMS which has been developed to cover the requirements in ISO9001, ISO14001, LBMA Responsible Silver Guidance, RJC Code of Practice (COP) and RJC Chain-of-Custody (CoC). The UPMT Guideline defines measures and supporting processes to identify, assess and manage supply chain risks related to precious metals. The UPMT Guideline also defines roles and responsibilities, risk identification and KYC processes, training, records keeping and reporting lines. The local compliance

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officer supported as necessary by the Business Unit Anti-money Laundering Officer (at the AGOSI group level) has been appointed to implement and supervise Supply Chain Due Diligence at UPMT. The Local Compliance Officer is responsible for reviewing and updating the supply chain due diligence policy and procedure and reporting to Top Management.

The existing Supply Chain management system and corresponding documentation has been developed to cover silver, gold and PGM to be complied with LBMA RSG, RJC Code of Practice (COP) and RJC Chain-of-Custody (CoC) standard and guidance.

The Integrated Management System (IMS) requires that an internal audit is performed annually to monitor the effectiveness of the IMS management system including supply chain due diligence. The results of internal audit are reported to Top Management, department managers and supervisors. In addition, supply chain due diligence is considered by Top Management as a part of the annual management review.

1.3 UPMT has established a strong internal system of due diligence, controls and transparency over silver and other precious metals (gold and PGM) supply chain, including traceability and identification of other supply chain actors.

The UPMT Guideline establishes measures and controls to ensure supply chain traceability and requirements for maintaining records. Relevant records have been kept in digital form.

UPMT manages and tracks its material flows and internal processes in the UmicorePMT Database. The information for each lot of material that must be entered into the UmicorePMT database includes, but is not limited to, name and internal identification number of precious metal supplying counterparty, date of material received, unique lot number, type and details of material, weight, analysis result and status of refining process. The material is tracked internally along the production process.

As UPMT supply chain and material traceability system, the input materials in 2021 could be tracked and confirmed as eligible recycle materials originated from secondary pre and post-consumer. The confirmation letter has been provided as material declaration of its origination from customers.

The UPMT Supply Chain Due Diligence Policy on Precious Metals, the UPMT Guideline and supporting processes including the requirements and relevance of the LBMA Responsible Silver Guidance, RJC Code of Practice standard and RJC Chain-of-Custody standard are included in the orientation training program given to new employees.

In order to enhance the understanding and communication effectively for Sales personnel to relevant counter parties in its supply chain, UPMT has developed its internal training program on due diligence guidance for responsible supply chain of minerals from conflict-affected and high risk areas according to the OECD guidance, RSG and relevant applicable standard. It is provided to related personnel throughout the organization.

Refresher trainings and individual trainings are offered on a needs basis or triggered by updates. The Local Compliance Officer supported by the HR department track and provide trainings.

1.4 UPMT has strengthened company engagement with precious metals (Silver, Gold and PGM group) supplying counterparties, and where possible, assists precious metals (Silver, Gold and PGM group) supplying chain counterparties in building due diligence capabilities.

UPMT precious metal supplying counterparties including storage and transportation companies are subject to an on-site visit by the Sales

Department. During the site visit the Sales Department is responsible for providing the counterparty with information related to UPMT's supply chain management including the UPMT Supply Chain Due Diligence Policy on Precious Metals. The Sales Department is also responsible for collecting written confirmation from the supplier that they have been informed of the UPMT policy.

During the COVID-19 pandemic since 2020, on-site visit at counterparties were facing obstacles, however a remote communication has been applied. The verification on due diligence of new counterparties has been conducted based on submission of relevant documents, records and remote interviews. The pending on-site visit has been listed and tracked by Sales for the re-verification when situation resolved. The "Letter according to CoC-LBMA-OECD Guidance_Acknowledgement form" has been developed and implemented in order to communicate and express UPMT's Supply Chain Due Diligence Policy and its principle aiming to enhance the engagement of its counterparty on due diligence.

1.5 UPMT has established a company-wide communication mechanism to promote employee participation on risk identification to management.

UPMT promotes employee awareness and encourages employees to voice concerns about any issues regarding traceability or identification. Internally a physical mailbox has been set up to allow employees to anonymously voice concerns. HR is responsible for forwarding the concerns to the relevant department.

All interested parties as well as suppliers can access the UPMT Supply Chain Due Diligence Policy on the company website using the following link, <https://www.umicore.co.th/en/our-sites/precious-metals>. The name and e-mail address of Business Unit compliance officer and Local compliance officer are provided. The Business Unit compliance officer and Local compliance officer can be contacted by any external or internal party wishing to voice a concern or any other issues related to UPMT supply chain due diligence.

Any voice concern is recorded, reviewed and executed the necessary action by Compliance Officer and Top Management according to UPMT's complaints procedure.

STEP 2: IDENTIFY AND ASSESS RISK IN SUPPLY CHAIN

We have fully complied with Step 2: Identify and assess risk in the supply chain.

2.1 UPMT has a process to identify risks in the supply chain.

UPMT identifies and assesses risks in the precious metals supply chain. The UPMT Guideline requires risk identification and KYC documentation, as required by the LBMA Responsible Silver Guidance. KYC documentation is collected for precious metal supplying counterparties and other relevant parties in the supply chain (as determined by the Local Compliance Officer and Sales Team).

To support the identification of supplier risk and to strengthen business relationships an on-site visit is performed for precious metal supplying counterparties. In addition, the Local Compliance Officer, Sales Department, Incoming Goods Department and Production department monitor material and related inconsistencies as a part of daily business.

Since 2021, in order to strengthening the due diligence process, the UPMT Supply Chain Security Procedure has been reviewed and updated corresponding to BU JIM Supply Chain Security Guideline by applying the 'Rule of Law Index', 'Conflict Barometers' and 'Environmental Performance Index' as reference criteria for country risk assessment.

2.2 UPMT assesses risks in light of the standards of their due diligence system.

The completion of the precious metal supplying counterparty acceptance process was a formal requirement before entering any business relationship.

The UPMT Guideline requires that KYC documents are collected and verified. If a supplier is categorised as High Risk according to the LBMA RSG requirements or stricter internal requirements enhanced due diligence is triggered. Depending on the risk level of the supplier or transaction, enhanced due diligence and additional KYC documentation will be required.

The exact measures to be taken are decided on a case by case basis by the Local Compliance Officer and as needed supported by the Business Unit Anti-money Laundering Officer. The Managing Director is informed of the measures taken as well as the results.

In addition, UPMT conducts scrutiny and monitoring of transactions undertaken through the course of the relationship. The Sales Department supported by the Incoming Goods Department monitor transactions and review shipping and transportation documents.

2.3 UPMT reports risk assessments to the designated manager

The Sales Department provides the risk identification and assessment reports with identified risk mitigation measures (if required) including the precious metal supplying counterparties KYC documents to Top Management and the Local Compliance Officer.

Top Management makes the decision to commence the business relationship, however the Local Compliance Officer maintains the right to veto.

STEP 3: DESIGN AND IMPLEMENT A MANAGEMENT SYSTEM TO RESPOND TO IDENTIFIED RISKS

We have fully complied with Step 3: Design and implement a management system to respond to identified risks.

3.1 UPMT has devised a strategy for risk management

UPMT has devised a strategy for risk management of identified risks by either (i) mitigation of the risk while continuing trade, (ii) mitigation of risk while suspending trade or (iii) disengagement from the risk as specified by step 3 of the LBMA RSG.

3.2 Where a management strategy of risk mitigation is undertaken, it will include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated senior management

Where a potential or actual risk has been identified, Sales department and Compliance Officer determines on a case by case basis which risk management strategy will be employed. Depending on the identified risk, the BU Anti-money Laundering Officer will be informed. If the Compliance Officer with the approval of Top Management decides to mitigate risk, a strategy including necessary actions or measures will be developed and implemented.

Where necessary actions have been developed to mitigate potential or actual risk, the Sales Department is responsible for monitoring the actions and improvement as well as reporting to the Local Compliance Officer and Top Management.

STEP 4: ARRANGE FOR AN INDEPENDENT THIRD PARTY AUDIT OF THE SUPPLY CHAIN DUE DILIGENCE

UPMT has engaged KPMG Cert GmbH (listed in the LBMA's Approved service Provider List) to perform an integrated Reasonable Assurance against the LBMA Responsible Silver Guidance, for the period 1 January 2021 to 31 December 2021 and UPMT's supply chain due diligence management system according to RJC Code of Practice (COP) and RJC Chain-of-Custody (CoC). The precious metals covered in the audit for RJC COP and CoC was Gold, Silver and PGM.

STEP 5: REPORT ON SUPPLY CHAIN DUE DILIGENCE

Umicore Precious Metals (Thailand) Ltd. reports as defined in step 5 of the LBMA RSG on supply chain due diligence on an annual basis in this Refiner's Compliance Report. This Refiner's Compliance Report and the Umicore Precious Metals Thailand (UPMT) - Supply Chain Due Diligence Policy are available on our homepage:

<https://www.umicore.co.th/en/our-sites/precious-metals>

3. MANAGEMENT CONCLUSION

In conclusion, UPMT implemented effective management systems, procedures, processes and practices to conform to the requirements of the LBMA Responsible Silver Guidance, as explained above in section 2 of this report, for reporting year 2021. The audited period ended 31 December 2021.

Umicore Precious Metals (Thailand) Ltd. is committed to continual improvement, and any corrective action identified will be monitored internally on a regular basis.

4. OTHER REPORT COMMENTS

If users of this report wish to provide any feedback to UPMT with respect to this report, they can contact UPMT's Local Compliance Officer by sending an e-mail to philailuck.maimala@ap.umicore.com

Approval of the report by:




Mr. Matthias Schmidt

Managing Director