


REFINER'S COMPLIANCE REPORT

The LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance have established a guide for Good Delivery Refiners to adopt the highest standards to fight against the abuse of Human Rights, to avoid the contribution to conflicts, to comply with the anti-money laundering regulations and avoid funding terrorism practices.

Based on the above, SEMPSA Joyería Platería, SA (SEMPSA JP) summarizes in this Refiner's Compliance Report a procedure to control the origin of gold and silver therefore thus showing the company's compliance with the requirements set up in the Responsible Gold Guidance V9 and Responsible Silver Guidance V1.

 SEMPSA JP Heimerle + Meule Group	DATA ON THE REFINER	
COMPANY NAME	SEMPSA Joyería Platería SA (SEMPSA JP)	
LOCATION	AVENIDA DE LA DEMOCRACIA Nº13, MADRID	
REPORTING YEAR END	31st December 2022	
DATE OF THIS REPORT	28th of March, 2023	
SENIOR MANAGEMENT RESPONSIBLE FOR THIS REPORT	Alberto Vergara Cela avergara@sempsajp.com	
ASSESSMENT SEMPSA JP	Refiners must follow the following list of minimum requirements as described in the steps according to the LBMA Responsible Gold Guidance V.9 and LBMA Responsible Silver Guidance V.1 thus showing their compliance with the mentioned regulations.	

STEP 1: ESTABLISH STRONG MANAGEMENT SYSTEM

COMPLIANCE WITH THE REQUIREMENT

SEMPSA JP has fully complied with Step 1: Establishing a strong Integrated Management System in the company.

1.1) Has SEMPSA JP adopted a Due Diligence policy for the gold and silver supply chain?

YES

The version of the gold and silver supply chain policy dates from December 2022, and it adapts to the requirements that are listed in the 'Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas', the 'LBMA Responsible Gold Guidance' and the 'LBMA Responsible Silver Guidance'. Moreover, SEMPSA is adapting its internal procedures to progressively include ESG requirements and to enhance its relations with customers and suppliers by encouraging them to follow ESG good practices.

SEMPSA JP has set up a policy about the supply chain to identify and control the risks of gold and silver acquisition from conflict or risk areas. SEMPSA JP is a fully obliged company to comply with current and strict Spanish Anti Money Laundering and Terrorism Financing regulations. (Ley 10/2010). This fact makes that those complementary procedures are conducted to ensure the integrity of metal sourcing.

The company includes into its Precious Metals Supply Chain Policy the applicable regulations established in the European Regulation 2017/821 in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk areas.

The mentioned policy is shown on SEMPSA JP's website (www.sempsajp.com) This document can be also consulted internally, both on the Company's Intranet and on the company's notice board. The policy has been attached to this document.

1.2) Has SEMPSA JP established an internal structure to support the Due Diligence supply chain?

YES

In SEMPSA we are aware of the responsible supply chain policy, and we have therefore designed an internal structure to ensure the appropriate performance of the processes to be able to guarantee the suitable origin and traceability of gold and silver while also ensuring the legality of the origin of the funds used to purchase precious metal scrap ultimately sold to us.

In procedure PG-17-COO- rev. 6 'Control of the Origin of Precious Metals', all processes for a responsible supply chain have been defined in detail. This procedure is included into the Integrated Management System.

Moreover, SEMPSA is also certified on the following international standards: ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 17025. In addition, SEMPSA is a certified member of Responsible Jewelry Council (RJC: Applicable Standard Code of Practices 2019 and Chain of Custody 2017) which gives an idea of the level of commitment of SEMPSA.

Also, as per AML and terrorist financing Spain's regulations and as described in the mandatory internal AML Manual, SEMPSA JP holds a strong company structure that supplies support to the application of this law. In summary, this structure comprises an Internal Control Committee (high management), AML company Representative, Technical Unit, Training, Procedures Manual,

Internal and External audits are performed on a yearly basis, covering Metal Sourcing and AML aspects. Also, quarterly minutes of the Internal Control Committee are duly signed.

Training on AML is mandatory for all employees who have any kind of relation with purchasing or selling precious metals. In 2022, 31 employees were trained (14% of the headcount). These belonged to the following departments: Commercial, Trading Desk, Procurement, Logistics, Treasury, Technical Unit, and Internal Control Committee.

1.3) Has SEMPSA JP established a strong internal Due Diligence system, on the control and transparency of the gold and silver supply chain, including the traceability and the identification of other participants in the supply chain?

YES

SEMPSA JP implemented the Integrated Management System several years ago, even before the 'LBMA Responsible Gold Guidance' standard. Thus, strong administrative Due Diligence controls for all its suppliers had already been introduced, regardless of the nature of the metal (gold, silver, or metals of the platinum group) or their origin.

The mentioned control processes have been strengthened with the implementation of procedure PG-1 7-COO-Rev 6 'Control of the Origin of the precious metals' more specifically joining all information about traceability of the metal, supplier assessment as well as actions against the possible risk identification in one single document. This KYC document or Due Diligence is also mentioned as the key information that SEMPSA JP must have about any of its providers and customers.

SEMPSA has appointed staff exclusively responsible for managing all Due Diligence and KYC documentation in a central file (Technical Unit, which it's also mandatory to comply with Spanish AML law). From November 2014 this Technical Unit, follows the legislative changes of the current regulation, established to prevent money laundering and funding terrorism.

The 'Compliance Officer' is responsible for the control of the metal purchases and checks its origin according to the ethical procedures set out by the LBMA. This officer is responsible for the assessment and follow-up of gold and silver suppliers, the collection of all necessary information to comply with the Due Diligence, reports, audits of suppliers and the gold and silver supply chain, making sure that they are carried out in the most suitable way. Additionally, SEMPSA holds a so-called Internal Control Committee which, as mandatorily by Spanish Anti Money Laundering Prevention Regulations, represents the highest level of assurance of these policies and procedures. Such committee is formed by Compliance Manager, Precious Metals Purchase Commercial Manager and Managing Director. It meets every quarter and follows, execute, and takes decisions about all the aspects that Anti Money Laundering policy may require. Duly minutes of these meetings are filed, and

Board of Directors is also periodically informed. It's important to mention that all changes that affect any of the requisites of the Spain's AML law must be agreed by resolutions of the Board of Directors

1.4) Has SEMPSA JP strengthened their commitment to the supply to third parties where-ever possible, and have they helped when supplying these third parties in their potential development of Due Diligence?

YES

As explained above, the Gold and Silver Supply Chain policy is available on our website for all parties interested. Likewise, SEMPSA JP duly explain its customers that the policy conducted is meant to avoid any illicit metal sourcing and any money laundering, it invites to follow the mentioned guidelines set out in this document and provides for the implementation of the stipulated standards. Nevertheless it's important to highlight that for every third party, to establish a new commercial relation with SEMPSA JP, they must comply with the standards set up in our policy and procedures regarding metal origin and AML rules.

Also, whenever the customer is relevant in terms of compliance with sustainability & environmental aspects, we will proceed to request justification or certification that proves such commitment. Should the customer be not relevant for such purposes or, being relevant does not carry out any procedure in this regard, we will strongly recommend and encourage to have such policy which it would ease our business relation.

1.5) Has SEMPSA JP Establish a confidential grievance mechanism?

YES

SEMPSA JP has put in practice a confidential grievance mechanism within its Ethical Channel procedure. This protocol was duly informed to all employees and all of them have access to the internal procedure in place. Also, the protocol is available on the website of SEMPSA JP. The communication process is via email which are received and treated anonymously by an appointed person who directly reports to the Compliance Officer. During 2022, no emails or claims were received into this channel which is also available for third parties

STEP 2: IDENTIFICATION AND RISK ASSESSMENT IN THE SUPPLY CHAIN

COMPLIANCE WITH THE REQUIREMENT

SEMPSA JP has fully complied with Step 2: Risk Identification and risk assessment in the supply chain. SEMPSA JP is committed to creating a culture of transparency and encourages our employees, contractors, and other partners, including community members, to speak up about their issues and concerns through canal ético. Whenever a complaint or grievance is received, the accountable role/ personnel will investigate, determine, and implement an appropriate response.

2.1) Does SEMPSA JP have a process in place to identify the risks in the supply chain?

YES

The company guarantees not to establish any commercial relationship with those suppliers who do not comply with one of the points dealt with in our policy and it has established a range of detailed steps to follow in the procedure. Introducing a transparent system to check the origin of gold and silver, collect information on the suppliers and their assessment is the main basis to reduce to the maximum any

possibility to acquire gold and silver of doubtful ethical origin and/or dealing with money laundering or terrorism financing.

PG17-COO-rev.6 The classification of suppliers has been categorised in 'high risk' or 'moderate risk' based on the risk level associated to what was concluded from the obtained information, through any of the channels showed in the procedure.

To identify the risk, attention is paid to the following points:

- Origin and/or country of transit of the metal (extra-communitarian, without anti-money laundering legislation, anti-corruption and /or similar, tax haven, etc)
- Features of the supplier such as location or the one of its branches, owners, staff, linked to non- governmental groups, use of agents, directly or indirectly linked to people who are politically exposed, etc.
- Several circumstances generating reasonable suspicion.

This is all included in the File Fact of the Client/Supplier at the Technical Unit department. To check the information, formal and informal face-to-face visits are held at suppliers requesting reports from third parties, etc. New requirements to be requested were introduced in cases where there might be possible trade with companies supplying gold from mining and/or from money laundering.

Other points to strengthen the control of the supply chain are the following:

- ❖ Make payments only through the banking system.
- ❖ Collaborate with the official agencies in charge of the control of various aspects of sales transactions.
- ❖ Distribute transparency policies among all suppliers.

Likewise, since the year 2013 services of the digital platform www.dowjones.com are being used as a source of information. Moreover, SEMPSA JP is subscribed to intelligence platforms such as 'informa Dun&Bradstreet', 'Registro del Notariado' and 'KUMI CAHRA Map. We can thus maximize the identification of people who are politically exposed or involved in cases of corruption as well identify third party financial and fiscal information and ultimate ownership.

2.2) Does SEMPSA JP assess the risks defined in the regulations of their Due Diligence system?

YES

Any real or potential risk is recorded in the fact file of the client/supplier, and can be consulted, extended, or updated at any moment in the central files of the Technical Unit.

The Declaration regarding the real identification of the client or legal person after the last legal modifications was included.

In case irregularities were to be detected, the supplies shall be rejected. Moreover, should this irregularity be significant, SEMPSA is obliged to inform AML Spanish authorities according to the AML Law (RD 10/2010)

2.3) Has the Refiner undertaken EDD (Enhanced Due Diligence) measures for identified high-risk supply chains?

YES

Once the Internal Control Committee determines an EDD, all employees involved on that third party must be aware. Generally, the EDD requires a much closer monitorization of the commercial relation and it may limit the metal volume traded, or it may limit the maximum amount of money involve inther transaction. Also, it may require and reassessment of the DD in a much shorter period than the average which is 3 years.

Generally, KYC for suppliers of precious metals require a site visit report prior to entering business with them. Our site visit report, based on the LBMA's Site Visit Report for Recycled Material, is performed by our commercial employees who also includes a photograph report. During 2022, 92 visit reports were issued.

STEP 3: DESIGN AND IMPLEMENT A MANAGEMENT STRATEGY TO RESPOND TO IDENTIFIED

3.1 Devise a risk management strategy for the identified risk.

3.2 Monitor the improvement plan.

3.3 Report findings to the Board Committee

3.4 Continuously monitor adequacy of risk management strategies.

YES

3.1 In case a risk assessment shows unequivocally proof of or probability of high risk in the any of the steps of the supply chain, the entry of metal of this origin is immediately stopped. Shall a metal provider be rejected as per its high-risk qualification, then, no account code is provided into our ERP, making not possible to introduce any metal whatsoever, electronically neither physically.

SEMPA automatically rejects the opening of a new account or suspends relationship, whenever it finds suspicious or proofs of:

- Money laundering
- Financing Terrorism
- Human Rights abuses
- Direct or indirect support to illegitimate non-state armed groups.
- Fraudulent misrepresentation of the origin of minerals.

In 2022, SEMPA JP has rejected 8 suspicious operations which 5 of them have been duly communicated to the Spanish AML authority (SEPBLAC). Additionally, SEMPA JP has collaborated with Spanish Tax Agency and the Police in 26 cases where we have been asked about certain information of current customers or suppliers.

3.2 During 2022 no Improvement Plans have been in place for suppliers. Shall an EDD have been set up, as explained in 2.3, the requirements have been followed in order to ensure the limits or reassessments designed on such EDD. In certain cases, we have contacted central authorities, upstream companies, international organisations, and affected third parties to to facilitate monitoring activities.

3.3 SEMPSA JP's Board of Directors is duly informed the relevant information on high-risk supply chains and specially on reports on the progress and effectiveness of improvement plans. As also explained, SEMPSA's CEO is a member of the Board as well as member of the Internal Control Committee which holds a quarterly meeting to treat all these aspects.

3.4 As supply chain due diligence is a dynamic process, SEMPSA JP assess if Step 2 of this Guidance should be repeated or reassessed.

STEP 4: AGREEMENT TO HAVE AN INDEPENDENT AUDIT ON THE SUPPLY CHAIN BY A THIRD PARTY

COMPLIANCE WITH THE REQUIREMENT

SEMPSA JP has fully complied with Step 4: Agreement to have an independent audit on the supply chain by a third party.

YES

The independent company chosen is KPMG AB (Sweden), who will carry out the annual review based on the ISAE 3000 standard, proving that SEMPSA JP complies with the requirements established in the LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance. Worth pointing out that additional and mandatory external audits are carried out on a yearly basis to comply with Anti Money Laundering and Terrorism Financing. The results of the 2021 audit include two recommendations or possibility for improvements, dealing on the implementation of RGG V9 in 2022, and there are no medium or high-risk deviations. No medium or high-risk deviations were identified in the audit for 2022. KPMG assurances reports on SEMPSA's LBMA Compliance Report are available on the website www.sempsajp.com

STEP 5: REPORT OF THE SUPPLY CHAIN OF DUE DILIGENCE

COMPLIANCE WITH THE REQUIREMENT

SEMPSA JP has fully complied with Step 5: Report on supply chain Due Diligence.

YES

For more detailed information and specific facts, it's available in our company webpage www.sempsajp.com, our supply chain policy in which we include procedures and controls to meet the requirements of the LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance.

CONCLUSION ON MANAGEMENT

Does SEMPSA JP comply with the requirements of the “LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance” for the period reported?

YES

General Management of SEMPSA JP is fully and continuously involved in the gold and silver supply chain, considering, and taking on this issue as one of their main and own tasks, thus turning it into an icon of reference for the rest of the employees. The system must continue with its natural evolution in continuous improvement year after year, achieving more involvement and a clear trend towards excellence in this matter.

A set of measures of action were introduced to detect irregularities which are promptly arranged for by the employees who are involved in the process. Thus, the company guarantees that the requirements of the LBMA are complied with. To conclude; SEMPSA JP has satisfactorily implemented processes, procedures, and practices in integrated management system to be able comply with the requirements of the LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance standards.

It is the intention of SEMPSA JP's Management that this system becomes part of both the continuous improvement process and of their working philosophy which is something to be understood and applied by all staff. Therefore, periodical actions of awareness and training are provided to achieve that those responsible for each process, can detect real or potential situations on their own account, which in future may result in Non-Compliance.

The staff involved in the elaboration of the Client's or the Precious Metal Supplier's fact files and in the risk analysis in the supply chain, has been trained in the issue's basis of the audit as it's mentioned in point 1.2

During 2022 the technical and human resources have been distributed for the best management, in terms of processing and filing the 'Due Diligence and KYC' documentation into the Technical Unit. SEMPSA JP has committed itself to remain willing to continuously improve and shall internally follow any corrective action, according to the established in our procedure on non-compliance and on corrective and preventive actions.

SEMPSA JP is responsible for the preparation and presentation of the information contained in this report that has been obtained from the documentation and records on the control of the precious metals supply chain.

During the fiscal year 2022, no significant changes have been generated that directly affect the processes involved in the precious metals supply chain.

Looking forward year 2023, we will continue to improve and show transparency in all our business processes, positioning ourselves against corruption, fraud, and money laundering, establishing the ethical, moral, and social guidelines to follow, in all our activities and safeguarding the ethical integrity of our business relationships with any entity or individual.

The person to contact in case of questions or doubts arisen after reading this report, is Alberto Vergara Cela, avergara@sempsajp.com,



PRECIOUS METALS SUPPLY CHAIN POLICY

SEMPSA JP is based on principles aimed at establishing ethical relationships as a common guideline for the development of all its activities, thus avoiding the contribution to the development of armed conflicts, human rights abuses, organized crime, and/or money laundering. .

Because of the above, it is ensured that the origin of the precious metals it receives is ethically acceptable.

With the internal and external promulgation of this document and the Precious Metal Origin Control procedure, all conducted by the Compliance Officer, the following is achieved:

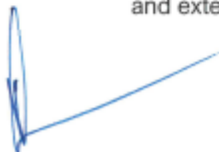
- Show transparency in all our business processes, positioning ourselves against corruption, fraud, and money laundering.
- Establish the ethical, moral, and social guidelines to follow, in all our activities
- Safeguard the ethical integrity of our business relationships with any entity or individual

The scope of this policy is the supply chain of precious metals that reach the company and it is included within the Integrated Management System of SEMPSA JP, where the necessary actions are established to guarantee that the documentation and records of the supply chain Due Diligence y is available and updated, as well as scheduling the necessary training for SEMPSA JP's personnel, thus satisfying the control requirements in the supply chain, complemented by the Code of Conduct, the Corporate Social Responsibility Policy and the Integrated Management System Policy, with which the company commits to:

- Do not contribute, facilitate, tolerate, or take part in:
 - Any form of torture, cruelty or degrading human treatment
 - Any form of forced labor
 - Abuse or violation of human rights
 - War crimes, violation of international humanitarian law, crimes against humanity or genocide
- Any form of child labour or bribery
- There will be no relationship with suppliers linked to any of the serious abuses mentioned in the previous paragraph.
- No direct or indirect support of any kind to armed groups that control mines, transport routes, precious metals trading zones and actors upstream of the supply chain or compel the payment of taxes or extort money or minerals at mine access points, along transportation routes, or where minerals are traded, or illegally tax or extort import or export companies, agents, or other intermediaries of any kind.

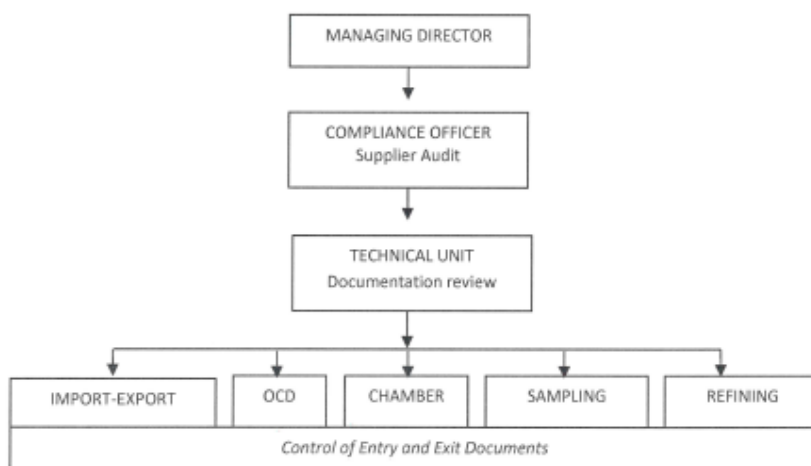


- Likewise, no commercial relations will not be established with suppliers that present a reasonable risk of having some type of relationship with what is described in the previous point.
- We will also not tolerate direct or indirect support for public or private security forces that illegally control mines, transport routes and agents upstream of the supply chain, or illegally tax or extort access points to the mine, along the transport route, or to intermediaries, export companies or international companies.
- We affirm that the role played by public or private security forces in the mines or along the transportation route should be to maintain the rule of law, guaranteeing human rights, with the aim of providing security for workers, facilities, properties and protect the mine from interference in the extraction, or transport routes of precious metals.
- We are committed to guaranteeing that the contracts signed by the companies in our supply chain with public or private security forces are carried out in accordance with the principles of security and human rights.
- We will implement measures or support efforts to collaborate with central or local authorities and international and civil society organizations to:
 - contribute to finding workable solutions on how to improve the transparency, proportionality and accountability of payments made to public security forces for the provision of security services.
 - avoid or reduce the exposure of vulnerable groups (particularly artisanal or small-scale miners at certain points in the supply chain) to the negative effects associated with the presence of public or private security forces in the mines.
- We will not exercise inappropriate influences, offers, promises or coercion, in the same way that they will be rejected. It is not allowed to use company funds, obtain personal benefits through their use, or violate this policy in any way.
- The origin of the precious metal will not be supplanted, taxes, royalties, and payments to governments for its extraction, trade, handling, transport, or export will be distorted.
- We understand that business objectives must promote sustainability by including environmental, social, and good governance aspects into our strategy and decision-making. Our activity must generate both business and social benefits permanently and with a spirit of continuous improvement, preserving the environment.
- SEMPSA JP contributes to transparency by making available to all its employees, suppliers, customers and other related parties to the organization, an ethical channel to report incidents and irregularities in relation to non-compliance with both internal and external regulations. This protocol is accessible at www.sempsajp.com





SEMPSA JP will contribute to the eradication of money laundering linked to the trade, transport, export, and extraction of precious metals, thanks to the following organizational structure:



In Madrid, on March 28th, 2023



Francisco Espinosa

CEO of SEMPSA Joyería Platería SA



Auditor's Reasonable Assurance Report on the SEMPSA Refiner's Compliance Report 2022.

To SEMPSA Joyería Platería, S.A

We were engaged by SEMPSA Joyería Platería, S.A (SEMPSA) to provide reasonable assurance on its Refiner's Compliance Report for the year ended on December 31, 2022. The assurance scope consists of SEMPSA Refiner's Compliance Report for year 2022.

SEMPSA Joyería Platería, S.A's responsibility for the Refiner's Compliance Report

The senior management of SEMPSA are responsible for the preparation and presentation of the Refiner's Compliance Report and the Country of origin report in accordance with the LBMA Responsible Gold Guidance v9 and the LBMA Responsible Silver Guidance v1. This responsibility also includes establishing appropriate risk management and internal controls relevant to the preparation of a Refiner's Compliance Report and Country of origin report that is free from material misstatements, whether due to fraud or error. The criteria identified by the senior management as relevant for demonstrating compliance with the Guidance are the activities described within the Refiner's Compliance Report.

Our Responsibility

Our responsibility is to express a conclusion on SEMPSA Refiner's Compliance Report based on the reasonable assurance procedures we have performed. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our assurance engagement in accordance with ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information (revised)" issued by the International Auditing and Assurance Standards Board (IAASB) and the guidance set out in the LBMA Third Party Audit Guidance for LBMA Responsible Gold Programme and LBMA Responsible Silver Programme (The Audit Guidance's). In conducting our engagement, we confirm that we meet the criteria for assurance providers as set out in the Audit Guidance to carry out the assurance engagement.

The firm applies ISQC 1 (International Standard on Quality Control) which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of SEMPSA Joyería Platería, S.A in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A reasonable assurance engagement involves performing procedures to obtain evidence that the information in SEMPSA Refiner's Compliance Report 2022 is free from material misstatement. In performing a reasonable assurance engagement, we considered internal controls relevant to SEMPSA's preparation and presentation of SEMPSA Refiner's Compliance report 2022 in order to design assurance procedures that are appropriate in the circumstances. Our engagement also included assessing the suitability of the criteria used by the senior management of SEMPSA in preparing the SEMPSA Refiner's Compliance Report 2022, evaluating the appropriateness of the methods and policies used and the reasonableness of estimates made by SEMPSA and evaluating the overall presentation of the SEMPSA Refiner's Compliance Report 2022.

The criteria on which our assurance is based are the relevant parts of the LBMA Responsible Gold Guidance v9 and LBMA Responsible Silver Guidance v1. We consider these criteria suitable for the preparation of the SEMPSA Refiner's Compliance Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

In our opinion, SEMPSA's Refiners Compliance Report for the year ended 31 December 2022, in all material respects, describes 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 v9 and LBMA Responsible Silver Guidance v1.

Stockholm, March 28, 2023

KPMG AB

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 Gunnar Karlsson
 Authorized Public Accountant

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 Karin Sivertsson
 LBMA Approved Service Provider