



Auditor's Reasonable Assurance Report on the SEMPSA Refiner's report 2021.

To SEMPSA Joyería Platería, S.A

We were engaged by SEMPSA Joyería Platería, S.A (SEMPSA) to provide reasonable assurance on its Refiner's Report for the year ended on December 31, 2021. The assurance scope consists of SEMPSA Refiner's Report for year 2021.

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

The senior management of SEMPSA are responsible for the preparation and presentation of the Refiner's Report in accordance with the LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance. This responsibility also includes establishing appropriate risk management and internal controls relevant to the preparation of a Refiner's 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 Report.

Our Responsibility

Our responsibility is to express a conclusion on SEMPSA Refiner's 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) and accordingly maintains a comprehensive system of quality control including documented policies and 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 report 2021 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 report 2021 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 report 2021, 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 report 2021.

The criteria on which our assurance is based are the relevant parts of the LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance. We consider these criteria suitable for the preparation of the SEMPSA Refiner's 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 Compliance Report for the year ended 31 December 2021, 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 and LBMA Responsible Silver Guidance.

Stockholm, May 10, 2022

KPMG AB

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Gunnar Karlsson
Authorized Public Accountant

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LBMA Recommended Service Provider

REFINER'S COMPLIANCE REPORT

The standards of 'LBMA Responsible Gold Guidance' and the 'LBMA Responsible Silver Guidance' have established and conformed a guide for all their associated members 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 this, SEMPSA JP has elaborated a procedure to control the origin of gold and silver, thus showing the company's compliance with the requirements established in the LBMA guidelines.

This report summarises how SEMPSA Joyería Platería S.A., as a Good Delivery Gold and Silver refiner, has complied with the requirements of Responsible Gold Guidance V8 and Responsible Silver Guidance V1.

 SEMPSA JP Heimerle + Meule Group	DATA ON THE REFINER	
COMPANY NAME	SEMPSA JOYERÍA PLATERÍA, SA	
LOCATION	AVENIDA DE LA DEMOCRACIA Nº13, MADRID	
ANNUAL REPORT	31st December 2021	
DATE OF THIS REPORT	10 th of May, 2022	
SENIOR MANAGEMENT RESPONSIBLE FOR THIS REPORT	Alberto Vergara Cela	
ASSESSMENT SEMPSA JOYERÍA PLATERÍA, S.A.	Refiners must comply with the following list of minimum requirements as described in the steps according to the LBMA Responsible Gold Guidance V.8 and LBMA Responsible Silver Guidance V.1 (http://www.lbma.org.uk/) thus showing their compliance with the mentioned regulations. When filling in the sections established below, the necessary justifications are provided.	

STEP 1: ESTABLISHING A STRONG MANAGEMENT SYSTEM IN PLACE IN THE COMPANY

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 May 2018**, 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'. Nevertheless, 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 has established a policy regarding the supply chain to identify and control the risks of gold and silver acquisition from conflict or risk areas. **SEMPSA 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 those complementary procedures are carried out to ensure the integrity of metal sourcing. Moreover, there has not been any sourcing of mined gold/silver during 2021

The mentioned policy is shown on SEMPSA's website (<http://www.sempsajp.com>). This document can be 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 described 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 Spanish regulations and as described in the mandatory internal AML Manual, SEMPSA holds a strong company structure that provides support to the application of this law. In summary, this structure is dealing with Internal Control Committee (high management), AML company Representative, Technical Unit, Training, Procedures Manual,

Internal and External audits, and periodic minutes of the management meetings regarding all these Metal Sourcing /AML aspects

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 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 AM law). From November 2014 this Technical Unit, complies with 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 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, Treasury 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.

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 duly explain its customers that the policy carried out 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, 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 has put in practice a confidential grievance mechanism within its Ethical Channel procedure

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.

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 indicated 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 sales 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 different aspects of sales transactions.
- ❖ Distribute transparency policies among all suppliers.

Likewise, since the year 2013 services of the digital platform www.dowjones.com can be used as a source of information. We can thus maximize the identification of people who are politically exposed or involved in cases of corruption.

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) Does SEMPSA JP report the risk assessment to General Management?

YES

General Management reviews the Due Diligence files and their reassessment afterwards. In this way they are informed on the results of the risk analysis and on all the information gathered on the supplier.

In case suppliers with a high-risk level were detected, the Technical Unit will expressively show in the Due Diligence Report the reasons for the mentioned classified risk level. That is: SEMPSA General Management shall be immediately informed after a case of rejection of a supplier or product arises, for not having passed the risk assessment.

There is a plan to review and periodically update the Due Diligence Files. The company's General Management shall periodically assess, minimum every quarter, the control's strategy and response to the risks and results produced by the suppliers classified as red flag or those who in whom certain anomalies were detected.

These files are being complemented with the new requirements appearing in the legislation and complementary documentation, such as certificates of Responsible Jewelry Council (RJC) and/or Electronic Industry Citizenship Coalition (EICC) or adhesion to initiatives, like the one of the OECD, for those suppliers who have them.

STEP 3: DESIGN AND IMPLEMENT A MANAGEMENT SYSTEM TO RESPOND TO THE RISK IDENTIFICATION

COMPLIANCE WITH THE REQUIREMENT

SEMPSA JP has fully complied with Step 3: Design and implement a management system to respond to the risk identification.

3.1) Has SEMPSA JP foreseen a strategy for risk management of an identified risk in case of:

- a) Mitigation of risks while the transactions are going on. YES
- b) Mitigation of risks while business is stopped. YES
- c) De-linking to the risks? YES

YES

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. Afterwards, if the product has arrived at our facilities, it shall be duly identified and put into quarantine until new orders. However, the chances of allowing this type of metal entering our facilities is highly unlikely. 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. The Compliance Officer shall be informed and shall initiate the necessary investigations until the situation is clarified.

In case the risk was detected in documents, any transaction of this origin shall be detained until clarifying.

The Compliance Officer shall collect the necessary information to solve any issue involving risks, (through audits, visits, request of documentation, hiring external services or any other means necessary).

Under no circumstances shall the company work with suppliers whose risk level has been determined as 'high risk' at the risk assessment or has changed to 'high risk' coming from a lower level. These suppliers shall immediately be eliminated from the data base of active suppliers and the mentioned status shall be notified of on the cover of the Due Diligence file to avoid any confusion.

The main risks to be analysed are the following:

- By country of origin of gold or silver transit:
 - Country of origin or transit considered area of conflict or of high risk.
 - Country without gold or silver reserves.
 - Country without legislation on anti-money laundering, anti-corruption and similar.
 - Country where it is the habit to pay cash.
- By supplier:
 - Supplier operating in any of the areas previously mentioned or with connections of any kind with them.
 - Supplying company whose owners are in these areas.
 - Unjustified use of intermediates/agents.
 - Among its owners there is a person who is politically exposed or involved in cases of corruption or money laundering.
 - Direct or indirect link with non-governmental armed groups.
 - Absence of partial or full documentation required from the clients, suppliers in the procedures of SEMPSA JP or by the legislation in force.
- By circumstances: Any anomalous circumstance leading to reasonable suspicion.

- By product: Products for recycling with gold contents far from the usual ones. For example, products with gold content of 90% may suggest alluvial gold mining having been directly transformed into jewellery. Important change in the kind of material supplied by a habitual supplier, without any reasonable justification. Considerable and non-justified increase of quantities provided by a supplier. Incoherence between documentation provided and inspection of the material received. Distortion in the documentation or information delivered.

3.2) Where a management strategy to mitigate the risk is carried out, measurable steps must be included, which must be taken and reached with follow-up on action, periodical new risk assessments and regular reports for General Management.

YES

It is SEMPSA JP's policy not to purchase any metal from a supplier whose origin poses a high risk, thus avoiding the main risk identified in the Guide published by the OECD Due Diligence for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Likewise, if in the approval process of the supplier high risk arises, this supplier shall not be listed under any circumstances.

In this way we get to mitigate the risk of using gold and silver coming from an incorrect origin, which is a fact that can be measured by our sales team when checking the Fact file of the Client/Supplier.

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.

STEP 5: REPORT OF THE SUPPLY CHAIN OF DUE DILIGENCE

COMPLIANCE WITH THE REQUIREMENT

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

YES

For more detailed information and specific facts, we include in the control process of the gold and silver supply chain, through control devices, procedures and records which were introduced to check with the requirements of the LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance. They have been introduced in our gold and silver supply chain policy, which in turn is available in our webpage as mentioned before.

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 Joyería Platería SA 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 Joyería Platería S.A. 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 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.

The training shall be annually planned and shall be part of the annual training plans, as described in the Integrated Management System.

During 2021 the technical and human resources have been allocated for the best management, in terms of processing and filing the ‘Due Diligence and KYC’ documentation into the Technical Unit. SEMPSA Joyería Platería S.A. has compromised 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 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.

Due to the global health crisis, the external audit by an independent entity for the fiscal year 2021, was planned in the second quarter of 2022. This extension was applied for and approved of by the LMBA. The work schedule has been achieved.

During the fiscal year 2021, no significant changes have been generated that directly affect the processes involved in the precious metals supply chain.

Looking forward year 2022, 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.

Also, SEMPSA will adapt its procedures to Responsible Gold Guidance V9 by LBMA and will reinforce its ESG commitments, in addition what has been mentioned under Step 1, 1.1 above, by e.g.:

- Installation of 700 solar panels in the roof of Madrid facility CO2 which reduces by 13% the Carbon footprint.
- Participating in ASM opportunities that could arise while holding the maximum assurance of the metal origin
- Implementing a Criminal Compliance procedure which prevent, detect, and minimize any potential risk for the company with criminal consequences

The person to contact in case of questions or doubts arisen after reading this report, is Alberto Vergara Cela, avergara@sempsajp.com, Tel. +0034 620207207

ANNEX 1. POLICY FOR THE SUPPLY OF PRECIOUS METALS

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POLICY ON RESPONSIBLE PRECIOUS METAL SUPPLY CHAIN

SEMPSA Joyería Platería, SA. support the principles set off towards the establishment of ethical relationships as a common guideline for the development of all their activities, as such avoiding the contribution to the generation of armed conflicts, abuse against human rights, organized crime and/or money laundering.

Consequently, it assures that the origin of the precious metals they receive is ethically acceptable.

With the internal and external promulgation of the present document and the procedure of Control of the Origin of the precious metals, it is achieved to:

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

This policy embraces the Integrated Management System of SEMPSA Joyería Platería SA, and complements the Code of Conduct of the Cookson Group, the policy on Social Corporate Accountability and the Policy of the Integrated Management System, with which the company compromise itself:

- Not to contribute, provide for, tolerate or take part in:
 - Any form of torture, cruelty or degrading human treatment.
 - Any form of forced labour.
 - Abuse or violation of human rights.
 - Crimes of war, the violation of International human laws, crime against humanity or genocide.
- Not to maintain relationships with suppliers linked to any kind of serious abuse mentioned in the former paragraph.
- Not to tolerate direct or indirect support to armed forces not belonging to a State member of the UNO or associated to them through payments, or providing for assistance or equipment, to the companies or people

controlling mines, transport routes, the precious metal commerce areas, or to those who oblige to the payment of taxes or extortion through import or export companies, agents, or other intermediaries of any kind.

- In the same way, not to establish any commercial relationship with suppliers, posing a reasonable risk of having any kind of connection to the described in the former point.
- We affirm that the role the public or private security forces of the State undertakes is to provide for the security and safety of the workers, facilities and ownership, in accordance with the legislation in force and guaranteeing the human rights, not to provide for support to those who not comply.
- Not to exert inappropriate influence, offers, promises or coactions, they shall be rejected in the same way. It is not allowed to use company funds, to obtain personal benefits through the use or violation of this policy in any way.
- Not to replace the origin of the precious metal, to distort taxes, royalties and payments to governments for the extraction, trade, manipulation, transport or export.

The company is contributing to the elimination of money laundering linked to the trade, transport, export and precious metal extraction.



Madrid, 17th May 2018


Francisco Espinosa

General Manager of SEMPSA Joyería Platería S.A.