

**PX Precinox SA**  
**La Chaux-de-Fonds (Switzerland)**

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**Independent Reasonable Assurance Report**  
LBMA Responsible Gold Guidance

for the year ended 31 December 2024

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## Independent Reasonable Assurance Report to the Board of Directors of PX Precinox SA, La Chaux-de-Fonds, Switzerland

We were engaged by PX Precinox SA to provide reasonable assurance on its Refiner's Compliance Report for the year ended 31 December 2024.

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

### Responsibilities

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

This report and its annex have been prepared for PX Precinox SA for the purpose of assisting the Board of Directors in determining whether PX Precinox SA has complied with the Guidance and for no other purpose. Our assurance report is made solely to PX Precinox SA in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than PX Precinox SA 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 PX Precinox SA supply chain due diligence policy available on PX Precinox SA's website.

### Independence and competency statement

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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

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

Geneva, 31 March 2025

**Forvis Mazars SA**



Franck Paucod  
Licensed audit expert  
(Auditor in charge)



Tatiana Gomes  
Licensed audit expert

**Attachments:**

- PX Precinox SA's Compliance Report 2024

Copy to London Bullion Market Association

# PX Précinox S.A. LBMA Compliance Report

## Introduction

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PX Précinox S.A. (hereinafter “PX Précinox”) provides a complete range of services in precious metals covering the highest quality refining, full traceability, world-renowned metallurgical expertise, and manufacturing of semi-finished products in an exclusive quality.

Since 1976, we have developed more than 600 precious metals alloys and 12,000 different products and components. We support our customers in their leading-edge developments through our vast experience and synergies we have with all entities of PX Group.

Since 2017, the PX Impact® initiative, which consists of working directly with a processing plant that processes the ore delivered by the miners, has been recognized as a preferred alternative for stakeholders wishing to commit to transparent and traceable Artisanal and Small-Scale Gold Mining (“ASGM” / “ASM”) while generating a significant impact for the local population and their ecosystem. This innovative and successful project has been recognized by the LBMA and a wide range of stakeholders.

The PX Impact® initiative aims also to align with the Minamata convention's objectives of reducing the use of mercury and its impact on the environment and human health. All our alloys and products can also be offered as PX Impact® gold alloys and products.

Last year, PX Précinox had formalized the intention to set up a foundation based in Switzerland that will allow PX Impact® premium-related funds to be allocated to more projects aimed at achieving the goal of improving the day-to-day life of mining communities and others environmental and/or social projects. To this end, PX Précinox established a non-profit organization called the Global Ecosystem Impact Foundation (GEIF). This foundation has played, and will continue to play, a key role in allocating the aforementioned premiums.

The GEIF's mission is to support mining communities by pursuing goals in line with the United Nations Sustainable Development Goals. In this way, the GEIF focuses on environmental and sustainable development goals, humanitarian and educational goals, and public health. The GEIF is subject to audit and supervision by the Swiss Federal Supervisory Authority for foundations.

PX Précinox is committed to sustainable development by placing environmental, societal and good governance aspects at the heart of its strategy. For several years, the company has been involved in the development of measures to achieve these objectives. Concerned about the origin of its raw material, the company is engaged in responsible and transparent gold mining for all stakeholders and works daily to reduce its ecological footprint. In addition, PX Précinox is dedicated to ensuring that all of its sources of supply are ethical, legitimate, do not come from conflict or high-risk areas or from countries with known limited reserves and respect human rights.

Our refining activities consume chemicals and generate waste. For many years, PX Précinox has been investing in the development of innovative solutions and technologies to reduce its environmental impact in this area.

Optimising the consumption of chemical products is an integral part of the industrialisation of our processes. In recent years, the development of our refining processes, particularly in palladium and platinum refining, has enabled us to significantly reduce the consumption of certain chemicals, such as hydrazine, ammonia and ammonium chloride, and to eliminate the use of chlorine gas. Automation and the introduction of new technologies have also helped to reduce our water consumption at certain stages by working with more concentrated solutions.

PX Précinox has long had a recycling system in place for waste containing precious metals. Our refining processes generate various types of waste and our aim is to prioritise recycling within our own production cycle to minimise the transport of waste and associated carbon emissions.

PX Précinox has also made a special effort in the framework of our sustainable development commitments through the Swiss Triple Impact (“STI”) Project. The STI Directory is a registry of organizations that have followed the STI Program and have made bold and concrete commitments contributing to the Sustainable Development Goals (SDGs) of the 2030 Agenda. In doing so, we recognize the critical role the business community has to play in protecting the planet, health and well-being of current and future generations.

[PX Précinox SA \(swisstripleimpact.ch\)](https://www.precinox.ch/swisstripleimpact.ch)

After more than four years of research & development, PX Précinox is pleased to announce the completion of the innovative Biogold™ project in partnership with the German biotech company BRAIN Biotech. This technology uses living micro-organisms to recover the gold contained in electronic waste such as motherboards, computer chips and pacemakers.

The first result, weighing 14 grams of fine gold, from electronic waste was obtained in early 2024. On average, one gram of gold is extracted from one ton of industrial mine ore. This value rises to twenty-five grams of gold on an artisanal site. From a ton of electronic waste, between 100 and 400 grams of gold can be recovered.

Furthermore, PX Précinox decided to rethink not only the way it produces but also the way it delivers its products to its customers. In this context, they decided to work on the packaging. Instead of a wooden slat wrapped in successive layers of tape, kraft or corrugated cardboard, the new packaging, padded with black foam that is as strong as it is elegant, is delicately filled with the ordered material and then sealed before dispatch. Once it's delivered, our couriers collect the empty packaging.

We have developed and manufactured our packaging in partnership with the Alfaset Foundation, based in La Chaux-de-Fonds. This not-for-profit organisation, which is deeply committed to human and professional development, is a local player with whom we work regularly. As an industrial partner for this type of project, the Alfaset Foundation provides us with competitive solutions and motivated teams, while offering job opportunities to people with disabilities.

Packaging that is easy to use, functional and, above all, environmentally friendly: “BacImpact” is the new case designed by PX Précinox to contain and transport the material ordered. It is in line with the company’s commitment to sustainable development and responsible production. This packaging will be launched for Swiss customers early 2025.

Last but not least, PX Précinox is pleased to announce the first ESG report (Rapport de durabilité 2023) of the PX Group. This report has only been distributed internally. Future reports will be distributed externally to the relevant stakeholders.

In view of the above, ESG objectives have been part of PX Précinox's strategy for several years and will continue to be so in the future.

Table 1: Company’s details

Company name	PX Précinox S.A.
Location	Boulevard des Eplatures 42, 2300 La Chaux-de-Fonds, Switzerland
Reporting period	January 1 <sup>st</sup> 2024 to 31 December 2024
Precious metals in the scope of the LBMA Responsible sourcing audit	Gold
Date of Report	March 31, 2025
Senior Management responsible for this report	Christophe Nicolet, Director

This report summarizes how PX Précinox has complied with the requirements of the LBMA Responsible Gold Guidance during the year 2024.

Table 2: Summary of activities undertaken to demonstrate compliance

Step 1: Company Management Systems

**Compliance Statement with Requirement:**

PX Précinox has fully complied with Step 1.

1.1. PX Précinox has adopted a supply chain policy regarding due diligence for supply chain of gold.

**Comments and Demonstration of Compliance:**

PX Précinox is considered as a Financial Intermediary according to the Swiss legislation. Therefore, PX Précinox has the obligation to follow the legislation regarding Anti-Money Laundering and Combating the Financing of Terrorism (AML / CFT) and to control the legal risks and reputation of its activity.

In accordance with the Swiss “Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (hereinafter “DDTrO”), PX Précinox has checked whether imported and processed gold originate from conflict affected or high-risk area.

PX Précinox is recognized as LBMA Good delivery Refiner since 2012 and affiliate member since 2023.

Moreover, PX Précinox is certified by the Responsible Jewellery Council (RJC) for the full compliance with the Code of practice (“CoP”) and the chain of custody (“CoC”). PX Précinox is also certified by the Alliance for Responsible Mining (“ARM”) to buy and sell Fairmined gold and silver. Therefore, PX Précinox complies with all these standards.

To comply with Swiss AML, Swiss DDTro, RJC standards and LBMA Responsible Gold Guidance version 9, PX Précinox implemented legal and compliance requirements and internal policies.

PX Précinox has adopted a policy with the Model Policy set forth in Annex II of the OECD (third edition, 2016). The model Supply Chain for Responsible Chains of Minerals from Conflict-Affected and High-Risk Areas. Our Responsible Gold Supply Chain Policy is available on our website <http://www.pxgroup.com/fr/pxprecinox> and has been approved by Senior management.

PX Précinox must go through procedures such as a “Know Your Customer/Counterpart” (“KYC”) procedure, when opening and renewing a business relationship.

Since 2023, PX Précinox has implemented his new Supplier Code of Conduct to all precious metal suppliers and relevant service providers in his supply chain. As part of PX Précinox’s commitment to full transparency, the Supplier Code of Conduct is published online and is now integrated in the KYC Questionnaire as part of the onboarding process and when renewing the business relationship.

## **1.2. PX Précinox set up internal management structure to support supply chain due diligence**

### **Comments and Demonstration of Compliance:**

PX Précinox’s Due Diligence procedures and forms (KYC Questionnaire) comply with applicable laws and standards such as the LBMA Responsible Gold Guidance version 9 or the RJC standards. We carefully monitor legal and standards developments to establish procedures and new forms and to improve them on an ongoing basis.

The due diligence process is structure on internal work instruction with the following references “MAN-120-PR-03-Approvisionnement Responsable: procedure LBA-v4” (available in French only).

Senior management has allocated internal resources to collect, maintain and assess documentation regarding the source of material. The internal structure is allowed to perform any needed investigation in order to ensure that material is not linked to conflict or terrorism financing, money laundering or human right abuse.

Internal management structure is under the senior management responsibility.

A specific chart describes the organization. Tasks as Administration, Training, Traceability and Monitoring are assigned by job description. Standards and instructions are described in documents controlled by our management system. Internal training is dispensed to all relevant employees in contact with counterparties. The effectiveness and performance of the supply chain due diligence process is assessed by external audits.

PX Précinox organizes regular meetings with his own committee AML/LBMA. The members of the committee are in charge to solve AML/LBMA issues. It could be an improvement on its management system or monitoring its action plan.

Through an annual review, Senior management controls the availability of necessary resources to support the completion of the mission and monitoring.

PX Précinox has created an internal organization: the responsible sourcing committee ("RS Committee" / "Comité des sources") which is in place to pursue its various AML and LBMA obligations and to discuss a business relationship before opening or renewing it.

The RS Committee meets regularly in relation to responsible sourcing. The members of the RS committee follow annual trainings. One training course was attended by the RS Committee members for the reporting period 2024. The RS Committee is made up of people who are fully trained and qualified and who can handle each case in accordance with the law and all our standards.

PX Précinox strictly excludes all cash transactions with counterparts. We also integrate the notion of payment to the right person. Insofar as any restitution must be made to the account of the counterparty that originated the order.

The senior management confirms that no breach in the due diligence process has occurred.

**1.3. PX Précinox has established a traceability system over gold supply chain, including chain of custody mapping and identification of supply chain actors**

**Comments and Demonstration of Compliance:**

**Supply Chain traceability system**

All counterparties (customers, suppliers, beneficial owner data, etc.) are registered in our ERP system. For each of them we maintain due diligence records. Every material incoming PX Précinox is identified by a unique batch number from the reception area to the assaying. All the relevant information is recorded in our ERP like origin, ultimate beneficial owner, nature, date, amount, and other documents useful to have a full traceability.

**Maintaining records**

All transactions records are maintained for at least ten (10) years. Due diligence documents are kept for at least ten (10) years after the end of the business relationship.

**Training**

Training is performed on yearly basis for due diligence and responsible activities. Employees who take part in due diligence process or are in contact with customer are regularly trained by the different members of the AML /LBMA committee. We also attend other online training courses when necessary (such as courses offered by the Swiss training center VisionCompliance). Every year we participate to the annual training of the Swiss Association of Precious Metals (ASMP) and/or other equivalent trainings.

Two of the employees of the Legal and Compliance Department are qualified lawyers and one has a degree in business law. One of the staff members will start a Master of Applied Studies (MAS) in Economic Crime Prevention after the end of the audited period to contribute to the growth of the department's skills.

**Compliance Officer**

The Compliance Officer (Senior Legal & Compliance Manager) was nominated by senior management and we also extended the team of our Legal and Compliance Department to fulfill our obligations. The Compliance Officer is in charge to ensure the compliance monitoring.



The Legal and Compliance Department oversees the deployment of PX Précinox's Due diligence internal rules. This deployment is made through internal quality management standards and deployed with specific tasks and work instructions, trainings, controls and audits. The Compliance Officer and her team executes risk assessment and asks for clarification if needed.

The Compliance Officer reports to senior management high risk cases and proposes additional measures to mitigate the risk. She facilitates internal and external inspections and ensures the consistency of management system regarding external standards.

#### **Payment through official banking channel**

No cash payment is allowed. Payments are only realized by Wire transfers according to internal rules.

It is forbidden for all employees to accept or to receive a deposit or payment of assets which they know or suspect or must presume to come from a crime, even if it was committed abroad.

The negligent acceptance of assets resulting from a crime will be considered as a fault. PX Précinox will sanction and prosecute the perpetrator of the negligence. PX Précinox regulates incoming and outgoing donations/gifts internally to avoid any cases of corruption. Human Resources keeps a list of gifts received. Each breach of internal rules is sanctioned.

PX Précinox has started to develop a formal anti-corruption policy and an analysis. It will be published internally.

#### **Cooperation with government authorities**

PX Précinox is under the surveillance of the Swiss' Precious metal control offices. Every year the company is audited and demonstrates its ability to perform efficient due diligence process, monitoring and keeping of records. PX Précinox is obliged to denounce to the Money Laundering Reporting Office-Switzerland (hereinafter "MROS") in case of any doubt regarding financing of terrorism or any other form of crime that may lead to a risk of money laundering.

In the meantime, all transactions are placed under the supervision of the AML manager who must ensure:

1. full traceability of transactions
2. permanent communications to MROS in the event of a significant withdrawal or a desire to sever the business relationship.

No reports were made to MROS for the period under review.

1.4. PX Précinox is strongly engaged in promotion of ethical practice and assists counterparties where possible in building their due diligence capacities

**Comments and Demonstration of promotion:**

All our suppliers agree to comply with our Supplier Code of Conduct. This code encourages our suppliers to follow our efforts in four pillars (Labour and human rights; environmental protection; responsible sourcing; business ethics and integrity).

<b>Labour and human rights</b>	<b>Environmental protection</b>
<i>Legal compliance</i>	<i>Environmental management and conformity</i>
<i>Combating child labour</i>	<i>Management of air emissions</i>
<i>Combating forced labour and human trafficking</i>	<i>Management of greenhouse gases</i>
<i>Combating illegal, clandestine and undeclared work</i>	<i>Management of hazardous and non-hazardous waste</i>
<i>Combating harassment and abuse</i>	<i>Management of wastewater</i>
<i>Combating discrimination</i>	<i>Management of ambient noise</i>
<i>Working hours</i>	<i>Management of resource consumption</i>
<i>Wages and employee benefits</i>	<i>Biodiversity</i>
<i>Health and safety</i>	
<i>Freedom of assembly and association</i>	<b>Business ethics and integrity</b>
<i>Complaint management</i>	<i>Responsible business practices</i>
<i>Security</i>	<i>Management system and responsibilities</i>
<i>Local communities</i>	<i>Combating corruption</i>
	<i>Transparency</i>
<b>Responsible sourcing</b>	<i>Money laundering</i>
<i>Due diligence for the sourcing of precious metals and traceability</i>	<i>Competition and antitrust</i>
<i>Environmental management system</i>	<i>Trade restrictions and international sanctions</i>
<i>Quality management system</i>	<i>Protection of intellectual property</i>
<i>Identification and evaluation of risks</i>	<i>Confidentiality</i>
<i>Sustainable materials</i>	<i>Protection of personal data</i>
<i>Evaluation of a product's life cycle</i>	
<i>Community development</i>	

PX Précinox promotes ethical sourcing by its own program named PX Impact®. In contact with our counterparty, we assist them to ensure a reliable control of the supply chain. PX Impact® standard aims to set forth criterion and levels for each of the steps involved in the gold supply chain including the selection of the mineral sources, the extraction process until the management of the PX Impact® fund to finance support programs for artisanal mining communities.

PX Impact® standard aims to:

- provide transparent and clear information for any stakeholder interested in buying precious metals; and
- ensure that sourcing respect the principles set hereafter to be a basis for improvement of accuracy, efficiency and support to local community.

PX Précinox's priority is to continually improve our approach to due diligence. Our commitment to continuous improvement and collaboration with our suppliers is at the heart of this approach and helps us to meet the changing expectations of all our stakeholders.

#### **Our contribution to local (La Chaux-de-Fonds) development:**

PX Précinox has been supporting the La Chaux-de-Fonds Hockey Club (HCC) for a number of years, and this is an important partnership so that each party can benefit from the experience of the other. Various activities are organized during the year.

PX Précinox has a long-standing partnership with the Théâtre populaire romand (TPR).

PX Précinox also supports the Club 44, a space that organises and hosts conferences, debates, meetings, round tables and exhibitions aimed at stimulating curiosity; the Franches-Montagnes Hockey Club; the Swiss Chronometry Society and the conferences and debates it organises; the Cercle du ô, a monthly publication distributed to all households in Chaux-de-Fonds and Le Locle.

In addition to these various commitments, the Group regularly provides one-off support for sporting and cultural activities in the region.

#### **1.5. PX Précinox has established a company-wide confidential grievance mechanism**

##### **Comments and Demonstration of Compliance:**

PX Précinox has established a company-wide internal and external communication mechanism.

**For employee** who wants to communicate a doubt about money laundering, bribery or any concerns about the respect of responsible supply chain policy can voice is concern by direct contact with the Compliance Officer or operational management or human resources management. All information is treated by senior management. Internal communication mechanisms are managed by the Employee's Code of Conduct and Ethics.

During the audited period, no communication was made through this channel.

**For external Stakeholder**, PX Précinox has set up the following e-mail address: [complaints@pxgroup.com](mailto:complaints@pxgroup.com) allowing any stakeholders to anonymously voice concerns regarding PX Précinox's supply chain and risks. If anyone knows or has a genuine suspicion of a violation, is aware of a situation that he or she believes may be illegal or unethical, he or she should speak up and report the violation by contacting the Legal and Compliance Department or send an email to: [complaints@pxgroup.com](mailto:complaints@pxgroup.com). The Compliance Officer is responsible for handling all external supply chain and risk communications and keeps management informed of any new risks identified. Depending on the nature of the complaint, management will carry out an action plan to obtain the best solution quickly.

During the audited period, no communication was made through this channel.

## Step 2: Risk identification and assessment

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PX Précinox has fully complied with Step 2: Risk identification and assessment.

### 2.1. PX Précinox has a due diligence process to identify risks in the supply chain

In accordance with Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereinafter “CAHRAs”), PX Précinox has set an identification mechanism of risk in the supply chain. Elements assessed contain but are not limited to: location, legal status, activity, ultimate beneficial owner status, compliance with local regulations or international certification. Transactions are categorized according to their nature and for each of them a control plan is applied for verification of origin, beneficial owner, nature, volume, and other information that may occur in specific transactions.

PX Précinox has established KYC forms to comply with the various applicable laws, regulations and standards. These forms are used for any new opening as well as the renewals of PX Précinox’s counterparties. Any opening or renewal is managed by the Legal and Compliance Department which applies the latest laws and rules in force. Once the client file is opened or renewed, an internal communication is established to inform about the latest changes in the file of the counterparty.

### 2.2. PX Précinox assesses risks in light of the standards of its due diligence system

#### **Supply chain Due diligence**

Before opening a new commercial relationship, PX Précinox identifies the counterparty and its stakeholder using several enquiry documents including LBMA toolkit Questionnaire for sources. Its KYC forms are compliant with Swiss AML law, LBMA Responsible Gold Program and other standards such as the RJC’s.

#### **Recycled Gold**

Our sources of recycled Gold are mainly pre-consumer involved in industrial activities. For ones who collect old jewelries or post-consumer in any form, PX Précinox shares its value, its expectation and control the compliance of counterparty’s due diligence process.

Regarding jewellery, PX Précinox pays close attention to the official “List of registered buyers and holders of a buyer's licence for the purchase by trade of materials for melting” (personal translation) published by the Swiss Central Office for Precious Metals Control.

Each buyer of jewellery meeting the thresholds set by the Swiss Central Office for Precious Metals Control must be registered on this list.

PX Précinox does not consider this registration to be an entitlement to exclude any due diligence on the buyer.

## **Mined Gold from Artisanal and Small-Scale Mining (ASM)**

PX Précinox helps Artisanal and Small-Scale Mining (ASM) to access international markets and progress towards responsible sourcing standards. To do so, PX Précinox is an active member of different initiatives:

- As a member of the board of Swiss Better Gold Association (SBGA), a not-for-profit association created by key Swiss players in the gold supply chain together with the Swiss Government (SECO), PX Précinox supports ASM towards responsible mining, and more socially inclusive and better environmental practices.
- As a Fairmined certified refiner, PX Précinox supports responsible mining. PX Précinox is audited by a third party to ensure the traceability from mines to the finished products. PX Précinox supports through this program the sustainable development of artisanal and small-scale mining communities.
- PX Impact® Program, is a private initiative based on the partnership between PX Précinox, Dynacor and several ASM in Peru. The initiative brings together the formalized ASM with Dynacor's ore processor and PX Précinox refiner and jewellery producer. The partnership is the basis of environmental, social and ethical practices that respect the human rights, guarantees full traceability across gold supply chain coming from government registered ASM in Peru and provides direct investment to develop health and education projects to the ASM communities.

## **For Mined Gold from Medium and Large-Scale Mining**

For gold from extraction, due diligence process includes the use of LBMA toolkit questionnaire and check list.

PX Précinox did not source from Medium and/or Large Scale Mining during the period under review.

## **High Risk Supply Chains**

PX Précinox has defined in accordance with our Responsible Sourcing policy criteria to determinate high-risk situation in compliance with LBMA Responsible Gold Program.

To ensure the effectiveness of the health and safety management system for PX Impact® Program, a formal risk assessment is conducted and revised on annual basis. This risk shall identify for each workplace or living place, reasonable potential hazard and a prioritizing score. The plan has to summarize appropriate measures taken to minimize or mitigate the risk. The risk assessment shows the risk of occupational disease.

## **High Risk Categories**

For High-Risk categories, several additional investigations are performed like on site audit by a graduated auditor or recognized auditing company. In case of individual person, a face-to-face meeting is organized to evaluate the economic background.

High risk counterparties are considered but not limited to counterparties that operate in or with a CAHRAs or have a Politically Exposed Person ("PEP") as a beneficial owner or as a member of the highest governance body of our counterparty.

PX Précinox has got a work instruction with each category evaluate the main risk and how to prevent or mitigate those risks. The document is available on our Quality management system with the below reference: “MAN-120-IT-0302-Matrice des Risques LBA-v4” available in French only. The document is meant to assign a risk to a file based on the situation of our counterpart.

If the due diligence process of the new counterparty does not match to our standard, PX Précinox will reject to enter into a new business relationship.

#### **Recycled Gold from sources located in conflict or human right abuse high-risk areas**

Our internal due diligence management process defines the monitoring of political, social or environmental situation in case of counterparty located in high-risk area. For the time being, there is no commercial relations with this category of risk and there are no plans to change this situation.

#### **Gold mined from ASM located in conflict or human right abuse high risk areas**

Our standard defines the monitoring to be carried out but there are currently no commercial relations with this category of risk and there are no plans to change this situation.

#### **Gold mined from LSM located in conflict affected or human right abuse high risk areas**

Our standard defines the monitoring to be carried out but there is currently no commercial relations with this category of risk and there are no plans to change this situation.

#### **Monitoring of transactions**

For all transactions, PX Précinox keeps record of all relevant information (customer, ultimate beneficial owner, date, delivery document, customs documents...). Nature, origin, assay results, volume, etc. are compared to information communicated at the opening of the commercial relationship. In case of deviation, material is blocked in quarantine until doubt is removed.

Six (6) High-Risk counterparts (because of PEPs, business activity, ...) have sent batches during the audited period, none of the batches presented economical or ethical risks. To prevent risks, Moderate- and High-Risk counterpart's transactions are monitored. Each unusual transaction is blocked and must be manually validated or refused after enhanced verifications by the Compliance and Legal Department.

All suspicious transactions must be clarified. If this cannot be done and the transaction presents a risk of money laundering or terrorist financing, the transaction is blocked, and a report is made to MROS.

All countries listed in Dodd Frank act and under sanctions of Swiss Secretary of Economy are considered as very high risk. No transaction can be done with counterparty from these countries and no material having origin or transiting by these countries can be accepted without the expressed agreement of the Senior Management of PX Précinox.

PX Précinox has had no counterparts registered on CAHRAs to this date, including during the audited period.

### 2.3. PX Précinox undertakes Enhanced Due Diligence (EDD) for identified high-risk supply chains

Each high-risk counterparty is subject to an on-site visit before the opening or at the latest within twelve (12) months after the opening of the business relationship. This visit is carried out by the Management or is delegated to a third party accredited to carry out such visits (audit).

The frequency of the visits is generally every two years. However, factors such as those experienced during the pandemic may interfere with the frequency of the audit.

PX Précinox carries out a visit independently of the planned frequency when it considers that the risk assessment requires it.

Five (5) of our six (6) high-risk suppliers were visited by our senior management during the audit period.

During these visits, three (3) of the suppliers announced a change in the ownership of the entities. No other impacts or risks were identified during these visits.

PX Précinox has identified the risk that counterparties in the ASM sector do not interact properly with the mining community. PX Précinox has positively impacted this risk not only with its PX Impact standard, but also with the transposition of the processing plant system in other regions to ensure that the mining community is committed to formalizing itself and that processing plants encourage them to do so. These monitoring visits have helped to establish this pillar in our business relationships with counterparts.

PX Précinox and other Swiss stakeholders have launched tools to transform global practices of ASM gold sourcing. The tools were unveiled at the Sustainability & Responsible Sourcing Forum, part of the LBMA/LPPM Global Precious Metals Conference in Miami (October 13-15, 2024). This initiative seeks to transform global ASM practices by equipping processing plants with practical tools to enhance sustainability efforts when sourcing from artisanal miners.

These initiatives aim to address the environmental and social challenges of the ASM sector, which employs an estimated 15-20 million people globally and produces around 20% of newly mined gold, often under informal and harmful conditions.

Philippe Chave, co-CEO of PX Précinox stated: “This initiative marks a key step in recognising the pivotal role processing plants play in addressing ASM challenges, fostering formalisation, sustainability, and global market access”.

The review of high-risk counterparties is generally annual, but it can be carried out at any time if the situation of the counterparty changes. Reviews do not mean visits or renewals of files.

### Step 3: Risk management

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PX Précinox has fully complied with Step 3: Risk management.

The Compliance Officer communicates regularly to Senior management and to Board committee about the high-risk supply chains. Moreover, PX Précinox has put in place the RS Committee with members from the Board of Directors, Senior Management, Compliance Officer and members from operational and strategic role in the company. The RS Committee meets several times a year to discuss about the sourcing, the risks and the strategy to adopt.

Senior Management approves commercial relationship with high-risk counterparty and/or high-risk transactions. Senior management approves transactions presenting high-risk level too. Information about a risk of non-compliance with our responsible sourcing policy or regulation is reported to Senior Management.

In case of doubt about money laundering, terrorism financing or human right abuse, Senior Management is involved in communication to the MROS.

Depending on the result of risk assessment, the Compliance Officer in cooperation with Senior Management can decide to reject or to suspend the commercial relationship or close it definitely.

PX Précinox SA renews frequently its due diligence files. When a change in counterparty's situation occurs, a new risk assessment is performed and validated by the Compliance Officer and Senior management in case of identified high-risk.

### Step 4: Independent Third-Party Assurance

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PX Précinox has fully complied with Step 4: Independent Third-Party Assurance.

In order to meet our new requirements, PX Précinox will change its third-party assurance at least every (6) years.

The Board engaged the services of the company Mazars to conduct this audit, and their report is attached.

### Step 5: Report annually on supply chain due diligence

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PX Précinox has fully complied with Step 5: Report on supply chain due diligence.

PX Précinox has exercised its due diligence regarding the precious metals supply chain as requested by various laws and standards such as but not limited to the DDTrO. During 2024, the company did not identify any risk of sourcing precious metals from CARAHs.

PX Précinox has exercised its duty of care regarding respect for human rights as requested by various laws and standards such as the DDTrO. During 2024, the company has not identified any adverse impact on human rights, either at the level of its employees or at the level of its direct suppliers.

PX Précinox has exercised its duty of care regarding respect of the prohibition of child labour as requested by various laws and standards such as the DDTrO. During 2024, the company has not identified any suspected child labour, either at the level of its employees or at the level of its direct suppliers.

PX Précinox's company policy is available on the PX Précinox website, together with the Compliance report and the third-party audit report.



PX Précinox is annually audited by an accredited independent audit firm as part of its legal obligations under the certifications to verify the correct exercise of its supply chain's due diligence, its duty of care and validate its procedures.

## Management overall conclusion

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PX Précinox fully complies with the requirements of the LBMA Responsible Gold Guidance (version 9) and Swiss regulations for the 2024 reporting period. We have demonstrated the robustness of our management system, procedures, and processes in meeting these standards.

Additionally, PX Précinox is certified by the Responsible Jewellery Council (RJC CoP and RJC CoC) and has successfully met all compliance requirements for both standards.

Over the past few years, we have effectively implemented our **PX Impact®** standard and take pride in our responsible contributions to the ASM sector. Our goal is to expand responsible sourcing practices while ensuring compliance within Processing Plants. This effort aims to formalize an increasing number of miners and generate added value for their communities.

At PX Précinox, we prioritize raising awareness and continuously enhancing our due diligence approach. We remain committed to maintaining responsible engagement with the mining community.

Looking ahead, we strive to set an example for our partners and support stakeholders by aligning with evolving market expectations and regulatory requirements.

Our company has introduced an innovative approach to sustainable recovery through collaborative models for the valorization of gold and copper from urban waste.

The Biogold™ project enabled the successful scale-up of bioleaching from laboratory scale to pilot scale and facilitated the efficient processing of gold-bearing ashes. Thanks to the interdisciplinary collaboration between chemists, microbiologists and bioprocess engineers, the complex bioleaching process was successfully scaled up to an industrially relevant level, and a mobile pilot plant was established to support further industrial development.

As part of our commitment to sustainable development, we have made four (4) public commitments, which are available on the Swiss Triple Impact website.

Commitment 1: SDG 12; 13 & 15

**By 2028, we will have sourced 20t of gold from ASM (Artisanal and small-scale mining) sources, compared with 3.5t imported in 2022 and declared to the LBMA (London Bullion Market Association) \*.**

\*ASM sources are mercury-free, making an important contribution to the Minamata agreements.

Commitment 2: SDG 12 & 13

**By 2027, we will reduce the carbon impact of our plant by 60% (Scopes 1 & 2) compared to no reduction in 2020, and by 2024, we will commit to the Science Based Targets (SBTi) initiative\*.**

\*By 2024, we will be working with other Swiss refiners to harmonise the calculation of Scope 3 related to the supply of precious metals.

Commitment 3: SDG 3; 5; 12; 13 & 15

**By 2025, we will set up a foundation under Swiss law and redistribute 80% of the premiums paid to community projects benefiting our precious metal sources\*.**

\* By community projects, we mean projects that promote well-being, climate protection and biodiversity in the regions where our sources of supply are located. Premiums paid by our customers through the foundation for the purchase of precious metals labelled from artisanal sources that do not use mercury or from recycled gold sources of traceable origin.

Commitment 4: SDG 3 & 5

**By 2024, we will maintain the HR Bench satisfaction index above 3, compared with 2.7 in 2022\*.**

\* The HR Bench scale assesses an environment conducive to the professional and personal development of employees. A satisfaction index above 3 on the HR Bench scale exceeds the national average for companies operating in the same field of activity (1: very dissatisfied, 2: fairly dissatisfied, 3: fairly satisfied, 4: very satisfied).

We look forward to continuing on this path over the coming years.

Our vision: "To be recognized as the leading independent, responsible, transparent and ethical refiner."

## Communication

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If readers of this report or other stakeholders wish to provide feedback to PX Précinox regarding this report, we invite them to send an email to our Legal and Compliance Department to the following email address: [complaints@pxgroup.com](mailto:complaints@pxgroup.com)

The Compliance Officer is responsible for handling all external supply chain and risk communications and keeps Senior Management informed of any new risk identified and/or any report submitted through this channel.

Depending on the nature of the complaint, Senior management will carry out an action plan to obtain the best solution quickly.

*Annex 1 is not subject to mandatory publication as part of this audit.*