

LONDON BULLION MARKET ASSOCIATION

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REFINER COMPLIANCE REPORT SILVER

ASSESSMENT INFORMATION	
Refiner Name:	Aurubis AG
Refiner Location:	Hovestr. 50, 20539 Hamburg
Refiner Contact Person: Name, Title: Email: Phone:	Mr. Lars Radowitz L.Radowitz@aurubis.com 040 78832312
Assessment Period	01.10.2019 – 30.09.2020
Lead auditor and audit team members	Susanne Günzerodt (LA) Dr. Hanspeter Tomschi Dr. Tahsin Choudhury (Remotely)
Date of this report	14.12.2020

Aurubis evaluation

Step 1: Establish strong company management systems
<p>Compliance statement with requirement:</p> <p>We have fully complied with step 1 and established a strong management system.</p>
<p>Has the Refiner adopted a company policy regarding due diligence for supply chains of silver?</p> <p>At the beginning of the reporting year, a silver supply management policy was in place and put into effect, which is in consistence with the model set out in the Annex II of the OECD Due Diligence Guidance. Together with our internal business partner screening policy this sets out our responsibility for conducting risk-based due diligence, screening and monitoring of transactions and governance structures.</p>
<p>Has the Refiner set up an internal management structure to support supply chain due diligence?</p> <p>The internal management system based on above two policies is set up to define the governance, roles and responsibilities, internal audit, communication and senior management review. The compliance officer as silver and gold supply manager has been assigned to manage the process and has a direct line of reporting to the senior management.</p>

Has the Refiner established a strong internal system of due diligence, controls and transparency over silver supply chain, including traceability and identification of other supply chain actors?

Each delivery is registered in SAP system and all relevant information like shipping documents, weight receipts, assays or settlements are centrally stored. All relevant documents are digitized and stored safely. The release for treatment of the lot is done only when all information is available.

Has the Refiner strengthened company engagement with silver supplying counterparties, and where possible, assisted silver supplying counterparties in building due diligence capabilities?

We have implemented a business partner code of conduct that contains the requirements for our supply chain in alignment with the OECD guidelines. Where necessary and appropriate we engage in discussions with our supply chain to discuss and obtain more detailed information and discuss required changes.

Has the Refiner established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management?

The Refiner has developed a mechanism allowing employees and external stakeholder to voice concerns over the silver supply chain or a newly identified risk. A functional mailbox has been established, which is reviewed by corporate compliance

Step 2: Identify and assess risks in the supply chain

Compliance statement with requirement:

We have fully complied with step 2 and have identified and assessed risks in the supply chain.

Does the Refiner assess risks in light of the standards of their due diligence system?

Supply chain due diligence comprising all measures required by the LBMA Responsible Silver Guidance and is performed before entering into a business relationship with any silver supplying counterpart. We performed enhanced due diligence for higher-risk categories, which includes (if applicable) those where silver originates from or transits via a conflict-affected or human rights abuse high-risk area. In addition, we conduct appropriate scrutiny and monitoring of transactions undertaken through the course of the relationship.

Does the Refiner report risk assessment to the designated manager?

The compliance officer, our silver and gold supply manager, provides reporting to the Senior VP Commercial and if necessary to our CEO, representing the senior management team on a regular basis. The senior management must approve all new suppliers classified as high risk. Senior management retains the ultimate control and responsibility for the decision to start or continue a business relationship.

Step 3: Design and implement a management system to respond to identified risks

Compliance statement with requirement:

We have fully complied with step 3 and designed and implemented a management system to respond to identified risks.

Has the Refiner devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk?

While the identification of the supply risk for silver the higher identified risk were managed either by mitigating the risk while continuing the business relation or termination of the respective business relation respectively not starting the relation for new supplier. The decision were aligned with the silver and gold supply manager and where necessary escalated to senior management. In case business relation is terminated the business partner is banned in SAP and the IT tool for business partner screening.

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

The business partner screening tool requires for higher risk counterparts conditions to be fulfilled resulting in a reassessment. The individual measures are defined and logged in the system, where required agreed with senior management.

Step 4: Arrange for an independent third-party audit of the supply chain due diligence

Compliance statement with requirement:

We have fully complied with step 4 and arranged for an independent third-party audit of the supply chain due diligence.

Aurubis engaged the services of TÜV Nord to audit the silver supply risk according to LBMA requirements and the report is publically available.

Step 5: Report on supply chain due diligence

Compliance statement with requirement:

We have fully complied with step 5 and reported on supply chain due diligence.

Further information on our systems, targets and fulfillments with regards to our supply chain can be found in the annual report and specifically the nonfinancial report and on our company website at <https://www.aurubis.com/en/investor-relations/page-news-and-reports>.

Aurubis overall conclusion

Management conclusion

Is the Refiner in compliance with the requirements of the LBMA Responsible Silver Guidance for the reporting period?

Yes, in conclusion, Aurubis implemented an effective management systems, procedures, processes and practices to conform to the requirements of the LBMA Responsible Silver Guidance, as above explained for the reporting year ended 30 September 2020.

Aurubis is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis.

As an Annex the country of Origin of the supply of relevant silver sources above 15 % content were provided.

Aurubis AG

Lars Radowitz
Vice President
Recycling Raw Materials

Henning Michaelsen
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