



Baird & Co.
Bullion Merchants
Est. London 1967

LBMA Responsible Gold Guidance

Refiner's Compliance Report 2023-2024

Assessed period of 1st January 2023 to 31st December 2023

Introduction

The London Bullion Market Association (LBMA) requires all refiners producing Good Delivery Gold to comply with the LBMA Responsible Gold Guidance. Where necessary, any differentiation will be clearly referenced by specifying the particular Guidance in question.

The Responsible Gold Guidance requires refiners to adopt due diligence standards in order to combat human rights abuses, prevent contributions to conflict, and ensure compliance with anti-money laundering (AML) and combating the financing of terrorism (CFT) regulations. Additionally, refiners must meet legal obligations concerning environmental sustainability and avoid any breaches of applicable environmental laws.

This report outlines Baird & Co. Limited's (Ltd.) compliance with the LBMA Responsible Gold Guidance, version 9, dated November 2021, and provides an assessment of the company's adherence to the relevant requirements for the calendar year 2023-2024 (For the period 01 January 2023 – 31 December 2024).

As per the LBMA's stipulations, refiners are required to submit a dedicated compliance report for Gold.

1. Refiner's details

Refiner's name	Baird & Co. Ltd.
Location	20-21 Gemini Business Park, Hornet Way, London, UK, E6 7FF
Reporting year-end	2023-2024, 01 January 2023 -31 December 2024
Senior management	Carlos Baird, Chief Operating Officer

Baird & Co. Ltd. is a family-owned and independently operated business with a distinguished heritage spanning over 58 years. Established in 1967 by the late Tony Baird, the company has been a longstanding and respected participant in the precious metals industry. Today, Baird & Co. continues to employ a skilled team of professionals, all contributing to its reputation for excellence and integrity.

For the past 58 years, Baird & Co. has remained dedicated to the refining and processing of precious metals, including Gold, Silver, Platinum, Palladium and Rhodium, while also offering a comprehensive range of related products and services. The company's continued success is built upon its unwavering commitment to its employees, clients, suppliers, and the broader industry it serves.

2. Summary of Activities Undertaken to Demonstrate Compliance

Step 1: Establish Strong Company Management Systems

Compliance Statement with Requirement:

Partially Compliant with Step 1: Establish Integrated Management Systems:

Baird & Co. has implemented a policy relating to due diligence in the sourcing of its gold supply chains.

Comments and Demonstration of Compliance:

During this period 2023/2024, (the assessed period of 1st January 2023 – 31 December 2024) we have had a change in leadership team, we have implemented a new website and updated policies and procedures. Baird & Co. has developed and adopted a Precious Metal Supply Chain Policy (the "Policy"), which serves as the company's formal commitment to ensuring that the sourcing and sale of precious metals do not directly or indirectly contribute to human rights abuses, child labour, financing of terrorism, conflict, environmental degradation, corruption, or money laundering.

The Policy is aligned with the framework outlined in Annex II of the OECD (Organization for Economic Cooperation and Development) due diligence guidance for responsible supply chains of minerals from Conflict-Affected and High-Risk Areas (CAHRAs), as well as the supplement on Gold. It is reviewed periodically to ensure its ongoing relevance and effectiveness.

The most up-to-date version of the policy is made publicly available on Baird & Co.'s official website (<https://www.bairdmint.com>) within the "Info" tab under the "Policies and Statements" section, and it is communicated to all relevant employees.

The policy is integrated into the company's operations and is supported by a robust and well-maintained internal management system, Baird and Co has not defined specific requirements for EITI-supporting companies or included a clear statement of support for initiatives like EITI in its policy.

Baird & Co. has set up an internal structure to support supply chain due diligence.

Comments and demonstration of Partial compliance:

Due to workforce absenteeism and the transition to a new leadership the organisation structure required refinement. Baird & Co. has established an internal framework that effectively integrates supply chain due diligence within its organisational structure and processes, we are currently in the process of updating our due diligence procedure to reflect the current management structure and ensure a competent senior manager with clear authority is responsible for its implementation.

Review of board meetings reports from 2025 confirms the company assesses the effectiveness of supply chain due diligence policies and processes to drive continuous improvements in our processes.

Roles, responsibilities, and duties for the implementation of the adopted policy and its supporting procedures, as well as for managing the due diligence process, are defined by Senior Management. These responsibilities are communicated to the Compliance Officers and the Sales Team.

The Compliance Officers, reporting directly to the Senior Management/ Money-Laundering Reporting Officer (MLRO) possess the skills and resources to carry out their responsibilities. They are tasked with ensuring adherence to the applicable rules governing Baird & Co. precious metals supply chain due diligence. This includes the responsibility to ensure the accurate and timely communication of relevant information to Senior Management. Senior Management retains ultimate oversight and responsibility for the precious metals supply chain.

The Sales Team plays a crucial role in liaising with both clients and suppliers of precious metals, ensuring that the defined due diligence procedures are implemented.

The Office Manager also plays a key role in maintaining effective communication channels, setting up consultation mechanisms with the Board of Directors, shareholders, and representing Baird & Co. in national and international responsible sourcing initiatives and activities.

To support its due diligence efforts, Baird & Co. utilises a range of due diligence tools to thoroughly vet companies and individuals involved in its supply chain. The company's systems ensure high standards of traceability for all information, documentation, and identification related to the precious metals processed. Strict internal procedures and controls ensure that no material is processed before the necessary information and documentation are received, assessed, verified, and stored. This control system has been in place prior to the publication of the LBMA Responsible Gold Guidance.

These same rigorous procedures also ensure compliance with applicable anti-money laundering (AML) standards, providing robust, risk-based administrative checks on all precious metal suppliers, irrespective of their origin. All information generated through the due diligence processes is documented and retained in line with the LBMA requirements for 10 years.

Baird & Co. has established a comprehensive internal system of due diligence, controls, and transparency for gold, supply chains, including traceability and identification of other supply chain factors.

Comments and demonstration of compliance:

Baird & Co. adopts a risk-based approach in conducting Know Your Client (KYC), Know Your Business (KYB), Anti-Money Laundering (AML), and Environmental, Social, and Governance (ESG) assessments as part of its comprehensive due diligence process. This is crucial in vetting counterparties and their associated supply chains, ensuring that the actors involved are clearly identified and evaluated.

Baird & Co. has established a Supply Chain Due Diligence Policy & Statement, which demonstrates a thorough understanding of the broader geopolitical risks associated with supply chain due diligence. The Compliance Department maintains a high-level supplier risk matrix, categorising suppliers by their type of supply. Each supplier undergoes an initial full review during the customer onboarding and supplier due diligence process.

To monitor the legal, sanction, and political exposure of counterparties, as well as potential adverse media, Baird & Co. employs credible, established tools. The company has developed internal guidelines and best practices aligned with LBMA guidelines and OECD Guidance Annex II, to support the inquiry, collection, and assessment of the KYC, KYB and AML, of counterparties. Continuous monitoring and periodic reviews of counterparties are integral components of the company's risk mitigation strategy. High-risk transactions are subjected to enhanced scrutiny to detect any anomalies, inconsistencies, unexplained trends, or suspicious patterns. Should any such issues arise, further investigation and verification procedures are initiated.

To ensure the ongoing effectiveness of its due diligence framework and the implementation of procedures, Baird & Co. requires all relevant staff to participate in regular, in-depth training. This ensures they remain knowledgeable about the latest industry standards and regulatory developments. During the reporting period, relevant staff members have attended training sessions on AML compliance and responsible sourcing practices however a gap was identified that no training has been available on how to deal with matters relating to CAHRA due to lack of a Senior Compliance Team member to offer training and guidance including how to create a procedure to identify Conflict

Affected and High Risk Areas (location-based risks), how to utilize available tools to identify additional risk areas in supply chain and on ESG risks.

Baird & Co. has strengthened company engagement with supply chain counterparties and assistance in building due diligence capabilities.

Comments and demonstration of partial compliance:

Baird & Co. has significantly enhanced its engagement with supply chain counterparties, providing ongoing support to strengthen their due diligence capabilities.

The Sales Team plays a central role as the primary point of contact, maintaining continuous communication with counterparties, particularly in relation to responsible sourcing. This ensures that all counterparties are aligned with Baird & Co.'s policies and practices. Furthermore, Baird & Co. actively supports its suppliers by offering guidance on regulatory requirements and industry best practices.

The company's commitment to responsible sourcing, over the course of 2023-2024, (the assessed period of 1st January 2023 – 31 December 2024) Baird & Co. has placed significant emphasis on fostering closer collaboration with both upstream and downstream partners, further strengthening the company's due diligence framework across the supply chain.

During the audit period 01 Jan 2023 – December 2024 we found that not all suppliers had provided copies of their own supply chain policies, the aim for 2025 is to review the supplier's Due diligence to include relevant supplier chain policies which should include OECD Annex II.

Baird & Co. has established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management.

Comments and demonstration of compliance:

Baird & Co. has established a robust communication mechanism that ensures broad employee participation and effective identification of risks to management.

All updates to company policies are communicated to relevant staff members via email. Additionally, training sessions and detailed explanations of policies and procedures are provided to specific staff when required.

Baird & Co. has implemented whistleblowing and grievance procedures, which are outlined in the company's Supply Chain Policy and Statement. These Policies & Statements provide clear guidance on how employees and other stakeholders can raise concerns about the circumstances surrounding Gold extraction, trade, handling, and export from conflict-affected and high-risk areas, as well as any other perceived risks within the supply chain.

Reports can be submitted through multiple channels, including email, post, or face-to-face discussions. Anonymous reports may also be submitted in writing to the following address: PO Box 71581, London, E6 9NF. As part of its ongoing dialogue with both internal and external stakeholders, Baird & Co. has a dedicated Grievances and Whistleblowing Procedure. A functional email address (complaints@bairdmint.com) is provided for any interested party to raise concerns, either individually or collectively, relating to the company's supply chain and associated risks.

While the Human Resources department handles internal complaints, the Compliance Department is responsible for monitoring and evaluating all external communications related to supply chain risks. The Compliance Department ensures that Senior Management is promptly informed of any newly identified risks.

During the period 2023-2024 (the assessed period of 1st January 2023 – 31 December 2024) customers were able to use multiple channels for anonymous reporting, including website; www.bairdmint.com/contact-us post, Baird and Co Ltd, Po Box 71581, London, E6 9NF Emails – Complaints@bairdmint.com or telephone - 02074741000

Depending on the nature of the complaint, Management will determine an appropriate action plan and engage with the relevant parties to resolve the issue.

While we acknowledge the reporting process or grievance procedure may not have been promoted, there has always been a number of methods to report an issue should they arise.

Step 2: Identify and assess risks in the supply chain

Compliance Statement with Requirement:

Partially Compliant with Step 2: Identify and assess risks in the supply chain.

Baird & Co identify and assesses risk in the supply chain by establishing risk criteria to evaluate the Gold supply chains.

A gap was identified in the absence of training on handling CAHRA-related issues, due to the lack of a Senior Compliance Team member to provide guidance. This includes training on creating procedures to identify Conflict-Affected and High-Risk Areas, using available tools to spot additional supply chain risks, and addressing ESG risks, however the company only sources secondary material from low risk countries.

Baird & Co. has a process in place to identify risks in the supply chain.

Comments and demonstration of compliance:

Baird & Co. implements a comprehensive process for identifying and assessing risks associated with its precious metals supply chain. The company has developed counterparty management procedures, incorporating Know Your Client (KYC), Know Your Business (KYB), Anti-Money Laundering (AML). These processes are supported by applicable business tools and open sources of information, as outlined in EU Regulation 2017/821, which provides details on sanctions, politically exposed persons (PEPs), and adverse media.

Baird & Co.'s risk assessment processes are designed to prevent the company from entering into business relationships with any counterparty that has not fully complied with the requirements set forth in its Precious Metal Supply Chain Policy. The risk profile includes a detailed classification for each supply chain, and no business transaction is allowed when a high-risk supply chain is identified unless appropriate risk mitigation measures are in place.

Baird & Co. follows the LBMA Guidance's definition of "origin" in its efforts to prevent the delivery of precious metals from illegitimate sources. This process is conducted by completing customer Due Diligence, Assay testing of all metals, Individual/supply chain check list and any discrepancies are recorded on a spreadsheet. Secondary feeds are closely monitored, and, where necessary, the

company requests legally enforceable statements from suppliers regarding the specific location from which the precious metals have been sourced.

Baird & Co. conducts Enhanced Due Diligence (EDD) on precious metal received from establishments like Jewellers and Small-Scale Mining (ASM) operations, CAHRAs, or countries with red-flagged origins. This also applies to counterparties associated with PEPs, or where there is suspicion of involvement in activities that may contribute to risks outlined in the OECD Annex II, or where weak ESG factors are identified. Due diligence measures become progressively more rigorous and intrusive as the identified risks increase. This would be in response to the severity of the information uncovered and the deterioration of the counterparty's reputation.

Baird & Co. assesses risks in light of the standards of its due diligence system.

Comments and demonstration of partial compliance:

Before entering a business relationship with any precious metal supplying counterparty, Baird & Co. consistently applies its supply chain due diligence procedures. In accordance with our policies and procedures, Enhanced Due Diligence is initiated during the risk identification and assessment phases, including the KYC, KYB, AML, and ESG stages. Should the Compliance Officers identify any risk factors that require further investigation, this triggers additional scrutiny to determine whether to proceed with the due diligence process or discontinue the relationship.

By adopting a risk-based approach, Baird & Co. continuously monitors and reviews all transactions throughout the business relationship. This includes verifying the consistency of each transaction with our knowledge of the supply chain, the due diligence conducted on the counterparty, and the requirements specified in our policies.

Baird & Co. ensures that its supply chain due diligence practices align with required standards, including the LBMA Responsible Gold Guidance, The (UK) Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017/2019/2020 and where applicable the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Transaction monitoring occurs at an early stage, prior to accepting precious metals. This process is managed by the Sales Team, with support from Senior Management and the Compliance Department, and is further reviewed upon receipt of the precious metals.

Due to the current software, Sanction checks were conducted only on individual beneficial owners and UK companies, with minimal checks performed on international beneficiary owners outside the UK. We are currently looking at software that can check international companies. We currently perform checks on individuals and UK based companies.

Baird & Co. Ltd reports risk assessment to designated Senior Management.

Comments and demonstration of compliance:

Senior Management holds ultimate responsibility for the approval of all new precious metals supplying counterparties, irrespective of their risk classification. The Compliance Officers are tasked with reporting any changes in the risk profiles of existing counterparties to the MLRO. The MLRO then determines the appropriate course of action, considering the specific circumstances of each case.

Senior Management maintains full oversight and responsibility for Baird & Co.'s precious metals supply chain. When necessary, the management team review, update, or define new risk strategies in response to emerging issues.

The Compliance Team is responsible for evaluating potential risks in accordance with Baird & Co.'s internal procedures, as well as in alignment with the OECD Due Diligence Guidance, the Financial Action Task Force (FATF) recommendations, and the UK's money laundering regulations.

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

Compliance Statement with Requirement:

Compliant with Step 3: Design and implement a management strategy to respond to identified risks.

Baird & Co. has defined a strategy for risk management of any identified risk by either (i) mitigation of the risk and continuing to trade, (ii) mitigation of the risk and suspending trade or (iii) disengagement from the risk.

Comments and demonstration of compliance:

Baird & Co. has developed and implemented a comprehensive risk management strategy based on the 'prevent, detect, and respond' model, as required by the OECD Due Diligence Guidance, EU Regulation 821/2017, and the UN Guiding Principles on Business and Human Rights. This strategy enables Baird & Co. to effectively manage risks through risk assessments, investigations (including enhanced due diligence), and to mitigate or remediate any negative impacts identified within the precious metals supply chain.

The risk management approach includes the establishment of a risk level, which considers various factors such as the country of origin, the supplier, the type of product, the complexity of the supply chain, and any other relevant circumstances, facts, or information. The risk level is regularly reviewed and updated to ensure it remains accurate and reflective of any changes in the supply chain or external environment.

During the 2023-2024 (the assessed period of 1st January 2023 – 31 December 2024) reporting period, Baird & Co conducted due diligence procedures, the company successfully mitigated the risks associated with each of these identified suppliers and customers, ensuring that appropriate actions were taken to address potential issues. As part of the 'red flag' review, any PSAMs will be highlighted. Where a risk is found, this will either be managed via a mitigation control or, the client will be refused/declined.

Where a management strategy of risk mitigation is undertaken, it should include all measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to Senior Management.

Comments and demonstration of compliance:

Baird & Co. has established and consistently applies procedures for assessing and managing risks within its supply chain. When a risk assessment identifies high-risk criteria, the company proactively engages with the supplier to request additional information. Should it be determined that the identified risk cannot be sufficiently mitigated, a decision will be made to suspend or terminate the business relationship.

Throughout the 2023-2024 (the assessed period of 1st January 2023 – 31 December 2024 period, Baird & Co.'s precious metals supply chain has been investigated. Measurable steps to address any identified risks have been implemented and are actively monitored to ensure ongoing compliance and risk management.

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

Compliance Statement with Requirement:

During the period 2023-2024, (the assessed period of 1st January 2023 – 31 December 2024). Baird & Co. Ltd. engaged the services of ARCHE Advisors, an independent assurance provider, to conduct a third-party audit of its supply chain due diligence practices. The most recent independent reasonable assurance report is available for review on the Company's website:

https://www.bairdmint.com/assets/pdfs/policies-and-statements/Baird_Compliance_Report_2025.pdf

Step 5: Report on supply chain due diligence

Compliance Statement with Requirement:

Compliant with Step 5: Report on supply chain due diligence.

Comments and demonstration of compliance:

Baird & Co. has made its Supply Chain Due Diligence Policy and Statement, Compliance Report, and the related Independent Assurance Report for the calendar years 2023 – 2024 to reflect the assessed period of 1st January 2023 – 31 December 2024. These documents can be accessed under the Info tab on the company's website at www.bairdmint.com.

3. Management conclusion

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

Baird & Co. has implemented management systems, procedures, processes, and practices that are compliant with the requirements outlined in the LBMA Responsible Gold Guidance for the reporting period of 2023-2024 (the assessed period of 1st January 2023 – 31 December 2024).

4. Other report comments

Any readers wishing to provide feedback or raise questions regarding the content of this report may contact Baird & Co.'s Compliance Department via email at compliance@bairdmint.com.

Baird & Co. Ltd. is committed to the continuous improvement of all aspects of its supply chain. Any corrective actions identified will be regularly monitored internally, with appropriate action taken where necessary.