



## Refiner's Compliance Report FY 2024

### **Heraeus PGM SA (Pty) Ltd., Port Elisabeth South Africa**

01.01.2024 – 31.12.2024

London Platinum and Palladium Market

LPPM

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### Introduction

Heraeus is a family-owned global technology group headquartered in Hanau, Germany. The company's roots go back to a family pharmacy started in 1660. With its expertise and resources, Heraeus has been making meaningful contributions over generations and is committed to do so in the future. Today, the group bundles diverse activities in four Business Platforms: Metals and Recycling, Healthcare, Semiconductor and Electronics, as well as Industrials. Customers benefit from innovative technologies and solutions based on broad materials knowledge and technological leadership.

In the 2023 financial year, the group generated revenues of €25.6 billion (US\$27.7 billion<sup>1</sup>) with approximately 16,400 employees in 40 countries. Heraeus is one of the top 10 family owned companies in Germany.

More information is found under: [www.heraeus.com](http://www.heraeus.com)

Heraeus Precious Metals is globally leading in the precious metals industry. The company is part of the Heraeus Group and covers the value chain from trading to precious metals products to refining and recycling. It has extensive expertise in all platinum group metals as well as gold and silver.

The precious metal refining, trading and product business is bundled in the Operational Company Heraeus Precious Metals, also headquartered in Hanau. Heraeus Precious Metals (referred to in the following text as either Heraeus or HPM)<sup>2</sup> currently operates good delivery refiners at the following sites:

**Table 1: Heraeus Precious Metals with his worldwide sites**

▪ Heraeus Precious Metals Germany	Hanau	Germany
▪ Heraeus Limited, Hong Kong	Fanling	Hongkong
▪ Heraeus Precious Metals North America	Santa Fe Springs	USA
▪ Heraeus Precious Metals Technology	Nanjing	China
▪ Heraeus PGM SA (Pty) Ltd., Port Elisabeth, South Africa	Gqeberha	South Africa
▪ Argor-Heraeus	Mendrisio	Switzerland <sup>3</sup>
▪ Choksi-Heraeus	Udaipur	India <sup>4</sup>
▪ Ravindra-Heraeus	Udaipur	India <sup>4</sup>

Heraeus<sup>2</sup> ensures that all precious metals, Gold, Iridium, Palladium, Platinum, Rhenium, Rhodium, Ruthenium, Silver, and Osmium, are transformed into > 99.95 percent pure and determinable form with the highest precision and a multitude of precisely coordinated melting, chemical and mechanical work steps. Heraeus produces a wide variety of different products like conductive inks, precious metals containing pastes, active pharmaceutical ingredients and much more. A uniform compliance system applies to the sites, which process precious metal containing material and are operated by Heraeus worldwide.

<sup>1</sup> calculated with 2023 average exchange rate, 1€ = 1.0813 US\$

<sup>2</sup> To simplify readability, we will contribute to Heraeus Precious Metals, because we do not differentiate between measures and/ or a single precious metal. We include all sites worldwide as mentioned in Table 1.

<sup>3</sup> 100 % affiliate of Heraeus Precious Metals, Germany

<sup>4</sup> 50 % - 50 % joint venture of Heraeus Precious Metals, Germany

Heraeus therefore applies the measures equally to all precious metals. The compliance process is overseen centrally from the headquarter in Hanau, Germany, supplemented by local compliance officers and regulations as required by local legislation.

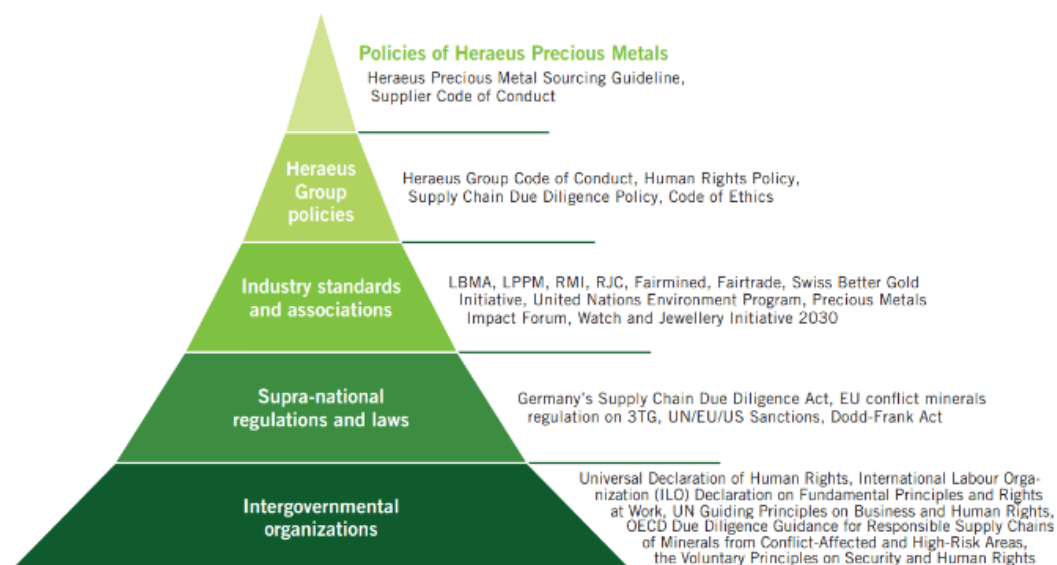
### Scheme 1: current versions of Guidance's: NGO-organizations for precious metals compliance guidelines with current versions of guidance

Heraeus' work and management system is design with respect to the following "organizations"<sup>5</sup>:

- OECD for Economic Co-operation and Development (OECD)
  - OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 3<sup>rd</sup> edition, 2016
- Responsible Mineral initiative Guidance (RMI)
  - Responsible Minerals Assurance Process, Gold Refiner Standard, Version 7, February 2020
- London Bullion Market Association (LBMA)
  - Responsible Gold Guidance (RGG9); Version 9, November 2021
  - Responsible Silver Guidance, Version 2, November 2023
- London Platinum and Palladium Market (LPPM)
  - Responsible Platinum/Palladium Guidance, Version 4, November 2022
- Responsible Jewellery Council (RJC)
  - Code of Practices (COP) Version 1.3, June 2023
- Fairtrade
  - Fairtrade Standard, Version 1.2, November 2018

The system was developed in such a way that the prerequisites for the organizations above and their appropriate guidelines<sup>6</sup>, were connected with national and international laws and requirements. Further information about our sustainability efforts can found in our current sustainability report, publicly available on our website:

[www.heraeus.com/en/hpm/responsibility/precious to us/precious to us](http://www.heraeus.com/en/hpm/responsibility/precious%20to%20us/precious%20to%20us)



























<sup>5</sup> To simplify readability, the term "organizations" is used in the remainder of the text, standing for the organizations mentioned in Scheme 1

<sup>6</sup> Current versions see Scheme 11



The following scheme 2 shows the Heraeus sites and their certification by the organizations<sup>5</sup>

**Scheme 2: certifications by site and precious metal**

		LBMA		LPPM		RMI	RJC	Fairtrade
		Au	Ag	Pd	Pt	Au		
Hanau,	Germany							
Hong Kong,	China							
Santa Fe Springs,	USA							
Nanjing,	China							
Gqeberha,	South Africa							
Mendrisio,	Switzerland							
Udaipur – Choksi,	India							
Udaipur – Ravindra,	India							

Furthermore, the processes, guidelines and policies are applied to all precious metals mentioned above. While our system is designed to support all applicable standards, we apply a risk-based differentiated approach where necessary. This refers to specific material and metal risks, which may need a differentiated analysis depending on the metal in question. Heraeus’ products and services include the refining of precious metals, as well as the production of (investment) bars for banks, traders, and a wide variety of different precious metals containing products like conductive inks, active pharmaceutical ingredients and much more.

Heraeus processes precious metals that come from different sources like:

- material already certified as “Good Delivery”
- recycling material, such as returned material from industrial activities or old / scrap jewelry, spent und unused catalysator

and

- primary mine material, by-product from primary mine materials.

Highly industrialized mines are Heraeus’ main cooperation partners.

Since the annual demand for precious metals exceeds the capacity of primary production and the negative impact of primary mine material for the environment is huge, recycling becomes more and more important as an alternative source.

The sources of recycled material are of most varied nature: in addition to industrial returned material and old jewelry, the so called “post-consumer precious metals” for recycling can

also come from other sources like spent catalysator, alloys and other, in principle any precious metal containing products.

Heraeus is continuously committed to creating sustainable and transparent value for all partners along the entire value chain.

National governments, international organizations and industry associations are working on rules and regulations to ensure that the chain from the extraction of the raw material to the final customer is sustainable, compliant with all legal requirements and in accordance with ethical standards. The mixture of “soft” and “hard” laws, in which Heraeus operates and contributes, has evolved significantly in the past years. Heraeus is committed to continuing to do so in the future as part of its continuous improvement program. All organisations<sup>5</sup> have extended their scope to Environmental, Social and Governance (ESG) responsibilities. Heraeus’s commitments, including ESG aspects, are reflected in our policies published on the website:

<https://www.heraeus-precious-metals.com/en/responsibility/precious-to-us/>

### Summary of activities undertaken to demonstrate compliance:

This report represents a summary of measures/actions/processes in place at Heraeus to comply with guidances of the organizations<sup>5</sup>, currently:

## 1 Step 1: Company management systems

We have fully complied with Step 1: Established strong company management systems.

### 1.1 Has the Refiner adopted a supply chain policy regarding due diligence for supply chains of precious metals?

#### Compliance Statement with Requirement:

Heraeus has adopted a strong policy regarding due diligence for supply chains of Precious Metals.

In 2004, we started and completed applying the first Gold-certification based on the introduction of the Policy of Compliance and Ethics. This policy has been and is constantly being improved, adapted and revised. This results in the above-mentioned certification of the individual Heraeus sites<sup>Scheme 2</sup>. The Supply Chain Due Diligence Process (Know Your Business Partner (KYBP)-process) is fully compliant with Annex II of the OECD Due Diligence Guidance and expands with the requirements of the organizations<sup>5</sup>. Therefore, the KYBP-process includes requirements on:

- Compliance with Applicable Law
- Prevention of Money Laundering
- Combating of financing terrorism
- Prohibition of Corruption and Bribery
- Respect of the Fundamental Rights of Employees
- fight human rights abuses associated with extraction, transportation, and trade of precious metals

- Prohibition of Child Labor
- Employee Health Safety
- Environmental Protection

Our KYBP-Process as well as other relevant policies and processes, are approved, regularly reviewed, and updated, when required, by the Heraeus’s senior Management as well as by the Heraeus Precious Metals management and the respective committees. Policies on local and Heraeus group level are made available on the respective websites:

<https://www.heraeus-precious-metals.com/en/responsibility/compliance>

With that policy, Heraeus emphasizes to reasonably ensure that the precious metals in its supply chain originate from legal and ethical sources, that the precious metals are not associated with “illegal actions” like crimes, armed conflicts, or human rights abuses and that they will not be used for money laundering, financing terrorism, tax evasion, fraud, or any other crime.

The following graphic summarizes the various sources and criteria (Governance, Human Rights and Conflicts) we use to define our own CAHRA list (Conflict affect and high-risk area), following the guidelines of the organizations<sup>5</sup>. Then enhanced KYBP check is necessary. Further tools have been implemented to monitor transactions for irregularities.

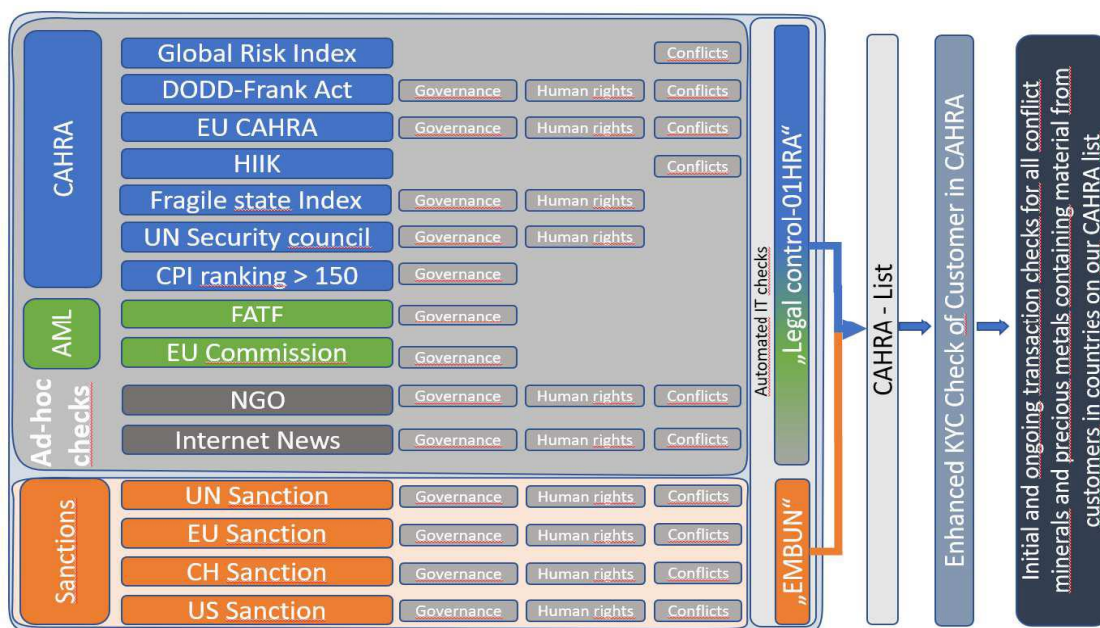


Figure 2: Process to define a CAHRA-country

## 1.2 Has the Refiner set up an internal management structure to support supply chain due diligence?

Heraeus has set up an internal management structure to support supply chain due diligence.

## Internal Compliance Management System

An efficient internal Compliance Management System (CMS) is an integral part of Heraeus’s world-wide overall management system. CMS’s main effort is to embed the supply chain due diligence into every single structure and process and to define the governance, roles, responsibilities, internal assessment, and communication.

Within Heraeus, the CMS has the task of identifying, evaluating, managing, and removing inherent compliance risks within the company. In principle, various internal risk categories can be defined as follows:

- Risk regarding legal and regulatory requirements
- Risk regarding regulations of trade and industry associations, professional and association rules, and guidelines
- Litigation risk
- Risk of financial losses (country risk, counterparty risk, business, and transaction risk)
- Reputational Risk

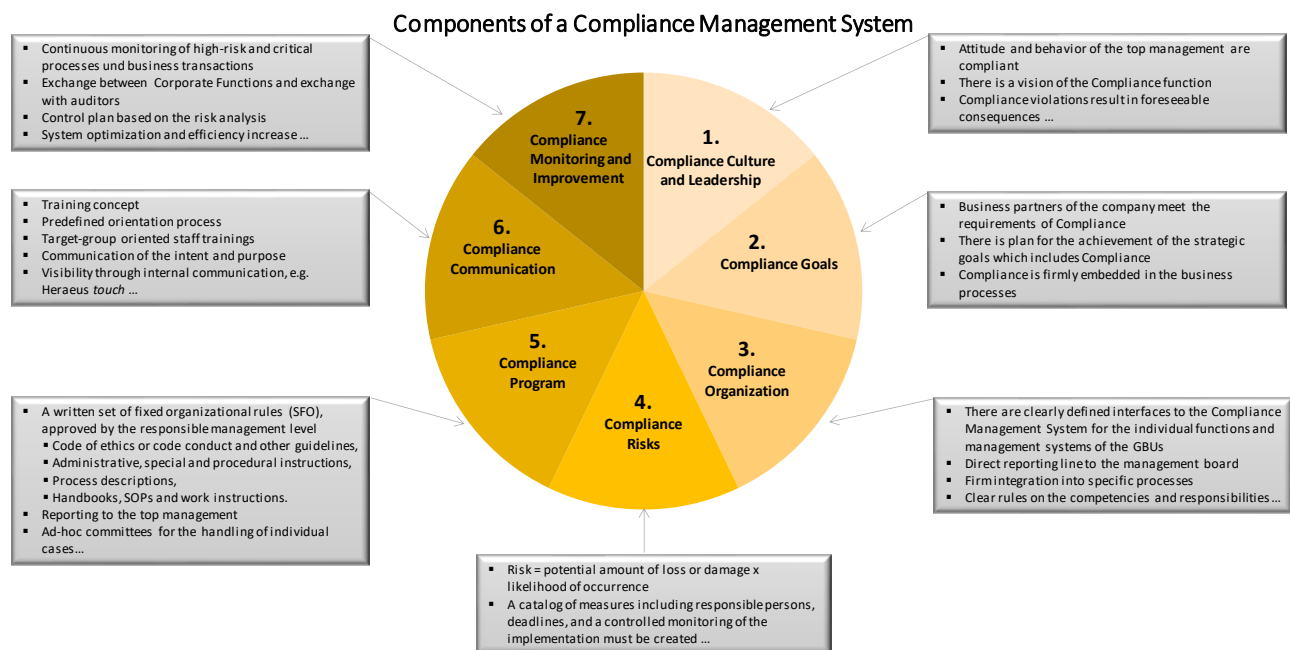


Figure 3: Components of the Heraeus Compliance Management System

## Structure of the Heraeus’ Internal CMS

A central component of the CMS is our “Know your business partner” approach, which is continuously used to check the legitimacy of potential and existing business partners based on legal and sector specific requirements.

The Human Rights Impact Assessment also ensures that human rights issues are a decisive part of risk management.

The ESG Impact Assessment also covers the protection of biodiversity in the supply chain.



To this end Heraeus continuously collaborates with the competent stakeholders on elaboration and application of the best applicable standards on responsible sourcing.

### Compliance Function

The management of the due diligence process is clearly defined. The Compliance Officer is assigned with the right competence and knowledge to take responsibility for the implementation of the supply chain due diligence processes and to report to the general management.

For the efficient implementation of the CMS at Heraeus, clear decision-making powers and reporting channels were defined. The system is based on three elements:

- Clear allocation of responsibilities
- Strict separation of competencies in compliance with the dual control principle
- A clear set of rules and transparent processes

Reporting channels and accountability for control and decision-making:

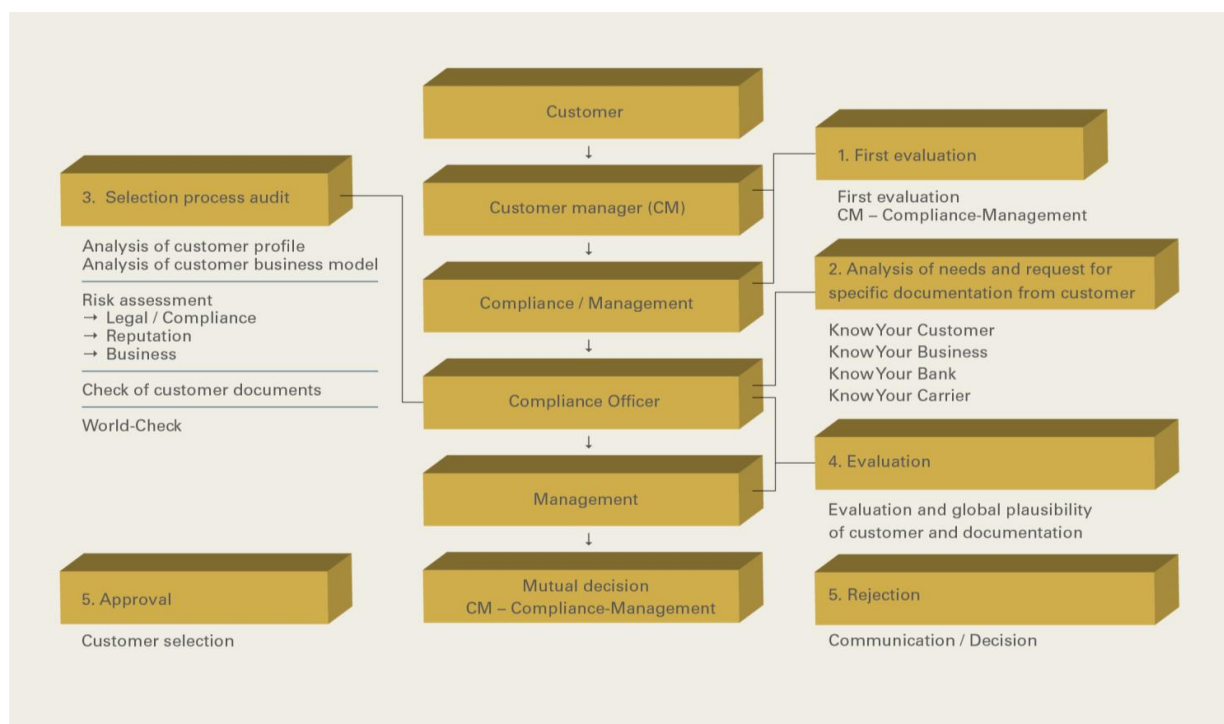


Figure 3: accountability for control and decision-making

The Compliance Officer is responsible for dealing with non-high-risk business relationships. The decision-making power over high-risk partners, in turn, lies with our management committees. The general management and its associated boards both locally (Risk Committee) and on Group level (Sourcing Committee) review major decisions. At the same time the global Compliance Officer oversees local decisions continuously. Part of the committee meetings is also transparency and training to foster transparency for all senior committee members.

At least annually, Heraeus conducts internal training to all the relevant employees on Compliance, Anti-Money Laundering, Responsible Sourcing, and other pertinent topics. In the year 2024 we trained 18 Heraeus PGM SA (Pty) Ltd. employees (100 % of assigned employees).

The Internal Compliance Management System is continuously subject to updates as per applicable legislation, regulations, and internal standards within the scope of continuous improvement.

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

Heraeus has established a strong internal system of due diligence, controls, and transparency over Precious Metal supply chain, including traceability and identification of other supply chain actors.

Heraeus's<sup>2</sup> Compliance Function responsibility includes evaluation, monitoring and plausibility checks of existing and potential business relationships which include upstream and downstream, as well as checking the economic background of its business activities and, if necessary, also their partners along the value chain and to assess them.

Central elements of the evaluation process are:

- Identification and verification of the business partner, the acting persons, their partners, and suppliers (operating licenses, tax compliance, etc.)
- Determination and examination of the economic grounds as well as the shareholder and controlling person/s
- Determination and plausibility check of the intended business activity (assessment of economic sense, volume check)
- Determination and assessment of the origin of the material including respect of human rights, ESG factors and other relevant criteria as per the organizations guidance and other relevant standards
- On site assessments: ideally before or within the first six months after start of a business relationship.

New suppliers must sign our "Code of conduct material questionnaire for precious metal suppliers of Heraeus" before we are entering into a new business relationship or provide their own Code of Conduct covering the same messages as ours. The Material Questionnaire is thereby fully aligned with the LPPM Questionnaires.

We are renewing our due diligence checks for all our suppliers in one, two- or three-years intervals based on the risk assessment we conducted in our KYBP workflow and the results are archived in a database. We maintain many long-standing relationships with most of our supplying partners which are typically industry heavy weight organizations with similar due diligence requirements as Heraeus.

As per the above summary, we have established a strong internal system of due diligence, controls, and transparency over Precious Metal supply chain, including traceability and identification of other supply chain actors.

We have adopted a robust Precious Metals incoming receipts process: specific documents must be received, and transactional details entered before we process the precious metal-bearing material.

Particularly, within our traceability system, for each lot, based on the type of the material, we collect the following information/documents:

- Confirmation of the mining origin of the material (if applicable).
- Type of the material received.
- Weight and assay.
- Shipping and transportation documents.
- A unique reference number assigned to each input and output order.
- Date of arrival and date of assay finalization.

Each lot received is accurately registered in our transactional system. Specific controls are carried out before processing the material as outlined in our internal guidelines. All transactions are monitored within the EPR-System. Heraeus organizes regular training for the employees involved in the process to make sure the guidelines are followed and respected. Any form of non-conformity is unacceptable and must be reported, which proceeds with internal clarifications, and application of the respective processes.

### **Confidential whistleblowing and grievance mechanism**

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

We have implemented the Grievance Policy, which is accessible to any interested party, in person or anonymously, to voice concerns regarding the circumstances of precious metals extraction, trade, handling and export in a conflict-affected or high-risk area. Reports can be made via different methods: by phone, web-app, e-mail, by post and face to face. The contacts are accessible external and internal:

[www.heraeus-group.com/en/corporate-responsibility/compliance/](http://www.heraeus-group.com/en/corporate-responsibility/compliance/)

In addition to the measures already in place such as trainings, portal posts and presentations during management meetings, we constantly enhance our processes and organization. In 2024, we continued on a stronger engagement with our affiliate companies to profit from all staff experience. Management oversight was strengthened beyond the legal entity CEOs to a Heraeus Precious Metals (HPM) Group level. Here, quarterly meetings of the sourcing committee with Heraeus Precious Metals - CEO, CFO, Compliance, Business Line Heads, and local CEOs foster discussions, decisions and awareness of risk assessments, processes, and organization.

In 2024 Heraeus did not receive relevant grievances through the proposed reporting channels

#### **1.4 Has the Refiner strengthened company engagement with precious metal supplying counterparties, and where possible, assisted precious metals supplying counterparties in building due diligence capabilities?**

Heraeus has strengthened its engagement with precious metals supplying counterparties, and where possible, assisted precious metals supplying counterparties in building due diligence capabilities.

We have also modified our supplier agreements to stay fully compliant with the guidelines of the organizations<sup>5</sup>.

On a regular basis, we conduct assessments of our mining partners which are used to share Heraeus values and standards and to assess their alignment with the requirements stated in our supply chain guidelines, with special focus on Child labor, Human rights and ESG issues. Proposals for possible optimizations of processes and documentations are discussed and document with our partners during on-site assessments and are followed up upon in future assessments. In principle, we expect all counterparties to adhere to OECD standards and submit respective assurance. Where mine assessments are conducted by Heraeus, documentation and agenda are at a minimum followed along the most recent versions of the LPPM questionnaires for mine sites.

## **2 Step 2: Identify and assess risks in the supply chain**

### **Compliance Statement with Requirement:**

We have fully complied with Step 2: identify and assess risks in the supply chain.

#### **2.1 Does the Refiner have a process to identify risks in the supply chain?**

Heraeus has a process to identify risks in the supply chain.

We identify and assess risks in the supply chain. For every supplier, we have established a client database and allocated a risk profile according to our risk profile criteria. The process is a formal requirement before entering any business relationship with a supplying counterparty. Our due diligence process is carried out on a risk-oriented approach.

In particular, the time interval between checks on existing upstream business partners depends on whether the business partner is classified as high-risk or a low-high risk. The frequency of the reviews is once a year for high-risk customers, two years for medium-risk and every three years for low-risk ones.

We use proper modelling techniques to map our KYBP (Know Your business partner) process which are used as a reference to identify possible risks in our supply chain and are also ideal training tools. The Compliance Officer takes care of the risk assessments and continuous monitoring based on the information received internally or from the relevant tools. KYBP screening tools include different commercial and open sources.

## 2.2 How does the Refiner classify identified risks in light of the standards of its due diligence system?

### Comments and Demonstrations of Compliance:

Heraeus does assess risks in light of the standards of their due diligence system.

Heraeus performs its Supply Chain Due Diligence in line with all measures required by organizations<sup>5</sup> and other applicable standards before entering into a business relationship with any precious metal counterparties. We constantly monitor all transactions which take place through the course of the entire business relationship, and we conduct appropriate scrutiny and monitoring of the counterparts on a regular basis. Identified risks that require further investigation are managed by applying a strong risk-based approach.

The criteria for high-risk business relationships and transactions are regularly reviewed and updated, when required. These are based mainly on the organization<sup>5</sup> guidance.

Supply chain Due Diligence risk-based approach includes the risk categories based on the identification of the customer, on the origin of the material and on the country of origin. These include (non-exhaustive list): Politically Exposed Persons; nationality, domicile of the customer, banking details, ultimate beneficial owner, legal representatives in high-risk countries; complex structures; presence in international sanctions lists; location of the operations in the high-risk area; origin of the material from CAHRA, World Heritage Site, protected area; transportation of precious metals via CAHRA; human rights and ESG negative impacts. Mercury plays a minor role in the extraction of PGMs. The production of Palladium and Platinum is currently subject to high risks from spent catalytic converters, especially automotive catalytic converters. Theft using particularly reprehensible means plays a major role here. We exercise increased due diligence here, increase the requirement, also with regard to money laundering and terrorism financing risks and others.

High-risk assessment is performed by Compliance Officer with the use of external reliable sources and indexes such as Heidelberg barometer, FATF lists, SECO and International Sanctions lists, UNICEF workplace Index; EU CAHRA List, Dodd Frank's 1502, NGO Reports, others. Supporting instruments are also platforms like Orbis, FACTIVA and RepRisk.

For existing customers, in case of identification of risks as per internal management strategies and processes, internal clarifications are performed. Based on their results, the business relationship will be terminated, suspended, continued with improvement plan, or continued regularly, if potential risks are not confirmed or are mitigated. In cases of known instances and founded suspicion it is mandatory to proceed with communication to the relevant authorities and organizations.

## 2.3 Has the Refiner undertaken EDD measures for identified high-risk supply chains?

Heraeus undertakes the EDD (extended due diligence) measures based on the type of the precious metals bearing material. These include (non-exhaustive list): identification of all the participants of high-risk supply chain until the origin of the material, understanding of the risk



of human rights violations, compliance with environmental standards, nature of security services provided in the mine, support to illegitimate non-state armed groups, compliance with tax requirements, assessment of due diligence processes for the recycling customer supply chain. There was no necessity for Heraeus SA to conduct an EDD in 2024.

In our partnership with intermediate refiners, in addition to our internal due diligence requirements and the independent assurance report on compliance with the OECD aligned responsible standard, we require additional information/documents which help us to understand and identify red flags on the Intermediate refiner supply chain. These additional requirements can be represented by, but not limited to, policies and procedures and work with our partners on roadmaps to receive independent assurance reports on the communicated policies. This process - where needed – is currently ongoing and progress is reported to the management.

As the overall environment regarding organized crime in the PGM industry is getting more critical, Heraeus is constantly reflecting this situation also in its due diligence. The theft of scraps in other refineries and the ongoing theft of spent, in-use and fresh catalytic converters is a challenge of our industry. Consequently, we do not accept such materials from traders and collectors without appropriate source confirmations or assurance reports. Fortunately, the vast majority of our partners provide us with closed loop materials or end-of use specialized chemical products in a direct relationship. These products and partners are mostly easy to check with the partners business activities and produce a reasonable picture. In 2024 we terminated zero business partners in South Africa.

#### **2.4 Does the Refiner conduct a monitoring of transactions?**

As a refiner, Heraeus Precious Metals ensure all transactions align with our knowledge of the supply chain and risk profile through a risk-based approach. For mined and recycled Platinum/Palladium, we document the estimated weights and assay results, verify shipping documents, and review export/import forms for high-risk transactions.

We meticulously check that all documents are consistent and that shipments match the documentation. Any inconsistencies are investigated, documented, and reported. The Platinum/Palladium is secured until issues are resolved, and findings are reported to authorities as needed.

All transactions are monitored from the outset using an ERP tool (Enterprise Resource Planning Tool).

#### **2.5 Does the refiner recognize other certifications to demonstrate compliance with due diligence requirements?**

Heraeus Precious Metals recognizes further certifications. For details of the organizations and the Heraeus sites where these apply, see Scheme 2.

## 2.6 Does the Refiner continuously monitor the risk management?

If changes are made to the supply chain after the risk management strategy has been implemented, whether these changes are to the material, the origin or the company structure, a new risk assessment will be carried out.

If new supply chains arise or existing supply chains change in such way that an evaluation by senior management is required, these will be presented in the Sourcing Committee.

## 3 Step 3: Risk management

### Compliance Statement with Requirement:

We have fully complied with Step 3: We have designed and implemented a management system to respond to identified risks in 2024 for Heraeus SA.

### 3.1 Does the Refiner report risk assessments to the designated manager?

Heraeus reports risk assessment to general management.

The Compliance Officer verifies the potential risks in line with the internal codes of organizations<sup>5</sup> as well as the OECD guidelines and the FATF-Rules. All new business partners must be approved by HPM<sup>2</sup>'s PMCE<sup>7</sup>. Quarterly an internal risk review is conducted, and its outcome presented to the HPM<sup>2</sup> Sourcing Committee.

### 3.2 Does the Refiner have a process to respond to the identified risks by either (i) mitigating the risk while continuing to trade, (ii) mitigating the risk while suspending trade or (iii) disengagement from the risk?

Heraeus has adopted an automated screening of all business partners to identify risks in the supply chain. The screening allows us to manage risk through a rigorous risk assessment of all business partners and transactions through a regular re-assessment. In addition, identified risks are brought up from Compliance or business or any other stakeholder to the Heraeus Sourcing Committee which after a careful analysis decides how to proceed and what kind of action/ measures must be taken.

The results of the risk management strategy adopted are the following, to identify the 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, reporting accordingly.

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<sup>7</sup> PMCE: Heraeus Precious Metals Compliance Experts; responsible sourcing team and its management

### **3.3 Does the Refiner monitor the improvement plan when a strategy of risk mitigation is undertaken?**

Corresponding procedures are in place and are applied accordingly. In case our risk assessment identifies high risk criteria, we actively approach our supplier to receive further information. If we cannot mitigate our risk assessment, the decision of closing the business relationship could be taken. Preferably, we engage our existing partners with requests for a long-term roadmap commitment, where short-term actions are not feasible. With this approach, we ensure ongoing and productive cooperation and retain measurable next steps. A clear commitment to specified steps and goals however is mandatory for a continuation of business.

Heraeus continuously cooperates with the relevant stakeholders including national, international authorities, associations, NGO's. Constructive and efficient cooperation is a necessary step to a transparent and responsible supply chain.

### **3.4 Does the Refiner report findings to Board Committee?**

Heraeus Precious Metals ensures that the CEOs retain ultimate control and accountability for the Platinum/Palladium supply chain. Actual and potential risks identified in the supply chains, along with proposed risk management strategies, are communicated to the Sourcing Committee. Additionally, PMCE is structured directly under the CEOs and reports directly to them. The annual compliance report is signed by the general site managers. This ensures that they are fully informed and can make decisions to mitigate risks effectively.

### **3.5 Does the Refiner continuously monitor adequacy of risk management strategies?**

Heraeus Precious Metals recognizes that supply chain due diligence is a dynamic process requiring ongoing risk monitoring. After implementing a risk management strategy, the adequacy of the strategy is continuously assessed. Changes in the supply chain initiate a reassessment and repetition of due diligence steps, including the Know Your Business Partner (KYBP) process, to ensure effective risk management and obtain new approval.

The annual certification process by the LPPM provides an intensive review of the supply chain due diligence. This process helps implement recommendations and make necessary adjustments to the risk management strategies, ensuring they remain effective and up-to-date with any changes or required modifications.

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

### **Compliance Statement with Requirement:**

We have fully complied with Step 4: Arrange for an independent third-party assessment of the supply chain due diligence.

### Comments and Demonstration of Compliance:

Heraeus engaged the services of the assurance provider PricewaterhouseCoopers Incorporated, and their independent limited assurance report can be viewed as soon as available on:

[www.heraeus.com/en/hpm/responsibility/compliance\\_hpm/compliance.html](http://www.heraeus.com/en/hpm/responsibility/compliance_hpm/compliance.html)

PwC has been chosen as a trusted, independent, and accredited global LPPM partner.

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

### Compliance Statement with Requirement:

We have fully complied with Step 5: Report on supply chain due diligence.

Further information and specific details of how Heraeus’<sup>2</sup> systems, procedures, processes, and controls have been implemented to align to the specific requirements have been set out in our supply chain policy, which is available on our company website.

Refiner's details	
Refiner's name	Heraeus PGM SA (Pty) Ltd., Port Elisabeth, South Africa
Location	6-7 Oddy Place, Perseverance, Gqeberha, 6000 South Africa
Reporting year-end	01.01.2024 – 31.12.2024
Date of Report	28.03.2025
Senior management responsible for this report	Kirsti Kuhn (kirsti.kuhn@heraeus.com)
Company website: <a href="https://www.heraeus-precious-metals.com/en/responsibility/compliance/">https://www.heraeus-precious-metals.com/en/responsibility/compliance/</a>	

## 6 Management conclusion

### 6.1 Is the Refiner in compliance with the requirements of the Platinum and Palladium Guidance – Version 4 - November 2022 for the reporting period?

Yes, Heraeus is in compliance with the requirements of the LPPM.

In conclusion, Heraeus implemented effective management systems, procedures, processes, and practices to conform to the requirements of the LPPM Platinum and Palladium Guidance – Version 4 – November 2022 as explained above in the “Summary of the activities undertaken to demonstrate compliance”, for the reporting year ended 31<sup>st</sup> December 2024. Heraeus is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis.



### 7 Other report comments

If users of this report wish to provide any feedback to Heraeus with respect to this report, they can contact corporate relations on the compliance officer Dr. Patrick Henritzi.

[patrick.henritzi@heraeus.com](mailto:patrick.henritzi@heraeus.com).

*Kirsti Kuhn*

Kirsti Kuhn

General Manager



Heraeus Precious Metals GmbH & Co. KG  
Heraeusstrasse 12-14  
63450 Hanau  
GERMANY

Dr. Patrick Henritzi

Compliance Officer / Head of PMCE

Note:

Annex I is listing the countries of origin of Palladium and Platinum, mined and recycled, and amount received from each country, for the assessment period as requested by the LPPM (current version, see <sup>Scheme<sup>2</sup></sup>). This information is only communicated to LPPM and not disclosed to the public.

## **Independent Practitioner’s Limited Assurance Report on Heraeus PGM SA (Pty) Ltd’s Compliance Report on Responsible Sourcing of Platinum/Palladium for the year ended 31 December 2024**

### **To the Directors of Heraeus PGM SA (Pty) Ltd**

We have conducted a limited assurance engagement on the Refiner’s Compliance Report prepared by Heraeus PGM SA (Pty) Ltd (the “Company”, “Heraeus PGM SA” or “you”) for the year ended 31 December 2024 (the “Compliance Report”). The Compliance Report describes the activities undertaken during the period to demonstrate compliance with the Reporting Criteria, and management’s overall conclusion on whether the report is prepared in accordance with the Guidance.

This engagement was conducted by a multidisciplinary team including specialists with relevant experience in responsible sourcing reporting.

For purposes of our limited assurance engagement, the Reporting Criteria includes the requirements contained in the Guidance available on the LPPM’s website (<https://www.lppm.com/responsible-sourcing/guidance/>), supplemented with the Company’s Policy for the Responsible Sourcing of Metals available on the company website ([https://www.heraeus.com/en/hpm/responsibility/compliance\\_hpm/compliance.html#ourpolicies](https://www.heraeus.com/en/hpm/responsibility/compliance_hpm/compliance.html#ourpolicies)) and the Company’s Framework for the Responsible Sourcing of Metals (collectively the “Reporting Criteria”).

### **Your responsibilities**

- You are responsible for the preparation and presentation of the Compliance Report in accordance with the Reporting Criteria. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation and presentation of the Compliance Report that is free from material misstatement, whether due to fraud or error, and for such internal controls as the directors determine is necessary to ensure compliance with the Reporting Criteria.
- You are responsible for designing, implementing and maintaining such internal control as you determine is necessary to enable the preparation of the Compliance Report, in accordance with the Reporting Criteria, that is free from material misstatement, whether due to fraud or error; and
- You are also responsible for the selection and application of appropriate reporting methods and making assumptions and estimates that are reasonable in the circumstances.

You are also responsible for determining the appropriateness of the measurement and Reporting Criteria in view of the intended users of the report and for ensuring that those criteria are publicly available to the Report users.

### **Inherent limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The methods applied by a company to comply with the Guidance may differ. As a result, the Report may not be directly comparable with similar reports from other companies.

### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors’ (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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## **Our responsibilities**

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Compliance Report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Compliance Report. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain assurance about whether the Compliance Report is free from material misstatement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Company's use of Reporting Criteria as the basis for the preparation of the Compliance Report.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the Compliance Report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

## **Summary of the work performed**

A limited assurance engagement involves performing procedures to obtain evidence about the Compliance Report. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on, including the identification of where material misstatements are likely to arise in the Compliance Report, whether due to fraud or error.

In conducting our limited assurance engagement, we

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the Compliance Report;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the Compliance Report; and
- Evaluated whether the Compliance Report presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at the Company.

## **Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Refiner's Compliance Report for Heraeus PGM SA (Pty) Ltd for the year ended 31 December 2024, which describes the activities undertaken during the period to demonstrate compliance with the Reporting Criteria, and management's overall conclusion, on whether the report is prepared



is in accordance with the Guidance, is not prepared and presented in all material respects, in accordance with the Reporting Criteria.

#### **Other Matter**

The maintenance and integrity of Heraeus PGM SA's website is the responsibility of Heraeus PGM SA's directors. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on Heraeus PGM SA's website.

#### **Restriction of liability**

Our work has been undertaken to enable us to express a limited assurance conclusion on the Compliance Report to the directors of the Company in accordance with the terms of our engagement.

We understand that our assurance report will also be shared with the LPPM to demonstrate compliance with the Reporting Criteria. We consent to this on the understanding that our assurance report may only be used by the LPPM for this and no other purpose and that we will not be liable or responsible for any losses, costs, expenses (including legal expenses), damages, penalties, or any interest suffered or incurred by the Directors of the Company or the LPPM arising out of reliance placed on our assurance report, if such reliance or use is for a purpose other than for the purpose mentioned above. We do not accept or assume liability to any other party for our work, for this assurance report, or for the conclusion we have reached.

We neither owe nor accept any duty to any third party, whether in contract or in delict (including without limitation, negligence and breach of statutory duty) or howsoever arising, and shall not be liable, in respect of any loss, damage or expense of whatsoever nature which is caused by the third party's usage of our assurance report. Provided that this provision shall not exclude liability (if it would otherwise but for this clause have arisen) for loss, damage or expense caused by fraud perpetrated by PwC.

*PricewaterhouseCoopers Inc.*

#### **PricewaterhouseCoopers Inc.**

Director: Jameel Essop  
Registered Auditor  
Johannesburg, South Africa  
28 March 2025