

# Independent Assurance Report (Limited Assurance Engagement) on the LPPM Refiner's Compliance Report of SAXONIA Edelmetalle GmbH for reporting year 2024

To the Management of SAXONIA Edelmetalle GmbH, Halsbrücke

KPMG Cert GmbH Umweltgutachterorganisation, Cologne, ('KPMG' or we') has been engaged with letter dated 16 January 2023 to carry out a limited assurance engagement on the LPPM Refiner's Compliance Report of SAXONIA Edelmetalle GmbH, Halsbrücke, (further "Company") for the year ended 31 December 2024. The Refiner's Compliance Report is based on the criteria described in the LPPM Responsible Platinum/Palladium Guidance, published by the London Platinum & Palladium Market ("LPPM"), available at [www.lppm.com](http://www.lppm.com).

## SAXONIA Edelmetalle GmbH's Responsibilities

The legal representatives of SAXONIA Edelmetalle GmbH are responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the LPPM Responsible Platinum/Palladium Guidance. This responsibility includes establishing appropriate risk management procedures and internal controls relevant to the preparation of the Refiner's Compliance Report that is free from material misstatements, whether due to fraud or error. The criteria identified by the senior management as relevant for demonstrating compliance with the Guidance are the activities described within the Refiner's Compliance Report.

## Our responsibilities

It is our responsibility to express a conclusion on the Refiner's Compliance Report for the year ended 31 December 2024 based on our work performed within a limited assurance engagement.

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 (revised) – "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (IAASB) and the guidance set out in the LPPM Responsible Sourcing Programme – Third Party Audit Guidance for ISAE 3000 Auditors. ISAE 3000 requires that we have to plan and perform the assurance engagement in such a way that we obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Refiner's Compliance Report has not been prepared, in all material respects, in accordance with the LPPM Responsible Platinum/Palladium Guidance. We do not, however, issue a separate conclusion for each disclosure. As the assurance procedures performed in a limited assurance engagement are less comprehensive than in a reasonable assurance engagement, the level of assurance obtained is substantially lower. The choice of assurance procedures is subject to the auditor's own judgement.

Within the scope of our engagement we performed, amongst others, the following procedures:

- Inquiries of management to gain an understanding of SAXONIA Edelmetalle GmbH's policies and procedures for risk management;
- Interviews with senior management and relevant staff responsible for the preparation of the Refiner's Compliance Report;
- Interviews with relevant staff responsible for providing the information in the Refiner's Compliance Report;
- Visit to the site operating in Halsbrücke (Germany);
- Assessing the suitability of the Reporting Criteria including the appropriateness of relevant methods, policies, procedures, and internal controls that the refiner has in place with the LPPM Responsible Sourcing Guidance;
- Reviewing a selection of platinum/palladium supplying counterparty due diligence dossiers and transactions;
- Reviewing the overall presentation of the Refiner's Compliance Report to ensure consistency with our findings.

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

### **Emphasis of matter**

Without modifying our conclusion, we draw attention to Step 4: "Obtain independent third-party assurance on the supply chain due diligence" in the accompanying Refiner's Compliance Report. In the Comments and Demonstration of Compliance is described that "The on-site audit took place in February 2025. During the audit a Medium-Risk Non-Conformance has been identified caused by incomplete documentation of due diligence measures with a single counterparty identified as high risk. Internal instructions for the correct implementation of documentation have been updated and clarified, and the affected employees have been trained. These corrective actions were implemented immediately after the findings were discovered and are effective. Compliance with the LPPM RPPG is thus ensured. The next on-site audit is scheduled for February 2026".

### **Ensuring the independence and quality of the auditor**

Our firm applies the IDW Standard on Quality Management: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)), issued by the Institute of Public Auditors in Germany. This standard] requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Our conclusion**

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Refiner's Compliance Report of SAXONIA Edelmetalle GmbH for the period from 1 January to 31 December 2024 has not been prepared, in all material respects, in accordance with the requirements of the LPPM Responsible Platinum/Palladium Guidance.

## **Restriction on use/limited liability**

This assurance report is addressed solely to SAXONIA Edelmetalle GmbH, in accordance with the terms of our engagement contract. Those terms permit disclosure to other parties solely for the purpose of SAXONIA Edelmetalle GmbH showing that it has obtained an independent assurance report in connection with SAXONIA Edelmetalle GmbH's Refiner's Compliance Report. Accordingly, our report shall not be used by any other person or for any other purpose. We have provided the services described above on behalf of SAXONIA Edelmetalle GmbH. We have carried out our engagement on the basis of the General Engagement Terms included in our engagement letter dated 16 January 2023. By taking note of and using the information as contained in our assurance report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms in the engagement agreement (including the limitation of our liability for negligence to EUR 1 million) and acknowledges their validity in relation to us.

Cologne, 31 March 2025

KPMG Cert GmbH  
Umweltgutachterorganisation

-signed-

Krause  
Managing Director

-signed-

ppa. Reith  
Senior Manager

## **Appendix**

Refiner's Compliance Report



# **Appendix**

## **Refiner's Compliance Report**



## REFINER'S PLATINUM AND PALLADIUM COMPLIANCE REPORT 2024

The LPPM has developed the Responsible Sourcing Programme and the Responsible Platinum/Palladium Guidance (RPPG) for Good Delivery Refiners such as SAXONIA Edelmetalle GmbH. The RPPG requires Good Delivery Refiners to adopt high standards of due diligence to help identify and prevent money laundering, systematic or widespread abuses of human rights, terrorist financing and contribution of conflicts in the refiner's supply chain.

This report demonstrates how SAXONIA Edelmetalle GmbH complies with the requirements of the LPPM Responsible Platinum/Palladium Guidance (Version 4 – November 2022).

### Refiner's details

Refiner's name	SAXONIA Edelmetalle GmbH	
Location	Erzstrasse 9, 09633 Halsbrücke, Germany	
Reporting year	01.01.2024 – 31.12.2024	
Senior Management responsible for this report	Dirk Hadlich Managing Director	Mirko Niepel Managing Director

SAXONIA Edelmetalle GmbH (in the following referred to as "SAXONIA") is continuing the tradition of mining and processing precious metals which has existed in the region of Freiberg since the beginning of the 17th century. Today, the company is a recognised partner for industrial users of precious metal refining and manufacturing.

As one of the oldest refineries in Germany SAXONIA is focused on the recycling of precious metals and their re-use or further processing.

### Step 1: Establish strong company management systems

#### Declaration of compliance with Guidance:

We have fully complied with step 1: Establish a strong management system.

#### **1. Adopt a company policy regarding due diligence for supply chains of platinum/palladium.**

#### Declaration of compliance with Guidance:

SAXONIA has adopted a policy regarding due diligence for supply chains of precious metals.

#### Comments and Demonstration of Compliance:

We established a platinum/palladium supply chain policy, which is consistent with the model set out in the Annex II of the OECD Due Diligence Guidance. The policy is our commitment to implement the relevant regulatory, ethical, environmental, social and governance requirements defined in the German Money Laundering Law, the OECD Guideline as well as the LPPM Responsible Platinum/Palladium Guidelines.

The policy is annually reviewed and the current version from June 2024 is signed by Senior Management.

The Supply Chain Due Diligence Policy is published (in German and English) on the company website at <https://saxonia-holding.de/compliance/> communicated to all relevant business partners and employees.

## **2. Set up an internal management structure to support supply chain due diligence.**

### Declaration of compliance with Guidance:

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

### Comments and Demonstration of Compliance:

An internal management system was developed and implemented to meet the requirements to support supply chain due diligence at SAXONIA. The management system includes guidelines, processes and standardised forms for risk identification, client acceptance, monitoring of suppliers and checking of incoming materials.

Customer management and transactional risk management is under responsibility of the SAXONIA Edelmetalle local team. The group compliance team performs the risk assessment process based on customer documents and internal and external risk assessment tools. For the approval of customers the local management and group management are required based on the risk level of the customers.

The Group Compliance Officer supervises the supply chain due diligence and KYC process within the SAXONIA group and reports directly to the group managing director of SAXONIA Holding GmbH. The Group Compliance Officer with previous experience from management system administration and KYC assessment holds the position since December 2023.

### Training:

The Group Compliance Officer provides every two years training regarding KYC, responsible sourcing of precious metals and whistleblowing to staff members who are involved in supply chain matters. The Group Compliance Officer has developed a training program to track the trainings and has identified job positions involved directly with the supply chain and where risks could be identified reasonably.

23 employees in all relevant positions (e.g. material acceptance area, sales, metal management) received specific training related to their tasks.

Payments are exclusively conducted via official banking channels.

SAXONIA does not consent to cash transactions.

SAXONIA fully and transparently cooperates with government authorities. In 2024 no anti-money laundering (AML) relevant transactions had to be reported.

All customer documents are retained in compliance to relevant laws for at least 5 years following the end of the reporting year.

Quarterly internal compliance audits monitor deviations and violations of the internal due diligence process. No material violations were reported.

## **3. Establish a strong internal system of due diligence, controls and transparency over Platinum/Palladium supply chains, including traceability and identification of other supply chain actors.**

### Declaration of compliance with Guidance:

SAXONIA 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.

### Comments and Demonstration of Compliance:

#### Supply chain traceability:

SAXONIA has a precious metal acceptance process. Materials bearing precious metals delivered for refining, can only be accepted if a completed form is provided. The form is filled in by the supplier. It

requires the supplier to include the supplier's name, date of delivery, weight of material delivered, the type of material, the (expected) material composition and the material's origin. The information provided is reviewed for consistency. In the following a unique reference number is given to the specific lot and the information is entered in the ERP system. Finally, the supplier receives a confirmation of receipt showing the unique reference number for the specific lot. This number is used for any further communication regarding the lot.

Confidential whistleblowing and grievance mechanism:

SAXONIA group has established a whistleblowing contact desk available for any employee or external stakeholder accompanied with a policy providing confidential treatment and adequate protective measures. The SAXONIA Group Supply Chain Policy names a functional email address ([compliance@saxonia.de](mailto:compliance@saxonia.de)) and the phone number of the Group Compliance Officer for internal and external stakeholders to get in contact for any reason related to supply chain due diligence. We also highlighted the Whistleblowing Hotline with a separate document at our website <https://saxonia-holding.de/compliance/> to encourage all stakeholders to support us in endeavours by disclosing any relevant information. During the annual trainings, employees are encouraged and trained to participate in the risk identification and management systems as well as communicating potential and actual risks internally to the Group Compliance Officer.

In 2024 no grievances were received.

#### **4. Strengthen company engagement with Platinum/Palladium supplying counterparties and, where possible, assist Platinum/Palladium supplying counterparties in building due diligence capabilities.**

Declaration of compliance with Guidance:

SAXONIA has strengthened company engagement with platinum/ palladium supplying counterparties, and where possible, assisted supplying counterparties in building due diligence capabilities.

Comments and Demonstration of Compliance:

To strengthen company engagement with precious metal supplying counterparties, SAXONIA requests that these suppliers commit in writing the understanding and adhering to the SAXONIA Group Supply Chain Policy. All new suppliers are provided with Supply Chain Policy together with the KYC forms prior to the beginning of the business relationship. New customers confirm the acceptance and adherence to the Supply Chain Policy by signing the KYC forms legally binding. For delivery of material customers must fill in a form and confirm the acceptance and adherence of the Supply Chain Policy for this delivery by signing it. The form is available on SAXONIA homepage <https://saxonia-holding.de/compliance/>.

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

Declaration of compliance with Guidance:

We have fully complied with step 2: Identify and assess supply chain risks

### **1. Identify risks in the Platinum/Palladium supply chain**

Declaration of compliance with Guidance:

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

Comments and Demonstration of Compliance:

Recycled precious metals material and precious metal by-products from mining operations based in Europe are our key business. SAXONIA identifies risks in the supply chain during client on-boarding and during the monitoring of suppliers and material.

1. SAXONIA identifies and assesses precious metals supplier's risk during the collection of KYC information and client onboarding process. The criteria applied within the scope of the country

risk assessment are based on the risks defined in the RPPG Step 2 Section 1. The minimum information required for completing supplier due diligence is defined in the RPPG Step 2 Section 2. as well as the German Money Laundering Law. During the client onboarding process, precious metal suppliers are subject to a risk assessment and rated according to their risk profile (high, medium, low).

2. SAXONIA monitors incoming transactions as well as the precious metals suppliers. SAXONIA uses a specific form as explained in Step 1.3. for the delivery of material containing precious metals. Red flags resulting in re-assessments of the supplier's risk profile may be identified by, for example:
  - material delivered does not correspond to supplier's business,
  - information collected from supplier visits or
  - due to information retrieved from compliance tool (external database monitoring suppliers and informing SAXONIA about changes).

## **2. Assess risks of their supply chain due diligence system**

### Declaration of compliance with Guidance:

SAXONIA assesses risks of our supply chain due diligence systems.

### Comments and Demonstration of Compliance:

Before entering the business relationship with SAXONIA new suppliers are risk evaluated and classified based on the evaluated risk. Criteria to identify high-risk suppliers are established.

The onboarding process focuses on collecting KYC information and considering the associated risks. SAXONIA's KYC process consists of obtaining and verifying:

- the nature of supplier's business,
- the identification of the beneficial owner,
- information on the purpose and intention of the business relationship,
- financial details and
- the material's country of origin and transit countries.

SAXONIA group has a dedicated client onboarding function (COF) at SAXONIA Holding GmbH. COF is responsible for obtaining and verifying KYC information given by suppliers and providing an initial risk rating. All new suppliers' KYC dossiers are completed prior to the beginning of the business relationship. For existing suppliers, a risk-based approach based on country of incorporation has been developed to complete the KYC dossiers.

SAXONIA is monitoring transactions by applying a risk-based approach. Considering this, the following information is obtained and documented for each lot of recycled platinum/palladium received:

- estimated weight (from counterparty),
- shipping/ transportation documents (waybill/ airway bill, pro-forma invoice, if applicable),
- export and import form for high-risk transaction, if applicable.

In this context SAXONIA verifies that the documents and materials are consistent with each other and with its knowledge of the supply chain based on the due diligence performed. Same applies to the verification that the shipment received is in conformance with the shipping/ transportation documents. For any transactions which are not consistent or are in any way suspicious the background is examined and findings are reported in writing to the Group Compliance Officer.

In this case the platinum/palladium is physically segregated and secured until the inconsistencies are resolved. If applicable the findings are reported to the appropriate authorities.

SAXONIA does not accept lots of mined platinum/palladium.

## **3. High-risk supply chains**

### Declaration of compliance with Guidance:

Identified high-risk supply chains need approval from the Senior Management, which also decides and approves appropriate enhanced due diligence (EDD) measures.

Comments and Demonstration of Compliance:

Senior Management has ultimate control and responsibility for the precious metal supply chain. The Managing Director, COF and the Key-account Manager approve new precious metal suppliers. High-risk precious metal suppliers require appropriate EDD and additional approval of SAXONIA Group Managing Director. High risk customers are reviewed and approved by the Managing Director on entity and group level as well as the Group Compliance Officer on a yearly basis.

In 2024 SAXONIA Edelmetalle did source 13,4% of the recycled PGM from 6 customer, based in Germany, European Union and United States, that have been classified as high risk. All those customers provide material that is classified as recycling material and are operating in countries not categorized as high risk. They disclosed supply chains that include countries with high ESG risk exposure according to SAXONIA's country risk list, therefore these customers are covered by EDD measures

Based on the assessed risk exposure SAXONIA did in 2024 4 on-site visit and other types of meetings as EDD measures with its high risk customers in addition to the annual review and approval process. The visits and meetings were performed by the responsible sales managers which underwent regular due diligence process training. As a result of the EDD SAXONIA gained sufficient confirmation from its suppliers that the supply chain ESG risks are well managed by appropriate due diligence processes.

#### **4. Monitoring of transactions**

Declaration of compliance with Guidance:

All transactions are monitored with appropriate documentation.

Comments and Demonstration of Compliance:

SAXONIA monitors incoming transactions as explained in Step 1.3. for the delivery of material containing precious metals.

#### **5. Continuously monitoring of risk management**

Declaration of compliance with Guidance:

SAXONIA continuously monitors its risk management.

Comments and Demonstration of Compliance:

Regularly internal compliance audits are monitoring the effectiveness of the SAXONIA risk management system.

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

Declaration of compliance with Guidance:

We have fully complied with Step 3: Design and implement a management system to respond to identified risks.

#### **1. Report findings to designated Senior Management**

Declaration of compliance with Guidance:

Findings are reported to the designated Senior Management.

#### Comments and Demonstration of Compliance:

SAXONIA recognizes that supply chain risk may be identified by various departments, including compliance, material acceptance area, sales or metal management. Therefore, trainings have been provided to support risk identification and communication. Internal procedures require employees that have identified a risk to report directly to the Group Compliance Officer and Senior Management.

### **2. Devise 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**

#### Declaration of compliance with Guidance:

SAXONIA has adopted the following risk management strategies (i) mitigation of the risk while continuing to trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk.

#### Comments and Demonstration of Compliance:

Identified risks are investigated by the Compliance Department. The results of the assessment are reported to Senior Management. Senior Management supported by the Group Compliance Officer decides on a case-by-case basis which strategy for risk management will be implemented.

### **3. Monitor the improvement plan when a strategy of risk mitigation is undertaken**

#### Declaration of compliance with Guidance:

SAXONIA maintains a strategy of risk mitigation, monitoring of performance, periodic reassessment of risk and reporting to Senior Management.

#### Comments and Demonstration of Compliance:

Depending on the risk mitigation strategy implemented and the risk identified, specific measures are defined by Senior Management and the Group Compliance Officer. The compliance department monitors the effectiveness of the measures taken and reports the status and effectiveness to the Group Compliance Officer and Senior Management.

In 2024 SAXONIA had no counterparties that required risk mitigation measures. No improvement measures from previous years were pending.

### **4. Report findings to the Senior Management**

#### Declaration of compliance with Guidance:

SAXONIA Holding Senior Management retains the ultimate control and accountability for the PGM supply chain.

#### Comments and Demonstration of Compliance:

Risk assessment and risk relevant documentation of all contributors to the SAXONIA PGM supply chain is centralised in the SAXONIA Holding and under direct control of the SAXONIA Holding Senior Management.

### **5. Continuously monitor adequacy of risk management strategies**

#### Declaration of compliance with Guidance:

SAXONIA continuously monitors adequacy of risk management strategies.

#### Comments and Demonstration of Compliance:

SAXONIA reviews and, if needed, adjusts at least annually all essential elements of the risk management system.

#### **Step 4: Obtain independent third-party assurance on the supply chain due diligence.**

Declaration of compliance with Guidance:

We have fully complied with Step 4: Obtain independent third-party assurance on the supply chain due diligence.

Comments and Demonstration of Compliance:

SAXONIA engaged the service of LBMA and LPPM approved assurance provider KPMG Cert GmbH Umweltgutachterorganisation to perform a multi-metal audit covering silver, platinum and palladium for 2024.

The on-site audit took place in February 2025. During the audit a Medium-Risk Non-Conformance has been identified caused by incomplete documentation of due diligence measures with a single counterparty identified as high risk. Internal instructions for the correct implementation of documentation have been updated and clarified, and the affected employees have been trained. These corrective actions were implemented immediately after the findings were discovered and are effective. Compliance with the LPPM RPPG is thus ensured.

The next on-site audit is scheduled for February 2026.

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

Declaration of compliance with Guidance:

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

Comments and Demonstration of Compliance:

The Supply Chain Due Diligence Policy is available on our company website. The SAXONIA LPPM Refiner's Compliance Report for reporting year is available on our company website ([www.saxonia.de](http://www.saxonia.de)) as well as on the LPPM Good Delivery List for Platinum Refiners <https://www.lppm.com/platinum-list/> and for Palladium Refiners <https://www.lppm.com/palladium-list/>.

#### **Management conclusion**

SAXONIA has implemented effective management systems, procedures, processes and practices to comply with the requirements of the LPPM Responsible Platinum/Palladium Guidance, as explained in Step 1, for the reporting year ended 31 December 2024.

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

If users of this report like to provide any feedback to SAXONIA with respect to this report, they may contact group compliance at [compliance@saxonia.de](mailto:compliance@saxonia.de).

Halsbrücke, 28.03.2025



Dirk Hadlich  
Managing Director  
SAXONIA Edelmetalle GmbH



Stefan Eitze  
Group Compliance Officer  
SAXONIA Holding GmbH