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# ***Independent Practitioner's Reasonable Assurance Report***

Heraeus Deutschland GmbH & Co. KG  
Hanau

Reasonable assurance engagement on the LPPM Refiner's  
Compliance Report of Ravindra Heraeus Pvt. Ltd., Udaipur (India)  
for the period 1 April 2021 to 31 March 2022

Engagement: DEE00093098.1.1



**Independent Practitioner's Reasonable Assurance Report**

To Heraeus Deutschland GmbH & Co. KG, Hanau

We have been engaged to perform a reasonable assurance engagement on the accompanying Refiner's Compliance Report prepared by Heraeus Deutschland GmbH & Co. KG, Hanau (Germany), ("Heraeus Deutschland") for the business group Ravindra Heraeus Pvt. Ltd., Udaipur (India), (the "Refiner") as defined in the Compliance Report for the period 1 April 2021 to 31 March 2022 (the "Refiner's Compliance Report").

**Management's Responsibility for the Refiner's Compliance Report**

The Management of Heraeus Deutschland is responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the LPPM Responsible Platinum/Palladium Guidance (version 4) as of November 2022 (the "Guidance").

This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by management as relevant for demonstrating compliance with the Guidance are the activities described in the Refiner's Compliance Report. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant to the proper preparation and presentation of the Refiner's Compliance Report, which is free of material misstatements due to intentional or unintentional errors.

**Audit Firm's Independence and Quality Control**

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

The audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Practitioner's Responsibility**

Our responsibility is to express a conclusion on the Refiner's Compliance Report based on our work performed. Within the scope of our engagement, we did not perform an audit on external sources of information or expert opinions, referred to in the Refiner's Compliance Report.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by IAASB and the supplementary guidance set out in the LPPM Responsible Sourcing Programme – Third Party Audit Guidance (version 4) as of November 2022. This Audit Guidance requires that we plan and perform the assurance engagement to obtain reasonable assurance whether the Refiner's Compliance Report, prepared by Heraeus Deutschland for the business group Ravindra Heraeus Pvt. Ltd., Udaipur (India) for the period 1 April 2021 to 31 March 2022, in all material aspects, describes fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein is in accordance with the requirements of the Guidance.

The procedures selected depend on the practitioner's judgement. This includes the assessment of the risks of material misstatements of the Refiner's Compliance Report with regard to the Guidance. Within the scope of our work we performed amongst others the following procedures:

- Interviews with the compliance officers in charge of the preparation of the Refiner's Compliance Report;
- Interviews with management and employees of departments in charge of recycling, purchasing, material management and trading;
- Inspection of relevant corporate guidelines and documents describing the management systems, due diligence and risk management approach towards a responsible supply chain;
- Inspection of documents managed in underlying due diligence IT system (Know Your Customer - KYC);
- Review of documentation of requirements on the group-wide processes for collecting, analyzing and aggregating data on the supply chain of platinum and palladium;
- Performance of a virtual site visit at the Refiner's location in Ravindra (India), as part of the inspection of relevant systems, processes and controls; including virtual process walkthroughs from supplier selection to materials receipt and lot processing as well as a virtual tour of the production site;
- Evaluation of the consistency of the statements provided in the Refiner's Compliance Report with the findings obtained during our engagement.

#### **Inherent limitations**

Non-financial information, such as that included in the Refiner's Compliance Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The methods used by the Refiner to comply with the Guidance may differ. It is important to read the Refiner's conflict minerals supply chain policy available in the download section on Refiner's website:

<http://herae.us/conflictminerals>

## Conclusion

In our opinion, the Refiner's Compliance Report, prepared by Heraeus Deutschland GmbH & Co. KG, Hanau (Germany), for the business group Ravindra Heraeus Pvt. Ltd., Udaipur (India) for the period 1 April 2021 to 31 March 2022, in all material aspects, describes fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein is in accordance with the Guidance.

## Restriction on Use and Distribution

We issue this report on the basis of the engagement agreed with Heraeus Deutschland. The audit has been performed for purposes of Heraeus Deutschland and is solely intended to inform Heraeus Deutschland about the results of the audit. The report is not intended for any third parties to base any (financial) decision thereon. We do not assume any responsibility towards third parties.

We refer to the fact that the Refiner's Compliance Report subject to our assurance engagement comprises the Annex list "Country of origin for Palladium and Platinum (recycled)" and the treatment of the Refiner. According to the LPPM Responsible Platinum/Palladium Guidance (version 4) as of November 2022 (the "Guidance"), this Annex detailing the countries of origin of mined platinum and palladium has to be submitted to the LPPM Executive only and does not need to be disclosed publicly.

Munich, 8 May 2023

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft



Hendrik Fink  
Wirtschaftsprüfer  
(German Public Auditor)



Theres Schäfer  
Wirtschaftsprüferin  
(German Public Auditor)

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General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2017	

# Ravindra Heraeus LPPM Compliance Report 2021-22

Table 1: Refiner's details	
Refiner's name	Ravindra Heraeus Private Limited - RHPL
Location	A-196 (A), 'F' Road, M.I.A. Madri, Udaipur 313003, India.
Reporting year-end	Financial Year 2021-2022 – from April 1 <sup>st</sup> 2021 to March 31 <sup>st</sup> 2022
Date of Report	28 <sup>th</sup> April 2023
Senior Management at HDE responsible for this report:	Shailesh Choksi, Managing Director, RHPL. shaileshchoksi@ravindraheraeus.com
<p>Ravindra Heraeus Pvt. Ltd. (RHPL), established in 1994 is a joint venture partner of the globally leading technology group of Heraeus, headquartered in Hanau, Germany. Being part of the Heraeus group, RHPL combines businesses in the environmental, energy, electronics, health, mobility and industrial applications sectors.</p> <p>RHPL is one of the top family-owned companies in India and holds a leading position in India in the precious metal industry. Turnover in the fiscal year 2021/2022: Rs. 15.0287 billion. More at: <a href="http://www.ravindraheraeus.com">www.ravindraheraeus.com</a></p> <p>Heraeus Group, RHPL being part of the group, operates currently 5 Good Delivery refiners under the LPPM scheme in the following countries: Germany, HongKong, USA, South Africa and Switzerland. RHPL will be the sixth one located in India for LPPM Sponge Accreditation of Platinum and Palladium.</p>	

## RHPL evaluation

Table 2: Summary of activities undertaken to demonstrate compliance	
<b>Step 1: Establish strong company management systems</b>	
<b>Compliance Statement with Requirement:</b> We have fully complied with Step 1: Establish strong management systems.	
<b>1. Has the refiner adopted a company policy regarding due diligence for supply chains of Platinum and Palladium?</b>	
<p>RHPL has a well-established company-wide policy regarding due diligence for the supply chain of Platinum, Palladium and Rhodium.</p> <p>Being a secondary extractor and refiner of precious metals from out of spent material received from various industries viz. Oil Refineries, Pharmaceutical companies, Ammonia Oxidation plants, Auto Catalyst Manufacturers, Collectors, etc. which are mostly large enterprises, before entering into an agreement with them RHPL ensures that the source of the material is transparently available. We process only secondary material – and with one exception only from within India. We use Internet search and commercial databases to verify the nature of our customers' business, including on-site visits, especially for smaller customers (proprietorship) Written confirmation from them is required to confirm adherence to our "Code of Conduct and material questionnaire for precious metals suppliers"</p>	
<b>Comments and Demonstration of Compliance:</b>	
<p>The process having already started, our supply chain policy for Precious Metals is based on our Code of Conduct and an integral part of our responsibility-conscious management structure.</p> <p>RHPL operates in accordance with LPPM's "Responsible Platinum/Palladium Guidance" V-4, November 2022 and the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" – Third edition 2016.</p> <p>Our supply chain policy is regularly reviewed and updated at least in 2-year intervals and updated in-between as deemed necessary. Last updated was 2Q2021 - document "4.03.06-Form V14, dated 27.05.2021" as issued by Heraeus HQ.</p> <p>The latest version of Supply policy issued by Heraeus HQ, updated in April 2021, can be found on the website in the download section: <a href="http://www.herae.us/conflictminerals">www.herae.us/conflictminerals</a>.</p> <p>With this comprehensive policy, RHPL 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.</p>	

# Ravindra Heraeus LPPM Compliance Report 2021-22

<p><b>2. Has the refiner set up an internal management structure to support supply chain due diligence?</b></p>
<p>RHPL has set up an internal management structure to support supply chain due diligence.</p>
<p><b>Comments and Demonstration of Compliance:</b>  An internal management system has been set up to define the governance, roles and responsibilities and communication as per the adopted policy. The assigned compliance officer designs and supervises the overall process. He is supported by officers, who are responsible for implementing and enforcing these policies within our organization and further fine tuning the process with corresponding operating procedures. He also performs the day-to-day KYC checks. The Compliance Officer is assigned with the right competence and knowledge to manage the entire process and has a direct reporting line to the executive committee.</p>
<p><b>3. Has the refiner established a strong internal system of due diligence, control and transparency over the supply chains of Palladium and Platinum, including traceability and identification of other supply chain actors?</b></p>
<p><b>Comments and Demonstration of Compliance:</b>  <u>Refiner units:</u>  We have a robust 'lot' receipts process and specific documents (like lot#, number and type of packages, type of material, gross/net weight announced) must be received, and transactional details like customer ID, date of receipt, actual gross/net weight entered before we process any precious metal-bearing (Platinum, Palladium and Rhodium) materials. Each lot received is accurately and individually registered in our transactional system and ensures complete traceability within our production streams. We carry out specific controls regarding received materials before processing incoming material as outlined in our internal guidelines. This includes check of material description vs actual appearance, number of lots and packages announced vs received, weight announced vs recorded etc.  Through regular training of our employees, we ensure that our guidelines are followed through; any form of non-conformance is unacceptable and must be reported to the compliance officer and senior management.  No such escalation was necessary during the reporting period 2021/2022.</p>
<p><b>4. Has the refiner strengthened company engagement with Platinum and Palladium supplying counterparties, and where possible, assist Palladium and Platinum supplying counterparties in building due diligence capabilities?</b></p>
<p><b>Comments and Demonstration of Compliance:</b>  Any new suppliers must sign our "CODE OF CONDUCT MATERIAL QUESTIONNAIRE FOR PM SUPPLIERS OF RHPL" before we are entering into a new business relationship.  We are reviewing the due diligence checks for all our suppliers using the Heraeus company-wide Know-Your- Customer tool. Our global compliance team at the Heraeus HQ is rating the customers based on the provided information by RHPL and performs necessary background checks using internet searches and commercial databases like DOW-Jones, ORBIS or similar.  In the reporting year, we continued to be actively engaged with large business organizations both in the public sector and Private sector viz. BHARAT PETROLEUM CORPORATION LIMITED and SANMAR SPECIALITY CHEMICALS respectively  RHPL does not deal with mining companies or process any mining materials which are generally perceived to be from high-risk areas.</p>
<p><b>5. Has the refiner established a company-wide communication mechanism to promote broad based employee participation and risk identification to management?</b></p>
<p><b>Comments and Demonstration of Compliance:</b>  Yes, besides the possibility to raise compliance violations through internal channels, RHPL is also offering employees and business partners the opportunity to voice concerns over any compliance violations anonymously. All reports can be made via phone, e-mail or post to Compliance Officer, Mrs. Bhanupriya Mehta Jain at <a href="mailto:bhanupriya@ravindraheraeus.com">bhanupriya@ravindraheraeus.com</a>  However, no concerns were raised in the reporting year 2021/2022.</p>
<p><b>Step 2: Identify and assess risks in the supply chain</b></p>
<p><b>Compliance Statement with Requirement:</b>  We have complied with Step 2: Identify and assess risks in the supply chain.</p>



# Ravindra Heraeus LPPM Compliance Report 2021-22

## 2.1. Does the refiner have a process to identify risks in the supply chain?

RHPL has processes in place to identify the risks in the supply chain.

### Comments and Demonstration of Compliance:

RHPL has put into practice a internal compliance systems and processes. The compliance team at Heraeus Headquarter assigns a risk rating based on the information provided by customer and the performed desk searches.

RHPL has set up the following steps to implement the systems:

- KYC compliance.
- Prepare and execute contracts.
- Payments channelized only through authorized banking systems.
- No cash transactions
- Check against sanctioned party lists (UM, EU, US and CH)
- Indication for worst form of child-labor
- Check databases if customers and it's management are mentioned on commercial databases for involvement in fraud, money laundering, terrorist financing or any other illegal activities as described by LPPM's guidance incorporated into our sourcing policy
- Receipts of each consignment is mandatorily accompanied with necessary documents.

We did not source from Conflict-affected High-risk areas and with one exception only sourced from within India. Based on our above-mentioned risk assessment we did rate all our customers as low risk or medium risk.

As stated earlier, we continue to be actively engaged in various business organizations both in the public sector and Private sector.

RHPL does not deal with mining companies which are generally perceived to be from high-risk areas. Since each lot is separately analyzed we also verify the material received against any typical mining impurities. No such impurities could be detected within the reporting period.

## 2.2. Does the refiner assess risks in light of the standards of their due diligence system?

RHPL assesses the risk in light of the standards of our due diligence system

### Comments and Demonstration of Compliance:

Refiners' units:

RHPL conducts due diligence required by the LPPM before entering into a business relationship with any Platinum, Palladium as well as Rhodium supplying counterpart. In addition, we conduct appropriate scrutiny and monitoring of transactions undertaken.

As stated earlier, we continue to be actively engaged in various large business organizations which are very large business organizations both in the public sector and Private sector.

RHPL does not deal with mining companies which are generally perceived to be from high-risk areas.

We would suspend our business relationship with existing partners or refuse to open a relationship with new partners in case of lack of satisfaction, especially if the material description does not match with the material received, analytical results show unexpected impurities and there is an indication of misrepresenting the true origin of the material or there are clear signs of violation of our supply chain policy (like child labor, terrorist financing, signs of money laundering or indication of gross human rights abuses. But no such risk was identified during the reporting period.

## 2.3. Does the refiner report risk assessment to the designated manager?

### Comments and Demonstration of Compliance:

The compliance officers and their teams assess the potential risks in-line with RHPL's internal guidelines, and the Compliance Officer has adequate delegation to deny acceptance of new business partner or cancel business with existing partners. The compliance officer has a right of veto for critical business transaction, and we have a clearly defined escalation mechanism for such cases as described in our sourcing policy.

However, no concerns were raised in the reporting year 2021/2022.

# Ravindra Heraeus LPPM Compliance Report 2021-22

<b>Step 3: Design and implement a management system to respond to identified risks</b>	
<b>Compliance Statement with Requirement:</b> We have fully complied with Step 3: Design and implement a management system to respond to identified risks.	
<b>3.1. Has the refiner devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade; (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk</b>	
RHPL has devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade; (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk. The Board of Directors discuss business risks, and a policy decision is adopted to take appropriate action by the managers.	
<b>Comments and Demonstration of Compliance:</b> RHPL is integrated into the Heraeus-wide KYC tool for automated and risk-based ongoing screening of all business partners for identifying risks in the supply chain.	
<b>3.2. Where a management strategy of risk mitigation is undertaken, it should include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk, and regular reporting to designated senior management.</b>	
<b>Comments and Demonstration of Compliance:</b> Corresponding procedures are in place and are applied accordingly. Our risk assessment enables us to take action wherever necessary. This includes mitigating identified risk by verifying additional documents and going as far as disengaging with suppliers if deemed necessary. Especially if there are any suspicion of disguising the true origin of material or any other topics not in line with our sourcing policy. However, no concerns were raised in the reporting year 2021/2022.	
<b>Step 4: Arrange for an independent third-party audit of the supply chain due diligence</b>	
<b>Compliance Statement with Requirement:</b> We have fully complied with Step 4: Arrange for an independent third-party audit of the supply chain due diligence.	
<b>Comments and Demonstration of Compliance:</b> For the reporting period 2021/2022 we engaged PricewaterhouseCoopers GmbH as our assurance provider for the audit.	
<b>Step 5: Report on supply chain due diligence</b>	
<b>Compliance Statement with Requirement:</b> We have fully complied with Step 5: Report on supply chain due diligence.	
<b>Comments</b> RHPL's Supply Chain Policy sets out the principles and procedures to align the specific requirements of LPPM. That is available on our website – <a href="http://www.ravindraheraeus.com/images/cmp.pdf">http://www.ravindraheraeus.com/images/cmp.pdf</a>	

## RHPL overall conclusion

<b>Table 3: Management conclusion</b>	
<b>Is the refiner in compliance with the requirements of the LPPM Responsible Platinum/Palladium Guidance and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas for the reporting period?</b>	
YES	In conclusion, RHPL's implemented management systems, procedures, processes and practices conform to the requirements of the LPPM "Responsible Platinum/Palladium Guidance" V-4, November 2022 - as explained above in Table 2, for the reporting year ending 31 March 2022. RHPL is committed to continuous improvement and that is monitored internally on a regular basis. Any potentially identified corrective action would be implemented

# Ravindra Heraeus LPPM Compliance Report 2021-22

	<p>immediately.</p> <p>Being a secondary extractor and refiner of precious metals from out of spent material received from various industries viz. Oil Refineries, Pharmaceutical companies, Ammonia Oxidation plants, Auto Catalyst Manufacturers, etc. which are all large enterprises, RHPL makes sure before entering into an agreement with them that the source of the material is transparently available.</p>
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## Other details

Table 4: Other report comments
<p>If readers of this report wish to provide any feedback to RHPL please contact RHPL at: <a href="mailto:shaileshchoksi@ravindraheraeus.com">shaileshchoksi@ravindraheraeus.com</a></p>

For RAVINDRA HERAEUS PVT. LTD.

  
**Shailesh Choksi**  
**Managing Director**

Udaipur, 28<sup>th</sup> April 2023

Shailesh Ravindra Choksi

### Note:

Annex on Page 6 is listing the countries of origin of Palladium and Platinum (only for recycled metals, as we do not process mined material), and amount received from each country, for the assessment period as requested by the LPPM Responsible "Responsible Platinum/Palladium Guidance" V-4, November 2022.

This information is only communicated to LPPM and will not be disclosed to the public.