

Table 1: Refiner’s details

Name:	K.A. Rasmussen AS
Location:	Birkebeinervegen 24, NO-2316 HAMAR, Norway
Reporting year-end:	31/12/2023
Date of Report:	21/03/2024
Senior management responsible for this Report	Torodd Rande, CEO Sturla Berg, Compliance Officer
<p>K.A. Rasmussen AS (“KAR”) is the leading refiner and supplier of precious metals and related products and services in the Nordic region. We are an international company, with subsidiaries and sales offices in five countries.</p> <p>We operate worldwide and have a factory for refining and production, as well as our head office, in Hamar, Norway.</p>	

Table 2: Summary of activities undertaken during the period to demonstrate compliance

1. ESTABLISH STRONG COMPANY MANAGEMENT SYSTEMS

Compliance Statement with Requirement:

KAR has partially complied with Step 1: Establish strong company management systems.

1.1. Has the Refiner adopted a company policy regarding Due Diligence for supply chains of Precious Metals (Platinum/Palladium)?

KAR’s company management systems regarding Due Diligence for supply chains of precious metals are described in our “Responsible metals trading policy”, our “Corporate Social Responsibility Policy” and our “Guidelines on responsible metals trading”. Cumulatively, these are consistent with the policy set out in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We also have a general Code of Ethics which applies to all our business activities.

Our policy and guidelines on responsible metals trading are reviewed annually by senior management and the Board of Directors, and updated when required. All relevant employees receive training on applicable procedures.

1.2. Has the Refiner set up an internal management structure to support supply chain Due Diligence?

The Board monitors and has overall responsibility for the policy and guidelines on responsible metals trading. A Compliance Officer with relevant knowledge, experience and organisational authority has been appointed. KAR has defined the responsibilities of managers working on customer due diligence. The organisational structure is clearly defined. Internal audits to review the effectiveness and performance of supply chain due diligence systems are conducted at least every second year.

In 2023, we reviewed our Know Your Customer (KYC) questionnaires and implemented a new digital system for collecting all KYC documentation. We have identified some potential improvements related to information flow, and will draw up a plan to address these.

1.3. Has the Refiner established a strong internal system of Due Diligence, controls and transparency over Precious Metals (Platinum/Palladium) supply chains, including traceability and identification of other supply chain actors?

KAR has robust internal systems in place for ensuring traceability of all incoming materials. We receive Pt/Pd materials stemming from used products or Good Delivery Sponge. Approximately 90% of incoming Pt/Pd materials intended for refining stem from products manufactured by KAR (catalysts).

The traceability system records the date of arrival, customer, type of material, weight (at different process stages), assay reports and date of settlement. All data are stored for 10 years.

KAR has established an email address, compliance@karasmussen.com, which employees can use to report any concerns they may have regarding precious metals supply chains or internal procedures. This year, we published the email address on our website to allow other stakeholders to do the same. Emails sent to this address are received by our compliance officer. In 2023, no concerns were reported through this channel.

All relevant employees receive training on applicable procedures. Training is given when an employee first joins the company, and every second year thereafter. The training covers elements from policies and procedures, relevant systems, cases studies and new laws and regulations, when applicable.

Please also see step 1.2 regarding our compliance officer.

KAR does not accept cash payments, and makes and receives payments only through official banking channels, as stated in its procedures. KAR's Finnish subsidiary previously permitted small cash transactions below a certain value in compliance with Finnish law. This practice was ended in August 2023.

Our Corporate Social Responsibility Policy, which is published on our website, covers topics such as human rights, anti-bribery and corruption, environmental issues and supporting local communities. It also describes our procedures for trading with conflict-affected and high-risk areas.

1.4. Has the Refiner strengthened company engagement with precious metal supplying counterparties and, where possible, assisted platinum/palladium-supplying counterparties in building due diligence capacities?

We have a strong relationship with our main counterparty for Pt/Pd. Our KYC procedures include questions on responsibility in customer supply chains. We ask customers to sign a confirmation that i) the metals stem from legitimate sources, ii) the metals are – to the best of their knowledge – conflict-free, and iii) no human rights violations, child labour, money laundering or contributions to terrorist financing have occurred in connection with extraction/acquisition of the metals.

We publish all our policies on our website.

2. IDENTIFY AND ASSESS RISK IN THE SUPPLY CHAIN

Compliance Statement with Requirement:

KAR has partially complied with Step 2: Identify and assess risk in the supply chain.

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

All suppliers of refining services for platinum/palladium will be given a risk classification based on country of origin, the kinds of materials to be received and/or the type of customer. Please also see the description in step 2.2.

KAR has not refined mined platinum/palladium in 2023.

2.2. Does the Refiner assess risks in light of the standards of their supply chain Due Diligence system?

The KAR due diligence system adopts a risk-based approach, and its digital KYC questionnaires are designed to assess customers by risk level before KAR enters into a business relationship. For example, antique buyers are asked more questions on responsibility-related policies and procedures than local industrial customers. In addition, potential customers from high-risk areas

undergo a more extensive KYC procedure. Customers are reassessed periodically depending on their risk level. All customers are checked against PEP and sanction lists.

2.3. High Risk Supply Chains

Potential customers from high-risk areas are subject to a more extensive KYC procedure. The procedure states that – if deemed necessary – KAR reserves the right to suspend or disengage from business activity with any supplier or customer for whom KAR identifies a reasonable risk of involvement in sourcing from or links with operations which may violate the policy or KAR's policy on responsible metals trading. If deemed necessary, KAR additionally commissions a third-party assessment.

2.4. Monitoring of transactions

KAR monitors transactions with respect to weight, assay results, transport documentation and money, and evaluates such transactions by reference to what is deemed expected or normal in the specific business relationship. Transaction monitoring is done by skilled and experienced personnel.

Any deviations or suspicious transactions are reported to the Compliance Officer.

2.5. Continuous monitoring of risk management

Senior managers (always two managers jointly), review all due diligence undertaken for high-risk suppliers and customers. These managers can order a new due diligence review or reject a customer at any time.

3. DESIGN AND IMPLEMENT A MANAGEMENT STRATEGY TO RESPOND TO IDENTIFIED RISKS

Compliance Statement with Requirement:

KAR has fully complied with Step 3: Design and implement a management strategy to respond to identified risks.

3.1. Has the Refiner a system to communicate report findings to designated Senior management?

Senior management is directly involved in due diligence and the approval of high-risk customers. The procedure requires all personnel to report any changes or suspicious transactions occurring in the context of a customer relationship to the Compliance Officer.

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?

Senior management are responsible for approving or rejecting high-risk customers in accordance with KAR's procedures.

When risks are identified during evaluation of new or existing counterparties, risk-mitigation measures are initiated. If mitigation of the risks identified are considered not to be achievable or brought to a satisfactory level, the business relationship will be declined or discontinued.

Potential customers from countries defined as high-risk areas are subject to an enhanced due diligence process. Approved deliveries are monitored more closely in the case of such customers. If senior managers are uncertain in any way, the customers are rejected.

3.3. Monitor the improvement plan when a strategy of risk mitigation is undertaken

KAR has not become aware of any reasons to conduct customer audits following the implementation of KYC processes, due to low risk levels. Accordingly, no risk mitigation measures or improvement plans were considered necessary in the 2023 reporting period.

3.4. Report findings to the Board Committee

At least once a year, a report is submitted to the Board of Directors on the status of KAR's work in the area of responsible metals trading. Potential risks and/or deviations are addressed, and actions are taken.

Policies and procedures are reviewed and approved by the Board.

4. ARRANGE FOR AN INDEPENDENT THIRD-PARTY AUDIT OF THE SUPPLY CHAIN DUE DILIGENCE

Compliance Statement with Requirement:

KAR has fully complied with Step 4 (for 2023): Arrange for an independent third-party audit of the supply chain due diligence.

In 2023, KAR engaged the assurance provider KPMG to review its due diligence system.

5. REPORT ON SUPPLY CHAIN DUE DILIGENCE

Compliance Statement with Requirement:

KAR has fully complied with Step 5: Report on supply chain due diligence.

Our responsible metals trading policy and this Compliance Report are published on our website.

Table 3: Management conclusion

Is the Refiner in compliance with the requirements of the LPPM Responsible Platinum and Palladium Guidance for the reporting Period?

Yes. Overall, KAR is in compliance with the requirements of the LPPM Responsible Platinum and Palladium Guidance for the reporting period ending 31 December 2023. KAR has conducted a self-assessment of its activities and practices in accordance with the five-step framework of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as LPPM's specific recommendations for platinum group metals.

KAR has provided sufficient evidence and documentation to support its self-declaration of conformity and to demonstrate its due diligence procedures. KAR has identified and assessed the risks in its supply chain and monitored and reported on its performance. KAR has established a grievance mechanism and a whistleblowing policy to facilitate feedback and address any concerns or complaints.



Torodd Rande, CEO



Sturla Berg, Compliance Officer



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To K A Rasmussen AS

Auditor's Reasonable Assurance Report on the K A Rasmussen AS LPPM Responsible Sourcing Compliance Report 2023

We were *engaged* by senior management at K A Rasmussen AS (K A Rasmussen) to provide reasonable assurance on its LPPM Responsible Sourcing Compliance Report (Compliance Report) for the year ended on December 31, 2023. The assurance scope consists of K A Rasmussen LPPM Responsible Sourcing Compliance Report for FY 2023.

K A Rasmussen AS's responsibility for the Compliance Report

The senior management of K A Rasmussen are responsible for the preparation and presentation of the Compliance Report in accordance with the LPPM Responsible Platinum/Palladium Guidance (the "Guidance" or "RPPG"). This responsibility also includes establishing appropriate risk management and internal controls relevant to the preparation of a 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 Compliance Report.

Our Responsibility

Our responsibility is to express a conclusion on K A Rasmussen Compliance Report based on the reasonable assurance procedures we have performed. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our assurance engagement in accordance with ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information (revised)" issued by the International Auditing and Assurance Standards Board (IAASB) and the guidance set out in the LPPM Third-Party Audit Guidance for the LPPM Responsible Sourcing Programme (The Audit Guidance's). In conducting our engagement, we confirm that we meet the criteria for assurance providers as set out in the Audit Guidance to carry out the assurance engagement.

The firm applies ISQM 1 (International Standard on Quality Management) 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. We are independent of K A Rasmussen in accordance with professional ethics for accountants in Norway and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A reasonable assurance engagement involves performing procedures to obtain evidence that the information in K A Rasmussen Compliance Report is free from material misstatement. In performing a reasonable assurance engagement, we considered internal controls relevant to K A Rasmussen's preparation and presentation of Compliance Report in order to design assurance procedures that are appropriate in the circumstances. Our engagement also included assessing the suitability of the criteria used by the senior management of K A Rasmussen in preparing the Compliance Report, evaluating the appropriateness of the methods and policies used and the reasonableness of estimates made by K A Rasmussen and evaluating the overall presentation of the K A Rasmussen Compliance Report.

Offices in:

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The criteria on which our assurance is based are the relevant parts of the LPPM Responsible Platinum/Palladium Guidance. We consider these criteria suitable for the preparation of the K A Rasmussen Compliance Report.

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

Conclusion

In our opinion, K A Rasmussen's LPPM Responsible Sourcing Compliance Report for the year ended on December 31, 2023, in all material respects, 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 LPPM Responsible Platinum/Palladium Guidance.

Hamar, 21 March, 2024

KPMG AS

Thore Kleppen
State Authorized Auditor
(electronically signed)

Karin Sivertsson
LPPM Approved Auditor
(electronically signed)

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Thore Kleppen

State authorized auditor

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