

20 June 2025

Dear Customer

Duferco Steel Processing: B-BBEE Status

This letter serves as supporting information to the current Non-compliance status as indicated on our B-BEE certificate. Although DSP is currently non-compliant, we would like to explain to our customers why.

The two main areas preventing DSP from achieving good B-BBEE status are:

1. OWNERSHIP

DSP is 50% owned by DITH (international company) and IDC (SOE), scoring zero on ownership. With ownership being a priority element under the new code, DSP will be downgraded 1 level along with the zero score on this element.

DSP is looking to its shareholders to assist in this element.

2. PREFERENTIAL PROCUREMENT

Preferential Procurement forms part of the Supplier and Enterprise Development Element, which is also a priority Element under the new code.

85% Of the total procurement expenditure of DSP is for HRC purchases.

DSP had a supply agreement in place with Saldanha Steel, a mere 3km from DSP, until the facility was closed in 2020. Subsequently there is no local supply agreement in place.

DSP must import HRC, which cannot be excluded from our TMPS (Total measured Procurement Spend) under the rules of the B-BBEE code.

Under current circumstances DSP will remain non-compliant.

Customers will be kept informed of any changes pertaining to our compliance level.

Kind regards



Ilze Venter.
Cost and Compliance Manager