

LPPM Responsible Platinum / Palladium Guidance Compliance Report

The LPPM Responsible Platinum and Palladium (PGM) Guidance has been established with the objective of ensuring that Good Delivery Refiners adopt a high standard of due diligence (hereinafter “DD”) to prevent systematic or widespread abuses of human rights, avoid contributing to conflict, and comply with high standards of anti-money laundering and counter-terrorist financing.

This report provides a summary of how Onahama Smelting & Refining Co., Ltd. (hereinafter “OSR”) complies with the requirements of the LPPM Responsible Platinum and Palladium Guidance Version 4 (hereafter, “RPPG4”) for the period from April to December 2025 and the requirements of the LPPM Responsible PGM Guidance Version 5 (hereafter, “RPG5”) for the period from January to March 2026.

Table 1: Refiner Details

Refiner’s name	Onahama Smelting and Refining Co., Ltd.
Location	1-1 Nagisa, Onahama, Iwaki-shi, Fukushima 971-8101, Japan
Reporting year-end	March 31, 2026
Date of Report	June 30, 2026
Senior management responsible for this report	Masayuki Kawasaki President



Table 2: Summary of activities undertaken to demonstrate compliance

Step 1: Establish strong company management systems

Compliance statement with Requirement:

OSR is in full compliance with Step 1: “Establish strong company management systems.”

1.1 Supply Chain Policy

OSR has established the Responsible Mineral Sourcing Policy (Platinum and Palladium) (hereinafter the “Policy”). Following the transition from the LPPM Responsible Platinum and Palladium Guidance Version 4 to the LPPM Responsible PGM Guidance Version 5, the Policy was revised in December 2025 with the approval of senior management to align with the updated requirements, and its implementation commenced in January 2026.

This revision includes additional provisions addressing the handling of stolen PGM-containing materials and covers all conflict financing risks identified under Step 1 of RPG5 and OECD Annex II.

The Policy sets out OSR’s commitments to respecting environmental, social, and governance (ESG) factors,

avoiding involvement in conflict, refraining from any actions that may contribute to the financing of conflict, and appropriately addressing issues related to stolen materials.

The Policy is prepared in both Japanese and English and is publicly available on OSR's website:

https://group.mmc.co.jp/osr/03/10.html#eng_platinum

1.2 Internal Management System

1. Organizational Structure

OSR has established internal regulations based on its adopted Policy and has implemented an internal management system, including conformity assessments and management reviews. The Supply Chain Officer is responsible for the establishment and revision of the supply chain policy and related regulations, as well as for overseeing the management review and approving the compliance report, thereby providing overall management of the supply chain. The Compliance Officer is responsible for establishing, implementing, and maintaining the management system for supply chain due diligence, conducting risk assessments and enhanced due diligence (EDD), and facilitating internal and external communication. The person responsible for raw material management is responsible for conducting supply chain due diligence, verifying received platinum and palladium materials, maintaining records, and reporting the results to the Supply Chain Officer and the Compliance Officer.

In addition, the Compliance Officer is responsible for overseeing the entire due diligence process and reporting directly to senior management.

Furthermore, in FY2025, OSR revised its internal regulations in response to the transition to RPG5. This revision included the formalization of policies and procedures for handling stolen materials, the clarification of zero-tolerance risk classifications, the enhancement of EDD procedures, and the inclusion of provisions regarding written agreement to comply with OSR's Policy.

Furthermore, In FY2025, OSR conducted a conformity assessment against RPG5 and reported through the management review that no non-conformities were identified.

2. Training

OSR provides annual training to all employees involved in supply chain DD on the LPPM guidance, the Policy, and the procedures for supply chain DD.

In FY2025, training was delivered via video to 16 employees, including content on the transition from RPPG4 to RPG5. The completion rate was 100%.

3. Payments via Official Banking Channels

OSR limits payment methods to suppliers strictly to bank transfers and does not conduct any cash transactions. All transactions in FY2025 were conducted via bank transfer, and no cash payments were made.

1.3 Traceability System

As described in Section 2.1 below, OSR conducts supply chain DD on suppliers prior to the commencement of any transaction. Where the results of the risk assessment identify no issues and a transaction is initiated, the

following procedures are implemented:

1. The person responsible for raw material management obtains the information specified in the Company's internal regulations for each lot of received platinum/palladium-containing materials and verifies that there are no inconsistencies between procurement details and delivery details, and that they are consistent with the information recognized regarding the supply chain.
2. Where inconsistencies are identified between the received materials and the supply chain information, the person responsible for raw material management conducts additional investigations until such discrepancies are resolved, records the results of such investigations, and reports them to the Compliance Officer.
3. For all materials, any shipments for which discrepancies remain unresolved shall be physically segregated and secured. Where necessary, the results of the investigation shall be reported to the relevant authorities.
4. The person responsible for raw material management assigns a unique identification number to each lot of received platinum/palladium-containing materials and to each lot of produced platinum/palladium, and records the linkage to the information obtained through supply chain DD to ensure traceability. For the purpose of ensuring traceability, the following information is collected and recorded for each lot of received platinum/palladium-containing materials:
 - a) Type of platinum/palladium-containing material (mined material / recycled material / by-product from copper smelting)
 - b) Weight and assay results (declared values from the counterparty and assay results from the plant)
 - c) Linkage to the supplier's DD information
 - d) Date of receipt at the plant and date of completion of the smelting process

In FY2025, traceability and supply chain DD were properly implemented in accordance with the above procedures. No discrepancies were identified, and no cases requiring additional investigation or segregation measures were observed.

1.4 Engagement with Suppliers

OSR requires all suppliers of PGM-containing materials, at the commencement of new business relationships and during periodic reviews of risk assessments for ongoing transactions, to cooperate with its supply chain DD. In addition, OSR shares its Responsible Sourcing Policy, which is aligned with OECD Annex II, and obtains written agreement from suppliers confirming their understanding of and commitment to comply with the Policy. Furthermore, OSR conducts periodic reviews and ongoing monitoring of suppliers engaged in continuous transactions. Where any changes in risk profile are identified, additional DD is carried out.

In FY2025, all suppliers were assessed as low risk, and no additional risk mitigation measures were required.

1.5 Grievance Mechanism

OSR has established an internal and external grievance mechanism that allows employees and external stakeholders to anonymously report concerns or newly identified risks related to OSR's platinum and palladium

supply chains through a dedicated form available on its website:

https://www.mmc.co.jp/mmcg/form/osr/en/eiti_sslform.html (in English)

https://www.mmc.co.jp/mmcg/form/osr/ja/eiti_sslform.html (in Japanese)

In FY2025, there were no reports of concerns or newly identified risks related to the platinum and palladium supply chains from either internal or external parties. Furthermore, there were no unresolved grievances carried over from the previous fiscal year that required action.

Step 2: Identify and Assess Supply Chain Risks

Compliance Statement with Requirement:

OSR is in full compliance with Step 2: “Identify and Assess Supply Chain Risks.”

2.1 Risk Identification

OSR conducts supply chain DD, led by the person responsible for raw material management, prior to the commencement of any new business relationship in order to identify and assess risks within the supply chain. In addition, for suppliers with ongoing business relationships, DD is conducted once every 3 years to review and reassess the risk profile. Furthermore, for high-risk suppliers, the results of the risk assessment are reviewed at least once annually.

The results of the supply chain DD are promptly reported to the Compliance Officer and the Supply Chain Officer. Where the results of the risk assessment identify no issues, the Compliance Officer approves the commencement of the transaction.

In FY2025, supply chain DD was appropriately conducted both at the start of new business relationships and for ongoing transactions.

2.2 Classification of Identified Risks

Based on the information described in Section 2.1, OSR classifies and assesses risks associated with platinum and palladium-containing materials by category—namely location risk, supplier risk, and material risk. The objective of the risk assessment is to determine whether the supply chain should be classified as “High Risk” or “Zero Tolerance” against the criteria outlined below.

High-Risk Criteria

- Mined and recycled PGM that originates from, has transited or has been transported via a Conflict-Affected and High-Risk Area (CAHRA)
- Mined PGM that is claimed to originate from a country through which PGM from CAHRAs is known, or reasonably suspected, to transit.
- Mined PGM that is produced by a company, or companies, that have shareholders, or UBOs, or other PGM supplying interests in one of the location-based High-Risk criteria above.
- Mined PGM and recycled PGM that is produced by a company, or companies, that have UBOs that are PEPs.
- Mined and recycled PGM that is produced by a company, or companies, that have activities in a higher-

risk business activity such as arms, gaming and casino industry, antiques and art, and sects and their leaders.

- Mined and recycled PGM that is produced by a company, or companies, that have been known to have sourced PGM from a High-Risk country in the past 12 months.
- The PGM-supplying counterparty that has material discrepancies/inconsistencies in the documentation it has provided or has refused to provide requested documentation.
- The Mined PGM that is sourced from an ASM.
- The Mined PGM that has been produced in a way that has demonstrably contributed to catastrophic harm or highly adverse ESG factors.
- Mined and recycled PGM transported via routes involving countries listed under the FATF “Increased Monitoring (Grey List)” or “Call for Action.”
- Recycled PGM that originates from a Processor known to pay its Suppliers in full or part, in cash.
- The Recycled PGM that is sourced from an area vulnerable to illegal mining or theft of concentrate, tailings or primary chrome ore containing PGM.
- The Recycled PGM that is from a Processor or trader with a High-Risk supply chain or a trading counterparty sourcing from a Processor with a High-Risk supply chain.
- Automotive catalyst counterparties that do not publish policies aligned with, or equivalent to, OECD Annex II.
- Counterparties suspected of handling stolen PGM-containing materials.

Zero-Tolerance Criteria

Where a supply chain is determined to fall under zero tolerance, transactions are immediately suspended:

- Mined PGM that is known to have been sourced from an area or areas that are designated World Heritage Sites.
- Recycled auto catalysts that are known to be stolen, or Recyclable PGM that originates from a Processor that is known to collect and process stolen auto catalysts.
- Any PGM or PGM-containing material which, when introduced to its supply chain, would expose a Refiner to sanctions or sanctioning.
- Any PGM or PGM-containing material known to be stolen, or Recycled PGM that originates from a Processor that is known to collect and process stolen PGM-containing material.
- Any Mined PGM or Recycled PGM-supplying counterparty, other known upstream company or their UBOs that are known money launderers, fraudsters or terrorists, or have been implicit in serious Human Rights abuses, or in direct or indirect support to illegitimate non-state armed groups.

In FY2025, no supply chains were identified as falling under High Risk or Zero Tolerance categories.

2.3 Enhanced Due Diligence (EDD)

The Compliance Officer conducts enhanced due diligence (EDD), including on-site assessments, for supply

chains suspected of falling under high-risk categories. Such EDD is conducted ideally prior to the commencement of transactions, or at a minimum within 6 months of initiating the business relationship. However, where specific high-risk issues are identified, EDD is conducted immediately for existing suppliers and within 6 months for new suppliers. As a general rule, EDD is conducted using the LPPM toolkit.

Based on the results of the EDD, the Compliance Officer determines whether the supply chain qualifies as a “high-risk supply chain” and reports the findings to the Supply Chain Officer to seek a decision regarding whether to proceed with the transaction. The Supply Chain Officer then assesses whether to continue or terminate the transaction with respect to high-risk supply chains in accordance with the “criteria for decision-making on transactions” and provides appropriate instructions to the Compliance Officer.

Where procurement of the relevant platinum/palladium-containing materials is to proceed, the person responsible for raw material management shall do so only after obtaining approval from both the Compliance Officer and the Supply Chain Officer. In cases where a decision is made to continue transactions with a high-risk supply chain on a conditional basis, the Compliance Officer regularly monitors the progress of the improvement plan prepared by the supplier and reports the results to the Supply Chain Officer. Based on these reports, the Supply Chain Officer instructs the Compliance Officer on whether transactions should be continued. In FY2025, as no high-risk supply chains were identified, there were no cases requiring EDD, and no instances where contracts with suppliers were terminated.

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

Compliance Statement with Requirement:

OSR is in full compliance with Step 3: “Design and implement a management strategy to respond to identified risks.”

OSR has established strategies to respond to identified risks, as outlined in the table below:

1. Immediate Termination of Transactions

In cases where money laundering, terrorist financing, serious human rights abuses, theft of PGM-containing materials, direct or indirect support to non-state armed groups, fraudulent misrepresentation of the country of origin of minerals, or a very high likelihood of any of these is identified.

2. Temporary Suspension of Transactions

(Investigations shall continue until additional information is obtained to support or refute the following findings.)

In cases where there is a risk of direct or indirect support to non-state armed groups, fraudulent misrepresentation of the country of origin, serious human rights abuses, money laundering, terrorist financing, theft of PGM-containing materials, serious violations of local laws related to the environment, health, safety, labor, and community, and/or ESG risks that are likely to result in significant adverse impacts.

3. Continuation of Transactions Subject to an Improvement Plan with Clear Performance Objectives within a Reasonable Timeframe

In cases where not all conditions above are met, but there are risks such as theft of materials, bribery,

non-fraudulent misrepresentation of mineral origin, non-compliance with government taxes, fees, and royalties, violations of local laws related to environment, health, safety, labor, and community, and/or ESG risks that are high and may have significant impacts; provided that the relevant supplier is undertaking appropriate and good faith efforts to address such issues.

The improvement plan must include clearly defined performance objectives incorporating qualitative and/or quantitative indicators to measure the degree of improvement, and must specify a reasonable timeframe for their achievement.

In FY2025, no risks were identified, and there were no transactions falling under the above categories.

Step 4: Obtain independent third-party Assurance on the supply chain due diligence

Compliance Statement with Requirement:

OSR is in full compliance with Step 4: “Obtain independent third-party Assurance on the supply chain due diligence.”

OSR engages the services of KPMG AZSA Sustainability Co., Ltd., an independent assurance service provider, and the independent limited assurance report is appended to this Report.

<https://group.mmc.co.jp/osr/03/pdf/independentassurancereport2025.pdf>

Step 5: Report annually on supply chain due diligence

Compliance Statement with Requirement:

OSR is in full compliance with Step 5: “Annual Reporting on Supply Chain Due Diligence.”

The annual report is prepared through this Compliance Report and is available on the OSR website below:

<https://group.mmc.co.jp/osr/03/pdf/compliancereport2025.pdf>

Table 3: Management Conclusion

In conclusion, for the reporting year ended March 31, 2026, OSR has implemented, as described above, effective management systems, procedures, processes, and practices to comply with the requirements of the LPPM Responsible Platinum and Palladium Guidance Version 4 and the requirements of the LPPM Responsible PGM Guidance Version 5.

Table 4: Other Reporting Comments

If users of this report wish to provide feedback to OSR, please contact the Compliance Officer at the following address: katotomo@mmc.co.jp.