



**PROPRIETARY AND CONFIDENTIAL**

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# **INDEPENDENT REASONABLE ASSURANCE REPORT**

**Johnson Matthey (Zhangjiagang) Precious Metals  
Technology Co., Ltd.**

LPPM Responsible Platinum/Palladium Sourcing Assurance  
Engagement

**8-9 April 2024**



## REPORT SUMMARY

|                           |  |
|---------------------------|--|
| <b>Assurance firm</b>     | RCS Global Ltd.<br>1 Bartholomew Lane, EC2N 2AX, London UK.<br>contact@rcsglobal.com   |
| <b>Type of assessment</b> | LPPM ISAE 3000 Reasonable Assurance Assessment   |
| <b>Refiner</b>            | Company Name: Johnson Matthey (Zhangjiagang) Precious Metals Technology Co., Ltd.<br><br>Company Address: No.48, the west of Beijing Road, Yangtze River International Chemical Industrial Park, Jiangsu Province, China |
| <b>Assessment date</b>    | 8-9 April 2024   |
| <b>Assessed timeframe</b> | 1 January 2023 – 31 December 2023  |

## 1. INTRODUCTION

We were engaged by Johnson Matthey (Zhangjiagang) Precious Metals Technology Co, Ltd. (“The Refiner”) to provide reasonable assurance on its Refiner’s Compliance Report for the year ended 31 December 2023.

The assurance scope consists of the Refiner’s Compliance Report.

## 2. REFINER RESPONSIBILITIES

The Compliance Director of the refiner is responsible for the preparation and presentation of the Refiner’s Compliance Report in accordance with the *LPPM Responsible Sourcing Guidance Version 4 (the Guidance)*. This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the Refiner as relevant for demonstrating compliance with *the Guidance* are the activities described within the Refiner’s Compliance Report.

## 3. ASSURANCE PRACTITIONER RESPONSIBILITIES

Our responsibility is to carry out a reasonable assurance engagement in order to express a conclusion based on the Refiner’s activities described within the Refiner’s Compliance Report. 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. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

The procedures performed depend on our judgment as assurance practitioners, including the assessment of the risks of material misstatement in the Refiner’s Compliance Report, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Refiner’s Compliance Report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Refiner.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements *ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board and the guidance set out in the *LPPM Responsible Sourcing Guidance - Third Party Audit Guidance Version 4 (the Audit Guidance)*.

This report has been prepared for the Refiner for the purpose of assisting the Compliance Director in determining whether the Refiner's Compliance Report has complied with *the Guidance* and for no other purpose. Our assurance report is made solely to the Refiner in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than the Refiner for our work, or for the conclusions we have reached in the assurance report.

#### **4. 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 Refiners to comply with *the Guidance* may differ. It is important to read the Refiner's palladium and platinum supply chain policy statement which is available on their website [<https://matthey.com/sustainability/sustainability-governance>]. Such information and methods do not fall within the scope of *the Audit Guidance*, and we have not undertaken any assessment in this regard.

#### **5. INDEPENDENCE AND COMPETENCY STATEMENT**

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in *the Audit Guidance* to carry out the assurance engagement.

Without modifying our conclusion, we draw attention to the description of the non-compliance contained within the Refiner's Compliance Report. This relates to the supply chain due diligence procedures that are currently being implemented at the Refiner to be in line with *the Guidance's* requirements. No high risks or zero tolerance risks are identified, but the following medium risk is identified:

No management review report is provided for demonstrating that the Refiner has conducted management reviews regularly to review the effectiveness and performance of their supply chain due diligence procedures due to the Refiner having just updated the due diligence management system in September 2023 in response to its application to the LPPM for Sponge Accreditation in Summer 2023.

#### **6. CONCLUSION**

In our opinion, the Refiner's Compliance Report for the year ended 31 December 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 Guidance*.

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| Signature | Kevin Wei |
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|----------------|-----------------|
| Assurance Firm | RCS Global Ltd. |
| Date           | 19 April 2024   |
| City, Country  | Berlin, Germany |





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