

REFINER'S COMPLIANCE REPORT 2024

TABLE 1	REFINER'S DETAILS
Refiner's name	Johnson Matthey (Zhangjiagang) Precious Metal Technology Co., Ltd. ("JM")
Entities and locations	No. 48, west side of Beijing Road, Yangzijiang International Chemical Industrial Park, Jiangsu Province, PRC
Reporting year-end	31 December, 2023
Date of Report	7 April 2024
Senior Management responsible for this Report	Nan Li, Operation Director, PGMS China

TABLE 2	SUMMARY OF ACTIVITIES UNDERTAKEN DURING THE PERIOD TO DEMONSTRATE COMPLIANCE
STEP 1	ESTABLISH STRONG COMPANY MANAGEMENT SYSTEMS
Compliance Statement with Requirement: We have fully complied with STEP 1: Establish strong management systems.	
1. Has the refiner adopted a company policy regarding due diligence for supply chains of Platinum/Palladium?	
<p>JM's Platinum and Palladium Supply Chain Policy Statement (the "Policy Statement") is publicly available on our website: https://matthey.com/en/enhancing-life/sustainability-governance.</p> <p>Our Policy Statement is consistent with the model policy set out in Annex II of the OECD due diligence guidelines and makes reference to wider JM policies including the Code of Ethics, JM Global Anti-bribery and Corruption Policy, Supplier Code of Conduct, the Financial Crime Policy, Human Rights Policy, Export Controls and Sanctions Policy, etc.</p> <p>Johnson Matthey is firmly committed to managing its activities throughout the group to protect the environment and safeguard the health and safety of its employees, customers, the community, and other stakeholders. Johnson Matthey reports publicly on progress in this regard on the official website, including the Assurance Statement for Greenhouse Gas, Environmental and Health and Safety Disclosures, the Modern Slavery Statement, etc. Please visit matthey.com or view our annual report for further information. Johnson Matthey PGMS Zhangjiagang site has passed the ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 certification.</p>	
2. Has the refiner set up an internal management structure to support supply chain due diligence?	
JM has set up an internal management structure to support supply chain due diligence in relation to the supply of platinum and palladium.	

A permanent Compliance Officer has been appointed and is accountable to the Platinum Group Services ("PGMS") management, with overall responsibility for compliance with RPPG. The Compliance Officer works closely with the Group Legal and Group Ethics & Compliance departments, Legal Team to manage compliance with the RPPG.

The RPPG Panel consists of Head of Export Controls and Sanctions (GRP E&C), Global Refining Commercial Director (PGMS Commercial), RPPG Compliance Officer, with the support from the Legal Team.

China Legal Team collected the information from the suppliers/customers and reported to Group Ethics & Compliance departments to obtain a risk level from Risk Assessment Tool as well as the Dow Jones report. China Legal Team and Ethics & Compliance Team review and analyse the reports and the customer information and notify the due diligence conclusions to business and also keep the conclusions and related reports on file available for Compliance Officer and PGMS China management's review and monitoring. With an updated JM PGMS China rules and procedures for legal due diligence check launched in September 2023, it is planned to set up regular meetings with the Compliance Officer and PGMS China management to further monitor the implementation and evaluate the performance of the due diligence practices.

3. Has the refiner established a strong internal system of due diligence, controls and transparency over Platinum/Palladium supply chains, including traceability and identification of other supply chain actors?

JM has a robust "lot" receipts process whereby specific documents must be received, and transactional details entered before we process any platinum- or palladium- bearing material. Each lot received is accurately registered in our transactional system and assigned a unique reference number (reception note number (RNN)) to ensure complete traceability within our production streams.

For each lot to be refined, JM's supply chain traceability system collects and maintains the following supply chain information:

- date of arrival at the refinery and date of finalisation of the refining process;
- type of Platinum/Palladium-bearing material received;
- declared and processed weight (JM has a fully integrated weighting system, where logistics team checks against receipts and against advised weight for discrepancy); based on information input into the SAP system for control and traceability;
- declared and processed settlement assays performed by JM analytical laboratories on JM's and counterparty's samples.
- sufficient evidence of checking the source of the recycled material, including collection of relevant supporting documents from supplying counterparties since November 2023

JM maintains relevant documentary records for at least five years.

Within Johnson Matthey we promote a '**speak up**' culture encouraging everyone to speak up when they have a concern or are unsure about something. This is further described in our Code of Ethics and Speak Up Policy (<https://matthey.com/en/enhancing-life/sustainability-governance>). We also provide employees and external stakeholders with an independently run speak up helpline (accessed online or via telephone) where concerns can be raised. This helpline allows individuals, where local law permits, to remain anonymous.

JM has reviewed and updated its ongoing RPPG training program for all staff involved in the platinum/palladium supply chain. The 23/24 training has been delivered to staff in the relevant business units on April 2nd and Compliance Officer supported the training for better understanding on the policies and the procedure.

Please see STEP 1.2 (*Establish strong management systems*) in relation to the RPPG Compliance Officer.

JM makes and receives payments only through official banking channels. We do not accept cash payments.

4. Had the refiner strengthened company engagement with Platinum/Palladium-supplying counterparties and, where possible, assist Platinum/Palladium-supplying counterparties in building due diligence capacities?

Comments and Demonstration of Compliance

As stated in our sustainability framework in Policy Statement, we aim to ensure our suppliers/customers to adopt the values of sustainability which we uphold. In addition to the Policy Statement, we have Code of Ethics, Supplier Code of Conduct, which can be viewed on our website.

The Policy Statement and OECD Due Diligence Guidance Model Policy for Responsible Supply Chains of Minerals from Conflict-Affected and High- Risk Areas have been communicated to our Platinum and Palladium supplying counterparties with the requirement to commit to and acknowledge in writing their obligation to comply with this Policy Statement or an equivalent policy. The relationship managers in our sales teams communicate with counterparties regularly to obtain up to date records.

Requirements on the conflict-free and governance defined in the supply chain policy are also included into the contracts with the supplying counterparty.

Requirements on human rights are stated in our Policy Statement which is fully notified to the counterparties at the beginning of the due diligence procedure. Such requirement will be further specified in JM's standard conditions to be included in the contracts concluded with supplying counterparties.

STEP 2

IDENTIFY AND ASSESS RISKS IN THE SUPPLY CHAIN

Compliance Statement with Requirement:

We have fully complied with STEP 2: Identify and assess risks in the supply chain.

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

Yes, we have Rules and Procedures for Legal Due Diligence Check – PGMS China ("China DD Rule") to be followed to identify risks. Our onboarding process is followed prior to entering in a formal relationship with customers and suppliers. Details of customers and material to be refined are obtained via a combination of completion of KYC forms, material data provided by customers and internal records as appropriate. The customer or supplier information is then entered into a specifically developed Risk Assessment Tool by GE&C. The tool assigns each customer or supplier a high, medium or low risk rating depending on the material that is supplied, location of operations and origin of materials, and this rating together with any red flags which may be raised in respect of a customer or supplier determine the level of due diligence applied.

<p>Customers and suppliers are reassessed periodically depending on the risk level according to China DD Rule. Transactions are monitored for red flags that may trigger a re-assessment of the risk level, such as documentation that does not match the material delivered.</p>	
<p>2. Does the refiner assess risks of their supply chain due diligence system?</p>	
<p>Yes. JM assesses risks of its supply chain due diligence system.</p> <p>JM takes a proportional risk-based approach to due diligence which is measured against the risks, red flags and standards of conduct set out in our relevant policies. Due diligence is conducted prior to entering into a relationship with new customers or suppliers and has been carried out for all existing customers and suppliers for the relevant period.</p> <p>The conclusion of DD was reported to Compliance Officer and PGMS China management on April 7th.</p>	
<p>3. High Risk Supply Chains</p>	
<p>According to China DD Rule, for customers and suppliers deemed high risk, an enhanced due diligence process is in place which may include diligence beyond the direct supplier or the customer where applicable. The outcome of this process is reviewed by the RPPG Panel to determine according to Supplier Risk Assessment Framework Methodology whether the business relationships will be suspended (with existing customer or suppliers), or whether new business can be undertaken (with new customers or suppliers). In the due diligence focus on 2023, no high-risk supplier/customer was identified.</p>	
<p>4. Monitoring of transactions</p>	
<p>JM conducts appropriate monitoring of transactions with periodic reviews based on the risk level according to China DD Rule.</p>	
<p>5. Continuously monitoring of risk management</p>	
<p>As shown in STEPS 1.2 and 2.2, escalation procedures have been installed within JM, whereby the RPPG Panel is appointed to:</p> <ul style="list-style-type: none"> • review the due diligence performed on high-risk suppliers and customers from whom JM purchases, or refines on their behalf, platinum or palladium bearing material; and • approve or reject customer or suppliers based on the outcomes of the due diligence. • Report decisions to the PGMS China management. 	
STEP 3	DESIGN AND IMPLEMENT A MANAGEMENT STRATEGY TO RESPOND TO IDENTIFIED RISKS
<p>Compliance Statement with Requirement:</p> <p>We have fully complied with STEP 3: Design and implement a management strategy to respond to identified risks.</p>	
<p>1. Are findings reported to the senior management?</p>	
<p>The results of RPPG Panel decisions in relation to high-risk supplier/customers, will be reported to the PGMS China management according to China DD Rule. But in the due diligence focus on 2023, no high-risk supplier/customer was identified.</p>	

2. Had the refiner devised a strategy for risk management of an identified risk by whether: (i) mitigation of the risk while continuing trade; (ii) mitigation of the risk while suspending trade; (iii) disengagement of the risk?

Once the risk level associated with a particular high-risk supplier/customer is identified, the RPPG Panel considers the business dealing in question and takes a decision on whether to proceed according to Supplier Risk Assessment Framework Methodology.

Should the RPPG Panel decide to proceed, the Compliance Officer with the support from China local Legal Team will respond to the relevant business setting out the rationale for their advice to proceed with the business dealing in question. This will include any mitigating steps that may need to be taken by China Legal Team (such as relevant contractual clauses) or the business themselves based on Supplier Risk Assessment Framework Methodology.

Where the RPPG Panel assess the risks of business dealings with such supplier/customer as being too significant for JM and there are no reasonable mitigating actions that can be taken to address these risks, the RPPG Panel may decide to decline the business dealings and report to PGMS China management.

3. When a management strategy of risk mitigation is undertaken, it should include steps to be taken and achieved, monitoring or performance, periodic reassessment of risk and regular reporting to designated senior management.

See STEP 2.1 and 2.2 (*Identify and assess risks in the supply chain /customers*) in relation to steps to be taken and achieved, monitoring or performance.

See STEP 2.1 (*Identify and assess risks in the supply chain/customers*) in relation to periodic reassessment of risk.

See STEP 3 (*Design and implement a management strategy to respond to identified risks*) in relation to regular reporting to designated senior management.

In the due diligence focus on 2023, no high-risk supplier/customer was identified, therefore, no corrective action plan is to be taken.

STEP 4

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

Compliance Statement with Requirement:

We have fully complied with STEP 4 - Arrange for an independent third-party audit of the supply chain due diligence.

Comments and Demonstration of Compliance:

JM engaged the services of the assurance provider RCS Global, and their independent assurance report is attached.

STEP 5

REPORT ON SUPPLY CHAIN DUE DILIGENCE

Compliance Statement with Requirement:

We have fully complied with STEP 5 - Report on supply chain due diligence.

Comments and Demonstration of Compliance

The Policy Statement (as available on our website) together with this Compliance Report and the Independent Assurance Report.

TABLE 3	MANAGEMENT CONCLUSION
<p>Is the refiner in compliance with the requirements of the LPPM Responsible Platinum and Palladium Guidance for the reporting period?</p>	
<p>YES</p>	<p>Comments</p> <p>JM has implemented effective and robust management systems, procedures, processes and practices to conform to the requirements of the LPPM Responsible Platinum and Palladium Guidance, as set out above for the reporting period ending 31st December 2023.</p> <p>JM has demonstrated its commitment to continuous improvement and will continue to monitor compliance internally on a regular basis.</p>

TABLE 4	OTHER REPORT COMMENTS
<p>JM has no further comments.</p>	

Contact:

nan.li@matthey.com