LPPM Responsible Platinum and Palladium Guidance Compliance Report

The LPPM Responsible Platinum and Palladium (PGM) Guidance has been established for Good Delivery Refiners to adopt high standards of due diligence in order to combat systematic or widespread abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering, and to combat terrorist financing practices.
This report summarizes how Aida Chemical Industries Co., Ltd. (hereafter "Aida Chemical") complied 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's detail**

| | |
|---|---|
| Refiner's name | Aida Chemical Industries Co., Ltd. |
| Location | 15-13, 6-chome, Minami-cho, Fuchu-shi, Tokyo, Japan |
| Reporting year-end | 31 March 2026 |
| Date of Report | 30 June 2026 |
| Senior management responsible for this report | Tatsuo Sato<br>Executive officer |



**Table 2: SUMMARY OF ACTIVITIES TO DEMONSTRATE COMPLIANCE**

**STEP 1: COMPANY MANAGEMENT SYSTEMS**

Compliance Statement with Requirement:

We have complied with STEP 1: COMPANY MANAGEMENT SYSTEMS

**1.1 Aida Chemical has adopted a supply chain policy regarding due diligence for supply chains of Platinum and Palladium.**

Aida Chemical has the Responsible Materials Procurement Policy (hereafter the "Policy"), which is consistent with the model set out in the Annex II of the OECD Due Diligence Guidance. It addresses all threat-financing risks identified in Step 1 of the Guidance and Annex II of the OECD Due Diligence Guidance.

The Policy sets out our responsibility to respect environmental, social and governance (ESG) factors, and not to contribute to conflict, and our commitment to refraining from any action

which contributes to the financing of conflict.
We review the Policy once a year and revise it as necessary with approval of senior management. We revised the Policy in December 2025 with the approval of senior management so that it became consistent with RPG5, thereby adequately addressing and helping combat the theft of Platinum Group Metals (PGMs).
We not only make the Policy available on our website both in Japanese and English so that anyone can refer to it but also communicate the Policy, in writing, to all our Platinum and Palladium suppliers before the start of transactions. We also communicate our Policy to all relevant staff every year.
https://aidachemical.com/materials/

**1.2 Aida Chemical has set up an internal management structure to support supply chain due diligence.**

The internal management system defines the governance, roles and responsibilities, monitoring, communication, and management review by the Supply Chain Due Diligence Committees (hereafter the SCDDC) in accordance with adopted policies.
The SCDDC has been delegated authority regarding supply chain due diligence from Aida Chemical Board of Directors and also has borne the associated responsibilities.
In fiscal 2025, our internal regulations were also reviewed and updated in December 2025 to comply with RPG5. This update has successfully enhanced and elevated the level of our due diligence practices.
The members of the SCDDC have gained experience in responsible sourcing through past responsibilities for overseeing the Company's responsible sourcing activities. Training is provided for the members of the SCDDC to carry out its oversight of responsible sourcing activities effectively. The Compliance Officer with more than ten years of experience in responsible sourcing, who is the Head of the Sales Division of Aida Chemical, manages the process and reports directly to the Board.
Aida Chemical has sufficient resources and skills to support and monitor due diligence processes.
Internal audits are carried out once a year to assess whether staff involved in Platinum and Palladium procurement are performing their duties properly in accordance with regulations and to ensure that corrective measures are implemented for any deviations found. There were no significant deviations during the reporting period.
In fiscal 2025, the Policy and regulations, as well as the criteria for CAHRA determination, were revised, and training was provided to all staff involved in the Platinum and Palladium supply chain, including the Board of Directors, senior management, compliance officers, and managers.

The training covered the overview of the LPPM and OECD requirements, and the details of the operations related to them.
The training was attended by 290 participants, with a participation rate of 100%.
We conducted a comprehension test for all participants to assess their level of understanding.
The company makes payments through the official banking system, except in exceptional cases. Cash transactions may be made at the request of some suppliers. However, the maximum amount is 1 million yen. In addition, cash transactions must have a clear reason, supported by verifiable information, and be approved by the Compliance Officer.
We maintain a five-year record of due diligence to demonstrate appropriate and continuous risk identification, due diligence and traceability.

**1.3 Aida Chemical has set up an internal management structure to support supply chain due diligence, established a traceability system over Platinum and Palladium supply chains, including chain of custody mapping and identification of supply chain actors.**

We send a questionnaire to our suppliers for them to answer before the transaction. We also receive identity documents such as licenses and certificates of registration and carry out KYC in accordance with our regulations. We also conduct background checks on suppliers from reliable third-party sources. Based on these documents, the Compliance Officer conducts a risk assessment to determine the origin, country of origin and transport route of the Platinum and Palladium-containing raw materials and decides whether to initiate or continue a business relationship with them.
Risk assessments of the origin, country of origin and transport routes of Platinum and Palladium-bearing raw materials must be conducted for all suppliers.
If the results indicate a high-risk, appropriate measures to reduce the risk shall be implemented, including enhanced due diligence, which accompanies a site visit to the supplier's business location conducted by trained and experienced staff. The Compliance Officer shall review the site visit records and decide whether to approve or continue the transaction.
There were no suppliers identified as high-risk during the reporting period.
We have a Platinum and Palladium-bearing material receipts process. An acknowledgment of receipt form is issued for every Platinum and Palladium-bearing material when it is received from a supplier. Transaction details, including the supplier’s name, the weight and assay, and the type of material received, are entered into our transaction database before the Platinum and Palladium-bearing material is refined.
The opening of received materials is performed exclusively by personnel with certified knowledge and skills. We verify that the delivered materials match the information provided by the supplier. Any materials with inconsistent information are physically segregated and

stored.

**1.4 Aida Chemical has strengthened company engagement with Platinum and Palladium-supplying counterparties, and, where possible, assisted Platinum and Palladium-supplying counterparties in building due diligence capabilities**

To meet the requirements of the LPPM Guidance we send our Policy to all of our suppliers at the time of the first transaction along with an acknowledgment of receipt form or an information request form.

Suppliers agree to our policy and sign the acknowledgment of receipt form or the information request form, confirming that the transaction does not violate our policy

For corporate suppliers that have not published a supply chain policy compliant with OECD Annex II, we request them to develop and publish such a policy, by using a receipt form or an information request form.

**1.5 Aida Chemical has established a company-wide confidential grievance mechanism.**

In addition to the existing company-wide communication mechanism, a confidential complaints mechanism has been introduced on the company website. Employees and stakeholders can report potential issues and concerns relating to the Platinum and Palladium supply chain to the Compliance Officer anonymously. Upon receipt of the whistleblower's report, the need for an investigation is promptly considered and the results of the review are reported to the whistleblower. However, this does not apply if the whistleblower is anonymous. To ensure transparency and compliance with the requirements, we have established and publicly disclosed our Whistleblowing Policy and Whistleblower response procedure on our website: (https://aidachemical.com/whistleblowing/)

The Compliance Officer carries out a risk assessment based on the information provided and, if necessary, develops a corrective plan and implements countermeasures. The results are reported to the Supply Chain Due Diligence Committee and the Board of Directors.

In fiscal 2025, no Platinum and Palladium supply chain issues were reported through this company-wide communication mechanism. There were no complaints from previous years requiring resolution, and no outstanding grievances.

English Page: https://aidachemical.com/contact/report/

Japanese Page: https://aida-j.jp/contact/report/

**STEP 2: RISK IDENTIFICATION AND ASSESSMENT**

Compliance Statement with Requirement:

We have fully complied with STEP 2: RISK IDENTIFICATION AND ASSESSMENT

**2.1 Aida Chemical has a due diligence process to identify risks in the supply chain.**

We carry out a risk assessment of all suppliers by conducting due diligence in accordance with

the LPPM Guidance prior to the commencement of all transactions annually. All suppliers are requested to provide written KYC documentation, including trading partner information, location, corporate registry, license information and beneficial ownership ID, to the person in charge. The person in charge enters this information into a database and reports to the Compliance Officer.

The Compliance Officer determines whether there are any risks associated with the business or supply chain by verifying the legality of the business using documents issued by public authorities. The Compliance Officer also checks that the Platinum and Palladium-supplying counterparty, upstream counterparties and their UBOs are not known to be involved in money laundering, fraud, terrorism, serious human rights abuses, or the direct or indirect support of illegal non-state armed groups. Our Compliance Officer has over 20 years of experience in the precious metals industry, including more than 10 years specifically dedicated to responsible sourcing and supply chain due diligence. With this extensive background, the Officer possesses the deep industry knowledge and specialized skills required to lead the team and conduct rigorous, compliant risk assessments.

The Compliance Officer reviews the collected KYC documentation in terms of the supply chain, type of material, weight, quality and completeness of documentation to determine if there are any risks.

If no issues are identified as a result of the risk assessment, the Compliance Officer authorises the transaction to commence.

If high-risk supply chains are identified, the Compliance Officer directs Enhanced Due Diligence (EDD) with an expanded scope to identify supply chain risks.

Platinum and Palladium-bearing material is inspected when it is delivered to the company. The information on the voucher is checked for discrepancies with the Platinum and Palladium-containing material; if there are no issues, an individual identification number is assigned, registered in a database, and managed.

These records are kept for five years. They are available for review at any time.

When we buy Platinum and Palladium bullion from trading companies and refineries, we buy Good Delivery bars from suppliers approved by the Compliance Officer.

**2.2. Aida Chemical has classified identified risks in accordance with its due diligence system.**

Based on the information outlined in step 2.1, the Compliance Officer assesses risks by categorising them into supplier risk, location risk and material risk.

Supplier risk includes cases where:

・Recycled PGM that originates from a Processor known to pay its Suppliers in full or part,

in cash.

・The PGM-supplying counterparty has material discrepancies/inconsistencies in the documentation it has provided or has refused to provide requested documentation.

・Suppliers and UBOs are PEPs, anti-social forces, or associated with money laundering.

・Suppliers operate in countries with high risk of money laundering .

・Suppliers are non-compliant with legal requirements related to money laundering, tax evasion, terrorist financing, anti-social behavior, the environment, and sustainability.

・Suppliers have procured raw materials from high-risk countries within the past 12 months.

・There are unexplained transport routes within the supply chain from suppliers or counterparties.

Confirmation is made based on the JPN, EU, US, UK and UN sanctions lists that the procurement is not in breach of international sanctions.

We define as high-risk any raw materials that originate from, pass through, or are transported through the CAHRAs we identify. We verify that raw materials do not originate from, pass through, or are transported through the CAHRAs.

If any Platinum and Palladium bullion is found to originate from, pass through, or be transported through CAHRAs, we conduct Enhanced Due Diligence (EDD) in accordance with our procedures. To identify CAHRAs, we use the following information sources to set scoring criteria for identification.

(1) Dodd-Frank Act of the United States (DFA 1502)
(2) EU indicative CAHRAs list（EU2017/821）
(3) US, UK, EU and UN sanctioned lists.
(4) Heidelberg Conflict Barometer
(5) Reports of UNITED NATIONS DEVELOPMENT PROGRAMME
(6) Reports of Transparency International
(7) Fragile States Index
(8) Reports of FATF (Financial Action Task Force on Money Laundering)
(9) Reports of UN Human Rights Office
(10) All-in-One Country AML Risk Reporting

Material risk includes cases where:

・The raw materials are from refiners or traders with high-risk supply chains, or from

counterparties procuring from such refiners.

・There is a possibility that the Platinum and Palladium -bearing materials have been stolen.

If zero-tolerance issues are identified, we will immediately terminate our dealings with the supplier.

Zero tolerance is defined as the following:

・Recycled auto catalysts known to be stolen, or recyclable PGM originating from a Processor known to collect and process stolen auto catalysts.

・Any PGM or PGM-containing material known to be stolen, or recycled PGM originating from a Processor known to collect and process stolen PGM-containing material.

・Any PGM or PGM-containing material that, when introduced into the supply chain, would expose a Refiner to sanctions.

・Mined platinum and palladium known to originate from an area designated as a World Heritage Site; mined or recycled platinum and palladium known to have been sourced in breach of international sanctions (JPN, EU, US, UK, UN); or mined or recycled platinum and palladium from suppliers, other upstream companies, or their Ultimate Beneficial Owners (UBOs) that have been found to be involved in money laundering, fraud, terrorism, serious human rights abuses, or the direct or indirect support of illegal non-state armed groups.

In fiscal 2025, no transactions categorized as zero tolerance issues or high risk were identified.

**2.3 Aida Chemical has undertaken EDD measures for identified high-risk supply chains.**

Where a high-risk is flagged, we conduct enhanced due diligence to determine whether to initiate, continue, or terminate the business relationship. The EDD process is conducted using the LPPM toolkit tailored for recycled materials, and an on-site visit is carried out by employees who have received appropriate training and have at least three years of relevant experience. If it is not possible to conduct a site visit on our own, we have a rule that we request a third-party assessor approved by the Compliance Officer to conduct a site visit. The results of EDD are reported to the Compliance Officer for approval.

We require intermediate refiners with high-risk supply chains to demonstrate that their supply chain due diligence procedures are carried out in line with the OECD guidance and provide an independent assurance report relating to responsible sourcing.

There were no circumstances in which EDD was required during the reporting period, as no suppliers were suspected of being high-risk, and there were also no transactions with intermediate refiners that had high-risk supply chains during the reporting year.

**STEP 3: RISK MANAGEMENT**

Compliance Statement with Requirement:

We have fully complied with STEP 3: RISK MANAGEMENT

Aida Chemical has 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.

(i) mitigating the risk while continuing to trade

We may continue the relationship with the supplier when the EDD is not fully satisfactory, or where it concludes that the counterparty is using reasonable and good faith efforts despite instances of bribery, non-fraudulent misrepresentation of the origin of minerals, non-compliance with taxes, fees and royalties due to government, material breaches of environmental, health, safety, labour and community-related local legislation, suspicions of theft and/or stolen materials in the supply chain, and/or ESG risks that have a high likelihood to result in highly adverse impacts .

When we continue relationship with the supplier, the Compliance Officer must continuously investigate the effectiveness of the improvement plan and report the results regularly to senior management and the Board of directors.

When the Compliance Officer monitors the improvement plan, the following must be implemented.

- Identifying important and measurable improvements to eliminate risks within six months of adopting the improvement plan.
- Defining additional measures in the revised improvement plan based on the progress achieved in the first six months.
- Formally evaluating the performance of the improvement plan and confirming that measures have been implemented appropriately by the deadline.
- Confirming through independent audits, follow-up on-site investigations, or remote reviews as necessary.
- Consulting with relevant stakeholders, such as local or central authorities, upstream companies, international or civil society organizations, and affected third parties, as necessary to facilitate monitoring.

After six months from the introduction of the improvement plan, the senior management must terminate the business relationship if the performance has failed.

(ii) mitigating the risk while suspending trade

We shall suspend relationship with the supplier when our EDD concludes that there is a well-founded suspicion of money laundering, terrorist financing, promotion of conflict, serious human rights abuses, direct or indirect support for illegal non-state armed groups, or fraudulent

misrepresentation of the origin of minerals may be taking place. We shall suspend relationship when the supplier is associated with catastrophic ESG impacts and when there is a possibility of stolen PGM containing material too.

When the additional information indicates that the cause of the suspension is resolved, the Compliance Officer and the SCDDC shall be notified, and business relations shall be resumed only if it is determined to be permissible.

(iii) disengagement from the risk

We shall disengage from the supplier when the instances of money laundering, terrorist financing, promotion of conflict, serious human rights abuses, direct or indirect support for illegal non-state armed groups, PGM-containing material theft or fraudulent misrepresentation of the origin of minerals are known.

Where a management strategy of risk mitigation is undertaken, it should include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to the SCDDC.

In fiscal 2025, there were no transactions that required risk mitigation or disengagement.

In addition, there were no examples of cooperation with national or local authorities.

**STEP 4: INDEPENDENT THIRD-PARTY ASSURANCE**

Compliance Statement with Requirement:

We have fully complied with STEP 4: INDEPENDENT THIRD-PARTY ASSURANCE

We engaged the services of the assurance provider KPMG AZSA Sustainability Co., Ltd., and their independent limited assurance report is attached hereto.

In Japan, there is no other assurance provider on LPPM's Approved Service Providers List other than KPMG AZSA Sustainability Co., Ltd., and the company has requested KPMG AZSA Sustainability to provide assurance services because of its ability to communicate in Japanese. The selection of KPMG AZSA Sustainability Co., Ltd. was approved by the Board after an internal approval process. As confirmation of independence, we confirm that there are no interlocking directors between Aida Chemical Industries Co., Ltd., and KPMG AZSA Sustainability Co., Ltd., and we do not engage KPMG AZSA Sustainability Co., Ltd. to provide us with any advisory services that compromise the independence of KPMG's assurance services.

The assurance report is also available on our website at the following URL: https://aida-j.jp/corporate_renew/wp-content/uploads/lppm-compliance-reportaida.pdf

We have no unresolved high-risk/medium-risk non-conformities that were pointed out.

**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

Our Policy and the Compliance Report along with the Independent Assurance Report from KPMG AZSA Sustainability Co., Ltd. are available on our website.

https://aida-j.jp/corporate_renew/wp-content/uploads/lppm-compliance-reportaida.pdf

**Table 3: Management Conclusion**

Is the Refiner in compliance with the requirements of the Guidance for the reporting period?

Yes

Comments:

In conclusion, we implemented effective management systems, procedures, processes and practices to conform to the requirements of the LPPM Responsible Platinum and Palladium Guidance V4 for the period from 1 April to 31 December 2025 and the requirements of the LPPM Responsible PGM Guidance for the period from 1 January to 31 March 2026.

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# Independent Practitioner's Limited Assurance Report

To the Management of Aida Chemical Industries Co., Ltd.

***Report on Aida Chemical Industries Co., Ltd.'s Compliance Report for the year ended 31 March 2026***

## Conclusion

We have performed a limited assurance engagement on whether Aida Chemical Industries Co., Ltd.'s (the "Company") LPPM Responsible Platinum and Palladium Guidance Compliance Report for the year ended 31 March 2026 has been prepared in accordance with the LPPM's Responsible Platinum/Palladium Guidance Version 4 and Responsible PGM Guidance Version 5 (the "Guidance"), as well as the Company's Responsible Materials Procurement Policy, available on its website: https://aidachemical.com/materials/ (the "Criteria"). Specifically, Version 4 applies to the descriptions for the period from 1 April to 31 December 2025, while Version 5 applies to the descriptions for the period from 1 January to 31 March 2026.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's Compliance Report for the year ended 31 March 2026 is not prepared, in all material respects, in accordance with the Criteria.

## Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB) and the LPPM Responsible Sourcing Programme - Third Party Audit Guidance. Our responsibilities under these are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

## Responsibilities for the Compliance Report

Management of the Company are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Compliance Report that is free from material misstatement, whether due to fraud or error;
- selecting suitable criteria for preparing the Compliance Report and appropriately referring to the criteria used; and
- preparing the Compliance Report in accordance with the Criteria.

## Inherent limitations in preparing the Compliance Report

Non-financial information, such as that included in the Company'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 Criteria may differ. It is important to read the Company's Responsible Materials Procurement Policy.

**Our responsibilities**

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Compliance Report is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the management.

*Summary of the work we performed as the basis for our conclusion*

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Compliance Report that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Compliance Report and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we:

- evaluated the suitability in the circumstances of the Company's use of the criteria for determining the compliance with each step;
- evaluated the Company's policies and standard operating procedure documentation to determine if they are conformance with the Criteria;
- interviewed the Company's management to identify any significant changes to the Company's governance and internal control environment from the prior year to assess the impact of these against the Criteria;
- interviewed the Company's management to identify any significant changes to the Company's supply chain risk identification, classification and mitigation processes and systems from the prior year, to assess the impact of these against the Criteria and our experience and understanding of risks in the precious metals supply chains;
- performed walkthroughs of identified changes in key processes and controls to corroborate information provided by the Company;
- conducted analytical procedures and trend analyses of transaction volumes and country of origin data and inquired about any material anomalies;
- designed a sample selection methodology to obtain sufficient, appropriate coverage of precious metals supply chains, including new suppliers, new types of material, and across risk classification categories, and transactions in the reporting period;
- for the sample selected, inspected suppliers know-your-counterparty and due diligence files to assess complete and accurate classification against the Criteria;
- for the sample selected, compared details of transactions against supporting documentation and corroborated them with supplier files;
- evaluated the completeness of the Company's Compliance Report against the Guidance; and
- evaluated the assertions in the Company's Compliance Report based on our overall knowledge and understanding of the Company's internal controls and supply chain due diligence processes, systems and results.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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*Kazuhiko Saito, Engagement Partner*

*KPMG AZSA Sustainability Co., Ltd.*

*Tokyo Office, Japan*

*30 June 2026*