

INDEPENDENT LIMITED ASSURANCE REPORT TO THE MANAGEMENT OF CHIMET S.P.A. ON ITS REFINER'S COMPLIANCE REPORT FOR THE LONDON PLATINUM AND PALLADIUM MARKET'S RESPONSIBLE PLATINUM AND PALLADIUM GUIDANCE FOR THE YEAR ENDED DECEMBER 31, 2023

To the Board of Directors of
Chimet S.p.A.

We were engaged by Chimet S.p.A. (hereinafter "Chimet" or the "Refiner") to perform a limited assurance engagement of the Refiner's Compliance Report including its Country of Origin Annex, prepared on the basis of London Platinum and Palladium Market (LPPM) Responsible Platinum and Palladium Guidance - version 4 - as of December 31, 2023 (hereinafter "Refiner's Compliance Report").

Management's Responsibilities for the Refiner's Compliance Report

The management of Chimet is responsible for the preparation of the Refiner's Compliance Report in accordance with the LPPM Responsible Platinum and Palladium Guidance - version 4 - (the "Guidance"). The management is also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of the Refiner's Compliance Report that is free from material misstatement, whether due to fraud or error.

The criteria identified by the management as relevant for demonstrating compliance with the Guidance are those described within the Refiner's Compliance Report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies International Standard on Quality Management 1, which 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.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in the LPPM Responsible sourcing Programme - Third Party Audit Guidance for ISAE 3000 Auditors (the "LPPM Audit Guidance") to carry out the assurance engagement.

Auditor's Responsibility

Our responsibility is to express a conclusion based on the procedures performed about the compliance of the Refiner's Compliance Report with the Guidance. We conducted our work in accordance with the criteria established in the *"International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* ("IAASB") for limited assurance engagements and the LPPM Audit Guidance. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Refiner's Compliance Report is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on Refiner's Compliance Report are based on our professional judgement and have included inquiries, primarily with company personnel responsible for the preparation of information included in the Refiner's Compliance Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

- Inquiries with the management and the relevant staff to gain an understanding of Chimet's processes and risk management protocols in place, in the refinery business, and to gain an understanding of internal control over the preparation of the Refiner's Compliance Report relevant to the engagement;
- Inquiries and the relevant staff for obtaining information about the production process and the process adopted by Chimet in order to comply with the requirements of the Guidance;
- Site visits to the Refiner's venue and operating sites for observing the traceability system and obtaining information on the process adopted by Chimet in order to comply with the requirements of the Guidance;
- Obtain supporting documentation, on a sample basis, in order to analyse the consistency of the qualitative information included in the Refiner's Compliance Report with the available evidence;
- Review of a selection of the supporting documentation, including supplier counterparty due diligence file and transaction's documentation.

Inherent limitations

Information 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 criteria used by refiners to comply with the Guidances may differ and those used by the Refiner as relevant for demonstrating compliance with the Guidances are described within the Refiner's Compliance Report.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Refiner's Compliance Report as of December 31, 2023 is not prepared, in all material respects, in accordance with the requirements of the LPPM Responsible Platinum and Palladium Guidance - version 4

DELOITTE & TOUCHE S.p.A.

A handwritten signature in black ink, appearing to read 'Monica Palumbo', written in a cursive style.

Monica Palumbo
Partner

Milan, Italy
March 28, 2024

Table 1: Refiner’s details

Name:	Chimet S.p.A.
Location:	Via dei laghi 31/33 – 52041 Loc. Badia al Pino Civitella in val di Chiana (AR) ITALY
Reporting year-end:	31/12/2023
Date of Report:	27/03/2024
Senior management responsible for this Report:	Luca Benvenuti, CEO
<p>In 1976 Chimet inaugurated its first production site in Badia al Pino, followed in the 80s by the inauguration of a second production site in Viciomaggio, both in the province of Arezzo, showing the bond that has always existed between these business activities and this territory. Chimet has its core business in the activity of refining and recovery precious metals.</p> <p>Recognising that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, and recognising that Chimet has the responsibility to respect human rights and not contribute to conflict, Chimet commits 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 combating terrorist financing activities.</p> <p>Since 2003 Chimet is certified ISO 14001 in order to evaluate, report, and improve its environmental performance and environmental responsibilities of its suppliers.</p> <p>Moreover, Chimet has implemented in its management system the RJC COP Guidelines obtaining certification in 2018.</p> <p>This Report outlines how Chimet has complied with requirements of the LPPM Responsible Platinum and Palladium Guidance.</p>	

Chimet evaluation

Table 2: summary of activities undertaken to demonstrate compliance

1. COMPANY MANAGEMENT SYSTEMS

Compliance Statement with Requirement:

Chimet has fully complied with Step 1: establish strong company management systems.

1.1. Has the Refiner adopted a company policy regarding due diligence for supply chains of Platinum/Palladium?

Chimet has adopted since 2012 a company Policy which is consistent with the Model Policy set forth in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and a Sustainability Policy for minimizing the impact of activities on the environment and conduct business in a socially responsible and ethical manner.

The [Supply Chain Due Diligence Policy](#) (AP_004) is reviewed annually by the Compliance Officer and then approved by the senior management, and eventually updated when circumstances require, in order to establish a management system useful for ensure that no source of raw materials for the production of pure precious metals is involved in conflicts, money laundering, human rights abuses, terrorist financing. Chimet performs due diligence over its counterparties using a risk-based approach before conducting any business activity and ongoing monitoring of the relationship in order to assess the risk of contribution to

conflict, money laundering, terrorist financing, serious human rights abuse, to address environmental and sustainability responsibilities and implement a strategy to respond to identified risk.

In order to further reinforce its own due diligence process, Chimet S.p.A. formalized a system in which all the due diligence documents are traced with the relative deadlines of submission and reception. Regarding ESG topics, Chimet S.p.A. has set up a system for monitoring and maintaining the ISO 14001 and EMAS certifications, issued its first Sustainability Report concerning its 2021 performances. This first Report was built on the GRI Standards (GRI-Referenced), and was later followed, in 2023, by a second one, that includes further ESG information concerning its 2022 performances, consistently with the GRI-In Accordance option.

Chimet has also launched a Sustainability Policy, addressing different ESG topics and the guiding principles Chimet is committed to. Both this policy, and the Supply Chain Due Diligence Policy are published in Chimet website ([Chimet](#)).

1.2. Has the Refiner set up an internal management structure to support supply chain due diligence?

Chimet set up an internal management system in order to collect all the KYC documentation, as requested by the LPPM Guidance v.4. The documentation requested within this management system, put in place since March 2022, has been shared with new suppliers, and is shared with counterparts previously assessed upon the requalification process. Together with the new versions of the KYC documentation, it is acknowledged that more clarity and formalization, with regards to the documentation requested to the counterparties, should be implemented in the Company relevant procedures, consistently with the expectations of the Assurance Providers and the relevant Guidance requests.

Following the Corrective Action Plan aimed at addressing the Non-conformities (NC) emerged during the 2022 audit, the system in use for monitoring and classifying the risk of the counterparties has been updated, improving automation and reducing the risk of manual errors and inconsistencies. During 2023 the company has updated its own Responsible Sourcing Procedure with regards to the definitions, the responsibilities of risk assessment, qualification of counterparties and management of any cases of zero-tolerance. New version of the KYC questionnaires were issued to improve clarity, readability by counterparties and risk management. Although the system proves to be robust and reliable, it is noted that from time to time some minor discrepancies, related to the risk qualification dates in the database, and the risk qualification date reflected in the KYC documents, are found. Chimet is committed in reducing these discrepancies, by further strengthening the controls while entering the data in the database system. Furthermore, with regards to the foreign counterparties' risks identification, Chimet is committed to improve the tools dedicated.

Chimet has defined roles and responsibilities for the management of the supply chain due diligence process and qualification of the counterparties that deliver raw materials for precious metals recovery in order to ensure responsible sourcing. The nominated Compliance Officer has the right competence and knowledge to manage the entire process and to report to the general management.

Personnel involved in the supply chain process is periodically trained by the assigned people responsible for the implementation of due diligence. During 2023 the employees that have been trained on supply chain due diligence Policy, procedures and registration forms to be applied, were 31, around 51% of white-collar employees.

For all transactions in precious metals, payments have been made through official banking channels.

1.3. 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?

Chimet has implemented specific procedures about production and traceability. Specific documents such: type of precious metal received (Mined /Recycled), weight and assay (declared and processed), reference to the precious metal supplying counterparty due diligence file, date of arrival at the refinery and date of finalization of the refining process, are collected and maintained and all transactional details are stored before processing any precious metals bearing material.

All supply chain documentation records are stored for ten years.

Each incoming lot is identified by univocal number and registered in accountability system. Specific controls such as conformity to transport of goods and wastes applicable national and international regulations,

weight check, deleterious element, radioactivity level, regarding received materials are carried out before processing incoming material as outlined in internal guidelines.

Regular training of our employees ensures that our guidelines are followed; any form of non-conformance is unacceptable and reported to the Compliance Officer and senior management. No such escalation was necessary during the reporting period.

All payments are made and received through official banking channel.

Chimet cooperates with government authorities by providing full access to records and information as appropriate.

In 2023 no issue arised for which it was necessary to cooperate with authorities.

1.4. Has the Refiner strengthened company engagement with Platinum/Palladium-supplying counterparties and, where possible, assisted platinum/palladium-supplying counterparties in building due diligence capacities?

Chimet believes in and builds long term relationship based on trust and mutual recognition.

On "KYC forms", Chimet asks its counterparties to commit to their compliance with Chimet' s Precious Metals Supply Chain Policy and Sustainability Policy, in which company's types of expectations are reported.

Currently, no business relationship with Artisanal Miners are established, nor with Large-Medium Scale Mine. Where possible, Chimet is ready to assist and encourage counterparties to improve responsible sourcing practices and environmental responsibilities, for example with little Italian precious metals scraps collectors and smelters.

2. IDENTIFY AND ASSESS RISK IN THE SUPPLY CHAIN

Compliance Statement with Requirement:

Chimet fully complied with Step 2: identify and assess risks in the supply chain.

2.1. Does the Refiner have a due diligence process to identify risks in the supply chain?

Chimet performs a due diligence activity on a risk-based approach over counterparties before starting any business relationship and established an ongoing monitoring process of the relationship in order to assess the risk of contribution to conflict, money laundering, terrorist financing and serious human rights abuse, sustainability responsibility, also implementing a strategy response to identified risks.

Chimet formalize the risk evaluation associated with each counterparty; as already mentioned, with regards to the foreign counterparties' risks identification, Chimet is committed to improve the tools dedicated.

2.2. Does the Refiner assess risks of their supply chain due diligence system?

Each precious metals supplier's risk is assessed according to the qualification process in which the presence or suspected presence of red flag is identified. In case the presence of red flag can be excluded, the counterparty is considered at low risk and a validity level is assigned to each counterpart: industrial, manufacturing, commercial counterparties qualifications are reviewed every 5 years, cash for gold stores qualifications are reviewed every 3 years, mines counterparties are assessed more strictly and are evaluated by the Senior Management every year.

Chimet planned and performed on-site audit through an independent third party in order to improve its evaluation with regards to a recycled precious metals supplier, as part of the follow-up related to the mitigation plan concerning a specific counterparty. The visit took place at the production site and the outcome was that the counterparty resulted to operate in accordance with the LPPM Guidelines for Responsible Sourcing, in particular with regards to its due diligence process on their counterparties and the monitoring of environmental aspects. The final assessment issued by the third-party underlined low-risk in the supply chain and Chimet released the counterparty's approval.

2.3. Has the Refiner undertaken EDD measurements for identified high-risk supply chains?

If during the preliminary assessment of a counterparty a high risk is identified, the responsible sourcing procedure requires to carry out an EDD by collecting further documentation evidence and performing a dedicated on-site visit, eventually undertaken by a third party.

As mentioned in section 2.2, during 2023 one on-site visit has been undertaken for a counterparty supplying recycled gold material, as part of a mitigation plan initiated in 2022.

2.4. Does the Refiner monitor the transactions?

All the transactions are constantly monitored through a centrally managed database, supervised by the compliance officer. As described in the following 3.2 section, every transaction is monitored in acceptance operations and in case of changes or suspicious transaction an alert is reported to Compliance Officer and Senior Management, in order to manage the risk according to the relevant procedures.

2.5. Recognition of other certifications to demonstrate compliance with the due diligence requirements

Chimet S.p.A. holds the UNI EN ISO 9001:2015 certification related to the quality of its management system (the expiry date of the three-year certification is the 20th April 2024). Chimet S.p.A. is also certified UNI EN ISO 14001:2015 (certification that expires on the 2nd of June 2024) and is also certified EMAS since 2007 (certification expiring on May the 30th, 2025).

Additionally, the Refiner is authorized for the treatment and recovery of hazardous and non-hazardous waste, while the monitoring of emissions is carried out according to a protocol agreed by ARPAT, an integral part of the AIA (Integrated Environmental Authorization).

At the beginning of 2021, Chimet S.p.A. achieved the re-certification process against RJC's 2019 Chain-of-Custody (CoC) Standard for a 3 years period, from July 22, 2021.

2.6. Does the Refiner continuously monitor the risk management?

As mentioned above, the Supply Chain Due Diligence Policy (AP_004) is reviewed annually by the Compliance Officer and then approved by the senior management, and eventually updated when circumstances require. Chimet in monitoring its business adopts a risk-based approach before conducting any business activity an ongoing monitoring of the relationship.

3. DESIGN AND IMPLEMENT A MANAGEMENT STRATEGY TO RESPOND TO IDENTIFIED RISKS

Compliance Statement with Requirement:

Chimet fully complied with Step 3: Design and implement a management strategy to respond to identified risks.

3.1 Report findings to designated Senior management?

Where appropriate actual and potential risks identified in the supply chain risk assessment are communicated to Senior Management according to procedure for internal communication and by specific form.

3.2 Does the Refiner have 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?

Chimet employs specialized databases in order to screen all business partners and identify risks in the supply chain. The screening allows to manage risk through a risk assessment of all counterparties. Furthermore, every transaction is monitored in acceptance operations and in case of changes or suspicious transaction an alert is reported to Compliance Officer and Senior Management to decide how to proceed and what kind of action/measures have to be taken in case of confirmed risk.

There were cases for which new suppliers were rejected before ending the due diligence and risk-assessment process because of the lack of information provided by the counterparty.

Chimet, according to the procedure, explicitly has defined and formalized how to manage cases of potential risks and red flags identified. This procedure provides for two documents to manage the risk: Supply Chain Assessment Form and Risk Mitigation Plan.

Corresponding procedures are in place and are applied accordingly. In case the risk assessment identifies higher risk criteria, Chimet actively approaches the supplier to receive further information. If risk assessment can't be mitigated, the decision of closing the business relationship is taken.

Since Supply Chain due diligence is a dynamic process, Chimet periodically updates its procedure and questionnaires, and these are shared with suppliers upon the requalification process. If during the relationship should emerge evidences that lead to higher risk assessment of one counterpart a risk mitigation plan is implemented or the transactions are suspended.

3.3. Does the Refiner Monitor the improvement plan when a strategy of risk mitigation is undertaken?

As previously mentioned, Chimet has a specific procedure for designing and implementing a Risk Mitigation Plan. Also following the findings of 2022 audit, the follow-up actions and the monitoring activities are strictly followed. As mentioned in the previous section, during 2023 one on-site visit has been undertaken for a counterparty supplying recycled precious metals material, as part of a mitigation plan initiated in 2022.

3.4. Report findings to the Board Committee

At least annually, and whenever necessary, the Board is informed about potential risks identified in the supply chains and regard proposed risk management strategies according to procedure for internal communication.

3.5. Does the Refiner continuously monitor the risk management strategies?

Corresponding procedures are in place and are applied accordingly, as part of the Compliance Officer supervision role. Continuous monitoring, also through the improvement of the management system in use (namely the database) is performed with regards to risk management strategies; as mentioned before, the Supply Chain Due Diligence Policy is reviewed annually by the Compliance Officer and then approved by the senior management, and eventually updated when circumstances require.

4. OBTAIN INDEPENDENT THIRD-PARTY AUDIT OF THE SUPPLY CHAIN DUE DILIGENCE

Compliance Statement with Requirement:

Chimet has fully complied Step 4: arrange for an independent third-party audit of the supply chain due diligence.

Chimet engaged the services of the assurance provider Deloitte&Touche S.p.A., and their independent limited assurance report can be viewed as soon as available on www.chimet.com.

5. REPORT ANNUALLY ON SUPPLY CHAIN DUE DILIGENCE

Compliance Statement with Requirement:

Chimet has fully complied Step 5: Report on supply chain due diligence.

Further information and specific details of how Chimet systems, procedures, process and controls have been implemented to align to specific requirements in the LPPM Responsible Platinum and Palladium Guidance have been set out in our supply chain policy, which is available on the company's website www.chimet.com.

MANAGEMENT CONCLUSION

Is the Refiner in compliance with the requirements of the LPPM Responsible Platinum and Palladium Guidance for the reporting period?

Yes, Chimet is overall in compliance with LPPM Responsible Platinum and Palladium Guidance. Chimet implemented an effective management system, procedures, processes and practices to conform to the requirements of the Guidance, as explained above in table 2, for the reporting year ending on the 31st of December 2023.



Luca Benvenuti

Chief Executive Officer



Giovanni Prelazzi

Compliance Officer