LPPM Responsible Platinum/Palladium Guidance

Compliance Report

The LPPM Responsible Platinum/Palladium Guidance (hereinafter “the Guidance”) has been established for Good Delivery Refiners to adopt high standards of due diligence in order to combat systemic or widespread abuses of human rights, to avoid contributing to conflict, and to comply with high standards of anti-money laundering and combating terrorist financing practices.
This report summarizes how TANAKA PRECIOUS METAL TECHNOLOGIES Co., Ltd. (hereinafter “TKK”) has complied with the requirements of the Guidance during the reporting period.

Refiner’s Details

Refiner’s name	TANAKA PRECIOUS METAL TECHNOLOGIES Co., Ltd.
Location	2-6-6, Nihonbashi-Kayabacho, Chuo-ku, Tokyo 103-0025, Japan
Reporting year-end	31 December 2025
Date of Report	24 March 2026
Compliance Officer	Akihide Hirao Managing Corporate Officer Group Chief Sustainability Officer TANAKA PRECIOUS METAL GROUP Co., Ltd.

Summary of Activities to Demonstrate Compliance

Step 1: Company Management Systems

1.1. Supply Chain Policy

TANAKA PRECIOUS METAL GROUP Co., Ltd. (hereinafter “TKG”), which is responsible for the management of TANAKA Group (hereinafter “TANAKA”) and oversees all group companies, established TANAKA Responsible Minerals Sourcing Policy (hereinafter “TANAKA Policy”) in June 2012. TKK, which is wholly owned by TKG, operates the Ichikawa Plant and the Isehara Plant as platinum/palladium refineries, both located in Japan.

TANAKA Policy was adopted to ensure responsible sourcing of precious metals. It addresses all threat-financing risks identified in Step 1 of the Guidance and Annex II of the OECD Due Diligence Guidance, and extends to addressing adverse ESG factors in its precious minerals supply chain. TANAKA Policy is approved at a senior level by Transaction Supervisory Committee (hereinafter "TSC") and is implemented by the Compliance Officer, who serves as the Managing Corporate Officer and Head of Corporate Sustainability & Communications Division of TKG. The policy is written in Japanese and English and publicly available on the TANAKA website:
https://www.tanaka.co.jp/english/sustainability/sourcing-policy/

TANAKA Policy is reviewed annually and updated when circumstances require. In addition, all relevant employees are informed of the policy through e-learning.

1.2. Internal Management Structure

Internal management structure and measures to strengthen it are as follows:

a) Organizational Structure

TKG has established an organizational structure to conduct supply chain due diligence (hereinafter referred to as "SCDD", and due diligence as "DD") in accordance with TANAKA Policy.

Authority and accountability for SCDD and the final decisions on high-risk transactions are assigned to TSC under delegation from the Board. TSC is also responsible for implementing measures to handle high-risk transactions.

The members of TSC have adequate experience regarding TANAKA's responsible sourcing activities. In FY2025, training on the oversight of responsible sourcing with respect to the Guidance was provided to all TSC members via e-learning.

The current Compliance Officer has 6 years of experience in overseeing responsible sourcing.

The Compliance Officer has ultimate responsibility for implementing SCDD by:

- Providing Responsible Business Department (hereinafter "RBD") with necessary resources and measures to implement SCDD.
- Approving the annual management review of SCDD and reporting it to TSC.

RBD, comprised of skilled staff, who are assigned roles and authorities by the Compliance Officer, develops processes to implement SCDD, to support and monitor other relevant departments, and to draft an overall summary of SCDD activities to be presented for the annual management review.

The other relevant departments that play their respective roles in line with TANAKA's SCDD regulations are those that execute transactions with precious metals suppliers, control and trace precious metals stock, or conduct metal refining.

b) Training

Annually, all officers and employees involved in SCDD are required to complete an e-learning course that covers the Guidance, TANAKA Policy, SCDD procedures, and key considerations for daily operations.

Since FY2023, the descriptions on partial termination of cash transactions and verification process of an Ultimate Beneficiary Owner (UBO) have been added to the e-learning material.

In FY2025, 750 eligible participants were enrolled in the course and the completion rate was 100%. For the purpose of effectiveness measurement, a comprehension test was administered to each participant after completing the e-learning course. Achieving a perfect score was required for course completion, and all participants successfully completed the course with a perfect score.

Alongside the e-learning course, an annual seminar was held for retail stores in Japan with which TKK has cooperative agreements for the sale of its branded bullion. At the seminar, the procedures for Know Your Counterparty (KYC) checks were explained, and a request was made to remain vigilant for suspicious transactions including those involving anti-social forces.

c) Making and receiving payments through official banking channels

TKK has established a policy for requiring payments, through official banking channels for over-the-counter transactions with retail customers. TKK has suspended cash transactions for amounts exceeding 1 million yen since October 2022.

1.3. Traceability System

The following procedures are implemented to ensure visibility and transparency of the supply chain:

a) Suppliers' names, the gross and net weight of incoming materials, the place of shipment, the type of materials, and the dates of arrival and settlement are extracted from internal information systems, such as TSP and ALPS.

b) The information enables the tracing of precious metals or materials containing precious metals received at the group companies by lot and to identify the initial destination of Good Delivery products manufactured in our plants.

c) Upstream suppliers (secondary suppliers), the origin of precious metals, transit points, means of transportation, the nature of transactions and commercial distribution are investigated.

d) Airwaybills, quotations, vouchers, etc. are retained.

DD for individual suppliers is recorded in Microsoft Forms/Microsoft OneDrive which includes information on preliminary risk assessment, questionnaires with answers, suppliers` identification documents, results of external monitoring, reference documents and final assessment of the DD. These records are retained for seven years and shared with relevant parties.

In FY2025, no issues were identified with respect to suppliers' identification or the country of origin and traceability of precious metals.

1.4. Engagement with Suppliers

Through annual dissemination of TANAKA Policy via email or other effective means (such as posting on a closed portal site with cooperative retailers), TKK requests its precious metals suppliers to commit to TANAKA Policy and cooperate with our responsible sourcing.

Since February 2024, TKK has implemented a new procedure under which suppliers are required to explicitly express their consent to TANAKA Policy on signed LPPM questionnaire. This new procedure was introduced to enhance supplier’s engagement.

As for our retail transactions, every customer must sign the application form where customer agrees to comply with TANAKA Policy in addition to applicable laws and regulations, when selling or purchasing bullion or coins.

There were no objections to the policy from suppliers or customers in FY2025.

1.5. Grievance Mechanism

In accordance with internal regulations, internal and external grievance mechanisms have been established to allow any employee or external stakeholder to anonymously report any concerns related to the group`s precious metals sourcing.

Informants may submit reports, etc. in Japanese, English, Chinese, Thai, Korean, or German by completing a dedicated form on TANAKA website:

Japanese:
https://www.tanaka.co.jp/support/req/sourcing_policy/index.php
English:
https://www.tanaka.co.jp/support/req/sourcing_policy_e/index.php
Chinese (Traditional):
https://www.tanaka.co.jp/support/req/sourcing-policy-tw/index.php
Chinese (Simplified):
https://www.tanaka.co.jp/support/req/sourcing-policy-cn/index.php
Thai:
https://www.tanaka.co.jp/support/req/sourcing-policy-th/index.php
Korean:
https://www.tanaka.co.jp/support/req/sourcing-policy-kr/index.php
German:
https://www.tanaka.co.jp/support/req/sourcing-policy-de/index.php

Under the guidance of the Compliance Officer, RBD implements overall management to ensure smooth execution of responses to grievances.

TKK's responses upon receiving grievances are as follows:

a) Acceptance of Grievances

RBD promptly reviews the content of grievances submitted through the dedicated form and accepts grievances that relate to TANAKA’s responsible minerals sourcing.

b) Investigation

The accepted grievances are examined fairly, impartially, and sincerely. Based on the content, the necessity of a response or investigation is determined. If an investigation is required, TKK asks relevant internal departments to provide materials and information.

c) Notification to the Informant

If personal information is provided by the informant and an investigation is to be initiated, TKK notifies the informant accordingly, and requests additional information if necessary. If the requirements for initiating an investigation are not met, TKK will inform the informant accordingly.

d) Corrective Measures

If illegal activities or misconduct by TKK are identified, TKK initiates corrective measures and measures to prevent recurrence to the extent that such measures do not interfere with the protection of trade secrets and personal information.

e) Notification of Results to the Informant

Once the investigation is concluded, TKK informs the informant of the investigation results and any corrective or preventive measures taken.

The above mechanism is well communicated to employees and external stakeholders, and is documented in the internal regulations to ensure that informants will not be disadvantaged or subject to retaliation.

In FY2025, no grievances related to responsible minerals sourcing were received. There were also no remaining grievances from the previous years that required closure.

Step 2: Risk Identification and Assessment

2.1. Risk Identification

SCDD is conducted based on a risk-based approach.

Supply chain risks are assessed in three categories: "location risk", "supplier risk", and "material risk".

Using the LPPM questionnaire, reliable market information, public information, corporate research services and online screening tools, etc. the following information is collected and examined:

a) Location Risk

- Origin of received material
- Transit point(s) from the origin of the received material to the refineries

b) Supplier Risk

- Supplier's name and location, UBOs (holding 10% or more of the controlling interest), principal officers, and major shareholders

  Note: The existence of the UBOs should, in principle, be verified with a photo identity document. In case where it is impossible to verify identity due to the absence of the supplier's photo identity document or the supplier's refusal to present it, TKK investigates the corporate registers or conducts in-person meetings/interviews.

c) Material Risk

- Major business lines, products, customers, etc. of the supplier
- Outline of secondary suppliers (from whom the supplier procures precious metals)
- Types and shapes of precious metals procured by the supplier
- Type and location of facilities where the supplier processes or refines precious metals
- Existence of relevant policies and procedures (anti-money laundering, anti-corruption, responsible sourcing, etc.)
- Existence or non-existence of intermediate refining companies in the supply chain

RBD and the frontline departments cooperate to collect adequate information necessary to conduct risk assessment and continuous monitoring using questionnaire responses, commercial flow analysis, sales department interviews, external information, and external screening services.

RBD staff with sufficient skills conduct annual risk assessment based on the collected information followed by the consideration of the assessment result by the General Manager of RBD to determine whether to proceed with transactions. RBD then shares the conclusion with related departments via an internal database.

SCDD is also conducted prior to the start of business for new suppliers. Furthermore, frontline department staff are provided with adequate information to conduct continuous monitoring in cooperation with RBD.

2.2. Classification of Identified Risks

Based on the information, tools, skills, and external information described in Step 2.1 of the Guidance, the General Manager of RBD assesses the three risk categories: location risk, supplier risk, and material risk.

The objective of the risk assessment is to determine if a supply chain is considered high-risk according to the following criteria (minimum requirements):

a) For location-based high risks, recycled platinum/palladium:

- Originates from, transits through, or is transported via conflict-affected and high-risk areas (CAHRAs) as defined by TANAKA Country Risk Table.
- Is claimed to originate from a country through which platinum/palladium from CAHRAs is known, or reasonably suspected, to transit, and/or is unjustifiably claimed to have originated from a country with limited exports of platinum/palladium.

b) For supplier-based high risks, the platinum/palladium-supplying counterparty or other known upstream companies:

- Operate in a high-risk country for money laundering.
- Have shareholders, or UBOs, or other platinum/palladium-supplying interests in one of the location-based high-risk criteria.
- Have UBOs who are politically exposed persons (PEPs).
- Are involved in higher-risk business activities such as arms, the gaming and casino industry, antiques and art, and sects and their leaders.
- Are known to have sourced platinum/palladium from a high-risk country within the last 12 months.
- Have significant unexplained geographic routing from their supplier or counterparty in the supply chain.

c) For material-based high risks, recycled platinum/palladium:

- Is sourced from an intermediate refinery or trader with a high-risk supply chain, or from a trading counterparty that sources from an intermediate refinery with a high-risk supply chain.

To assess location risk, TKG establishes and maintains TANAKA Country Risk Table, which evaluates country risks from materials' origin and transition points. TANAKA Country Risk Table is referenced against various sources such as sanctions lists (US, UK, EU, UN, and relevant sanctions lists), Dodd Frank s. 1502, EU CAHRA list, Heidelberg Barometer, Fragile States Index or equivalent, UN Human Rights Office of the High Commissioner or equivalent, reports (including relevant country reports) by the Financial Action Task Force (FATF), and credible market intelligence on high-risk platinum/palladium centres/transit hubs and on countries where there is a high risk of money laundering, as specified in the Guidance.

Supplier risk is checked with respect to the name, location, controlling parties, principal officers, and principal shareholders of suppliers, as well as whether any related parties are sanctioned parties, money launderers, fraudsters, terrorists, anti-social forces, or PEPs.

Regarding material risk, TKK checks the major business lines, products, and customers of the supplier, an overview of secondary suppliers, and the type and shape of precious metals procured by the supplier.

TKK, which does not procure any mined material, defines a zero-tolerance case as (i) a transaction that violates international sanctions, or (ii) a transaction in which a supplier, other known upstream companies, or their UBOs are known money launderers, fraudsters, or terrorists, or have been implicated in serious human rights abuses, or in direct or indirect support to illegitimate non-state armed groups.

In the case where zero-tolerance issues are identified, TKK does not enter a business relationship or must terminate an existing relationship immediately.

In FY2025, no supplier was identified as zero-tolerance or high-risk.

2.3. Enhanced DD

Suppliers that are determined to be high-risk as a result of DD must undergo enhanced DD, including on-site investigation using the site visit report template included in the Refiner Toolkit prior to the start of transaction or at least within six months of the start of the transaction. The enhanced DD is implemented by a designated employee who has been certified by the Head of TSC as having the capability to conduct an enhanced investigation, or an external audit firm to which the investigation has been outsourced.

The origin of the precious metals, the supplier, transaction conditions, and the nature of the business shall be scrutinized. The results of the enhanced DD shall be accurately documented and reported to TSC, which determines the transaction policy, and the decision is then reported to the Board.

New supply chains rated as high-risk should be approved by TSC and the Board and reviewed annually for a decision on whether to continue the business relationship.

If an intermediate refinery is identified in a high-risk supply chain, even if it is upstream from the direct supplier, TKK shall verify whether the intermediate refinery has undergone an external audit in accordance with the OECD Due Diligence Guidance.

If not, TKK shall make a final decision on the high-risk supplier in accordance with its internal regulations for dealing with high-risk suppliers as described in Step 3.

The same applies to cases where the high-risk intermediate refinery has undergone an external audit but is identified as having any medium- or high-risk non-conformity. In FY2025, no intermediate refineries in the supply chain were identified as high-risk. Also, no supplier was identified as high-risk.

Step 3: Risk Management

Internal regulations stipulate procedures for dealing with suppliers identified as high-risk.

Reasons for continuing, suspending, or terminating business relationships with suppliers, and management strategies are as follows.

a) Termination of business relationship

When enhanced DD concludes that there are known cases of any of the following：

- Money laundering
- Terrorist financing
- Serious human rights violations
- Direct or indirect support for illegal non-state armed groups
- Fraudulent misrepresentation of the origin of minerals

b) Suspension of business relationship

When the enhanced DD concludes that there is a suspicion of any of the following：

- Money laundering
- Terrorist financing
- Serious human rights violations
- Direct or indirect support for illegal non-state armed groups
- Fraudulent misrepresentation of the origin of minerals

c) Continuation of business relationship with an improvement plan

When the enhanced DD concludes that the supplier is making reasonable and good faith efforts despite the fact that the enhanced DD is not fully satisfactory, or that there are known instances of the following:

- Money laundering
- Terrorist financing
- Serious human rights violations
- Direct or indirect support for illegal non-state armed groups
- Fraudulent misrepresentation of the origin of minerals

If a decision is made to continue the transaction, the risk is reassessed within six months, and based on the results of the reassessment, TSC decides whether to continue or discontinue the transaction under certain conditions.
Examples of conditions for continued transactions include the supplier's written pledge not to supply illegally stolen materials, submission of invoices and other vouchers indicating collection locations, and continuous monitoring.

TKK reports a summary of high-risk or zero-tolerance issues to the Board semi-annually, even in the absence of such issues. As stated above in Step 2.2, in FY2025, no high-risk or zero-tolerance suppliers were identified. Furthermore, there were no cases of cooperation with authorities or public authorities regarding suspicious transactions.
With respect to relevant internal departments, under the direction of the Compliance Officer, RBD conducted an internal audit, and no material violation or deviation from the internal SCDD process was identified.

Before issuing the compliance report, the Compliance Officer reported to TSC a summary of SCDD, along with the preliminary result of the annual third-party audit was also reported. In FY2025, it was concluded that there were no critical risks or concerns identified.

Step 4: Independent Third-Party Assurance

KPMG AZSA Sustainability Co., Ltd. was selected as the assurance provider because no other assurance provider is available in Japan, and non-Japanese assurance providers would present practical challenges due to language and geography. To ensure assurance provider independence, TKK confirmed that there is no capital relationship, no interlocking directors between TKG/TKK and KPMG AZSA Sustainability Co., Ltd., and no engagement of advisory services that would compromise the independence of KPMG's assurance services. The selection was approved by TSC and TKK engaged the services of KPMG AZSA Sustainability Co., Ltd.

The compliance report and independent assurance report are available on TANAKA website:
https://www.tanaka.co.jp/english/sustainability/sourcing-policy/certificate/

Step 5: Report on SCDD

Annual reporting is conducted through the compliance report and the assurance report.
The above reports are available on TANAKA website:
https://www.tanaka.co.jp/english/sustainability/sourcing-policy/certificate/

Management Conclusion

In conclusion, TKK implemented effective management systems, procedures, processes and practices to conform to the requirements of the Guidance, as explained above in "Refiner`s Details", for the reporting year ended 31 December 2025.
TKK is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis.

Other report comments

If users of this report wish to provide any feedback to TKK with respect to this report, they can contact RBD at the following email: rbd@ml.tanaka.co.jp