

Sumitomo Metal Mining Responsible Gold and Silver Guidance Compliance Report

The LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance have been established for Good Delivery Refiners to adopt high standards of due diligence, to deal with and counter systematic or widespread human rights abuse, and to avoid being complicit in conflicts, and to comply with high standards for anti-money laundering and for countering terrorist financing practices.

This report summarizes how Sumitomo Metal Mining Co., Ltd. has complied with the requirements of the LBMA Responsible Gold Guidance Ver.9 and the LBMA Responsible Silver Guidance Ver.2.

Table 1: Refiner's details

Refiner's name	Sumitomo Metal Mining Co., Ltd.
Location	11-3, Shimbashi 5-chome, Minato-ku, Tokyo, Japan
Reporting year-end	March 31, 2025
Date of Report	June 27, 2025
Senior management responsible for this report	

竹 杯 復

Masaru Takebayashi
Director
Senior Managing Executive Officer,
General Manager, Non-Ferrous Metals Division.

Evaluation by Sumitomo Metal Mining

Table 2: Summary of activities undertaken to demonstrate compliance.

Step 1: Establish strong company management systems

Compliance Statement with Requirement:

We have fully complied with Step 1: Establish strong company management systems.

Sumitomo Metal Mining has adopted a policy and regulations regarding due diligence for supply chains of gold and silver.

Comments and Demonstration of Compliance:

Our policy on conflict minerals, which was consistent with the model set out in the Annex II of the OECD Due Diligence Guidance, was established in 2012, and was amended and renamed in 2018 “Policy on Conflict Materials in Gold/Silver Smelting”. The policy sets out our responsibility for establishing company management systems to counter human rights abuse, avoid being complicit in conflict over our supply chain, and to comply with high standards of anti-money laundering and to fulfill our responsibilities towards the environment and sustainable development, for performing appropriate due diligence on a risk basis over our counterparties and for ensuring appropriate careful examination and monitoring of transactions, on a risk based approach.

This policy is based on “The Sumitomo Metal Mining Group Policy on Human Rights” and “SMM Group Responsible Mineral Sourcing Policy” and is designed to ensure transparency of raw material suppliers so that we are not complicit in human rights issues such as conflict minerals. The policy is reviewed annually and approved by Responsible Mineral Procurement Working Group. It is also communicated to employees and disclosed on our website.

(<https://www.smm.co.jp/en/sustainability/management/procurement/>).

The policy states that SMM fulfills our obligations with the environment and sustainability in the supply chain and will not be involved in the following acts.

- Direct or indirect support acts of abuse such as forced labor, child labor, and serious human rights violations or illegal activities such as money laundering through the mining, trading, handling, and export of gold / silver ore from high-risk areas such as conflict areas (Democratic Republic of the Congo and nine neighboring countries)
- Direct or indirect support for illegal non-state armed groups or public or private security forces that illegally control mining sites, traders, other intermediaries and transportation routes through the supply chain or illegally tax money or minerals through the supply chain

- Bribery or misrepresentation of the origin of gold/silver
- Failure to comply with government taxes, fees and royalties related to the extraction, trade and export of minerals from conflict-affected and high-risk areas (CAHRAs)
- Money laundering or terrorist financing
- Conflict

Risk management is performed in the procurement of the raw materials for gold / silver smelting, and trading shall be halted in the event that a material is discovered to be a conflict mineral originating in a conflict zone.

The policy is based on “The Sumitomo Metal Mining Group Policy on Human Rights” (https://www.smm.co.jp/en/sustainability/management/humanrights_procurement/) and "SMM Group Responsible Mineral Sourcing Policy" (<https://www.smm.co.jp/en/sustainability/management/procurement/>).

Sumitomo Metal Mining has set up an internal management structure to support supply chain due diligence.

Comments and Demonstration of Compliance:

An internal management system was set up in fiscal 2012 to define the governance, roles and responsibilities, internal audit, communication and senior management review as per the adopted policy. The compliance officer, who has relevant experience in responsibility for the implementation of the supply chain due diligence process has been assigned directly to senior management to manage the process. Our supply chain due diligence management structure consists of a) the Responsible Mineral Procurement Working Group established by our board of directors as a subordinate organization of the Sustainability Committee, b) the compliance officer who is the manager of the supply chain due diligence, c) the gold and silver raw material purchasing manager who procures in accordance with the regulations, d) the gold and silver product sales manager who is responsible for the management of traceability and record for the sold gold and silver products, and e) the gold / silver raw material management manager of the smelter who is responsible for the received gold and silver raw materials. The gold and silver raw material purchasing manager reports the results of the supply chain due diligence to the compliance officer, and the compliance officer reports the process and results of the supply chain due diligence to the Responsible Mineral Procurement Working Group for management review. The Responsible Mineral Procurement Working Group consists of general manager (GM) of Non-Ferrous Metals Div., GM of Mineral Resources Div., GM of Sustainability Dept., and GMs of Copper & Precious Metals Raw Materials Dept. and

Copper & Precious Metals Sales Dept., with relevant skills and experience to effectively carry out oversight of responsible procurement activities for the Board.

In the internal audit we conducted in FY2024, we checked, for example, whether we performed supply chain due diligence, provided training to all employees involved in the gold and silver supply chain, and maintained records of due diligence, in accordance with our rules and regulations. We have the necessary resources to assist in the operation and monitoring of the due diligence process.

No issues related to internal due diligence processes were identified in the internal audit conducted in FY2024. In addition, in order to inform relevant employees of the policies and procedures regarding conflict minerals in gold and silver smelting, we have formulated an annual education and training plan in accordance with the provisions of the "Gold and Silver Supply Chain Education and Training Regulations". We provided education and training on supply chain due diligence to all 456 personnel in charge of Copper & Precious Metals Raw Materials Dept., Copper & Precious Metals Sales Dept., Nickel Sales & Raw Materials Dept., Osaka Branch Sales Dept., Nagoya Branch and Toyo smelter & Refinery from November 2024 to February 2025.

The content included the procedures for gold and silver supply chain due diligence at our company. When a document about gold and silver supply chain due diligence is established or revised, we must promptly notify all persons who may use the document in business by e-mail etc. In addition, the "Policy on Conflict Materials in Gold/Silver Smelting," which underpins the activity and control of SMM to ensure that it does not participate in conflicts or human rights violations in conflict areas or high-risk areas.

Sumitomo Metal Mining has established a strong internal system of due diligence, controls and transparency over gold and silver supply chain, including traceability and identification of other supply chain actors.

Comments and Demonstration of Compliance:

Sumitomo Metal Mining uses the risk assessment sheet to confirm compliance with all suppliers when conducting transactions. Compliance checks check for serious legal and regulatory violations related to child / forced labor, the environment, and occupational health and safety. As a result of the compliance check, we identified no suppliers with serious legal or regulatory violations. Sumitomo Metal Mining has a gold/silver bearing materials receipts process. Before refining the gold and silver raw materials, it is necessary to receive shipping instructions and invoices, which describe the shipping date, the name of the supplier, packaging details, weight and quality at the time of loading,

and the type of raw materials. Additionally, the aforementioned transaction details, along with the lot number, must be entered into our raw material system. Each lot received is accurately registered in our transactional system. Specific controls as per our internal guidelines regarding the received material are carried out before refining material. We conduct due diligence over the supply chain of mined gold, recycled gold and silver, copper anode slime, and gold and silver obtained as mining by-products from copper concentrate and blister copper. No unscheduled raw materials were received in the refining process during the reporting period.

For all gold and silver suppliers, we use reliable and independent sources to verify their identities before entering into a business relationship. In addition, we use information collected from each supplier through the Supply Chain DD Questionnaire including the countries of origin and transit points of the precious metals, and search the internet for relevant information as needed to determine whether a supplier has been involved in any mercury pollution, destruction of the environment, sourcing of material from areas designated as World Heritage Sites and violation of sustainability-related regulations. In the event we identify a high-risk issue relating to a supplier or the country of origin and/or traceability of material, the Compliance Officer determines whether or not to approve or continue the transaction. We send the "Supply Chain DD Questionnaire" and "Policy on Conflict Materials in Gold/Silver Smelting" and/or "Policy on responsible sourcing of Copper, Nickel and Cobalt raw materials" to each of our suppliers and receive responses to the Supply Chain DD Questionnaire and written consent to the Policy. The number of written consent obtained from the primary suppliers (mine sites or their parent companies) is 8, and that from the secondary suppliers (traders) is 24.

Sumitomo Metal Mining has strengthened company engagement with gold and silver supplying counterparties, and where possible, assisted gold and silver supplying counterparties in building due diligence capabilities.

Comments and Demonstration of Compliance:

We sent our "Policy on Conflict Materials in Gold/Silver Smelting" or/and "Policy on responsible sourcing of Copper, Nickel and Cobalt raw materials" to each of our suppliers to request them to understand and agree to our policy, and we received a letter of intent as confirmation. We clearly state in our policy that, to fulfill our environmental and sustainability responsibilities in the supply chain, we will not directly nor indirectly supports acts of abuse such as forced labor, child labor, and serious human rights

violations or illegal activities such as money laundering through the mining, trading, handling, and export of gold / silver ore from high-risk areas such as conflict areas.

In FY2024, we also assisted Okuchi Electronics Co., Ltd., our group company dealing with recycled gold and silver, in building due diligence capabilities in order to make sure that we, as the Sumitomo Metal Mining Group, do not purchase gold/silver bearing materials that contribute to conflict. In addition, we checked whether they performed supply chain due diligence in accordance with their rules and regulations.

We have long expressed our support for the implementation of the Extractive Industry Transparency Initiative (EITI) principles. In FY2024, we procured copper concentrate from a state-owned enterprise in Papua New Guinea, an EITI country.

Sumitomo Metal Mining has established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management.

Comments and Demonstration of Compliance

By utilizing our existing Whistle-blowing System (Speak Up System) and an inquiry form, we allow employees and external stakeholders to anonymously voice concerns over any deviations from our policy and procedures so that we can identify risk in a timely manner. The contents of a report of grievances shall not be shared beyond the specified scope without the explicit consent of the whistleblowers. The results of the investigation and any corrective measures taken shall be notified to the whistleblowers, with due consideration given to the credibility, reputation, privacy, and other interests of the parties involved. Furthermore, whistleblowers are protected by a company regulation to ensure they are not treated disadvantageously. We received no complaints related to conflict minerals in gold/silver smelting during the reporting period. [Inquiry Form | Sumitomo Metal Mining Co., Ltd.](#)

Step 2: Identify and assess risks in the supply chain

Compliance Statement with Requirement:

We have fully complied with Step 2:

Sumitomo Metal Mining has a process to identify risks in the supply chain.

Comments and Demonstration of Compliance:

We investigate suppliers corporate attributes with information from a trusted and neutral source to identify its beneficial owner. We also confirm that suppliers key business partners have not been identified as money launderers, scammers, or terrorists on the wanted list created by governments. We obtain information on suppliers' business and financial conditions to identify risks associated with a transaction with suppliers. In particular, we check for significant regulatory violations related to child and forced labor, the environment, and occupational health and safety. If applicable, we gather information on the supplier's AML-CFT (Prevention of Money Laundering and Prevention of Terrorist Financing) policy and its implementation status. We also send the Supply Chain DD Questionnaire to suppliers to determine whether we are purchasing material originating in any of the CAHRAs. The person in charge of the raw material purchasing department checks each item in the Supply Chain DD Questionnaire collected from the supplier, obtains reports from an external research company, and creates an evaluation sheet for internal evaluation from those contents. The superior of the Purchasing Department checks each document and submits them to the secretariat. The secretariat staff checks each document and obtains approval from the compliance officer. Each party has evaluation skills and experience in due diligence and approves by stamping each company's evaluation sheet.

In FY2024, we assessed risks of all of our gold and silver supplying counterparties (Total 45 companies) with the Supply Chain DD Questionnaire and the due diligence evaluation sheets. Based on the latest publicly available information, such as the LBMA Responsible Sourcing Newsletter at the time of the update of the CAHRAs List, we include in our LBMA CAHRAs List the Democratic Republic of the Congo and neighboring countries, and countries or regions that fall into one of the following categories 1) through 7) below.

- 1) Systematic and widespread abuse or human rights violations related to the mining, transportation or sale of gold and silver

- 2) Direct or indirect support for non-state armed groups or public or private security forces
- 3) Bribery and fraudulent misrepresentation of the country of origin of gold and silver
- 4) Taxes, fees and mine usage fees paid to the government
- 5) Money laundering and funding for terrorists
- 6) Participation in the dispute
- 7) Violation of the law on the environment and sustainability

We also revised the LBMA CAHRA (Conflict-Affected and High-Risk Areas) list in March 2025. This revision of our LBMA CAHRA list was made based on information available from Sanctions list (US, UK, EU, UN, and relevant sanctions lists), Dodd Franks. 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) , Credible market intelligence on high-risk gold centres/transit hubs and on countries where there is a high risk of money laundering, the US Department of Labor “List of Goods Produced by Child Labor or Forced Labor” and the other available information source as such from LBMA. We shall review the list of CAHRAs at least once a year.

We determine there is a high risk if:

- The country of origin of material is a country included in our LBMA CAHRA List;
- Gold or silver raw material transits, or is suspected to transit, via a country included in our LBMA CAHRA List; or
- A gold/silver raw material supplier or, to the extent recognized, its upstream suppliers are located in a country included in our LBMA CAHRA List.

Sumitomo Metal Mining assesses risks in light of the standards of their due diligence system.

Comments and Demonstration of Compliance:

We assess risks in the supply chain against the predetermined criteria which are consistent with those set out in the LBMA Responsible Gold Guidance Ver.9 and the LBMA Responsible Silver Guidance Ver.2. Our risk assessment, which is carried out by the Raw Material Procurement Department, includes obtaining consent from suppliers to our policy, obtaining answers to the Supply Chain DD Questionnaire, and reviewing supporting documents used to identify risks, e.g., the results of Internet searches. Since precious metal raw materials we procure other than those mined in our Hishikari Mine are recycled raw materials, or the by-products contained in the gold and silver bearing

mined raw materials, the main potential risk is the import of raw materials from suppliers located in countries that fall under CAHRAs.

In FY2024, no materials were sourced from high-risk or zero-tolerance suppliers.

We determine there is a high risk if:

1) Location risk.

- Mined or recycled gold or silver is produced in, or transported through the CAHRAs
- Mined gold or silver comes from countries with limited known reserves, likely resources or expected production levels .
- Recycled gold or silver comes from countries known or reasonably suspected as passing through the CAHRAs.
- Mined or recycled gold or silver is transported through illogical geographical routes.
- Mined or recycled gold or silver originates from an area designated as a World Heritage Site.

2) Supplier risk.

- A Politically Exposed Person is an Ultimate Beneficial Owner of the supplier company from which the gold or silver is sourced or another known upstream company in the supply chain.
- A supplier company from which the gold or silver is sourced or another known upstream company in its supply chain is engaged in, or is part of or is a leader in, a higher risk business such as arms, gambling, casinos, etc.
- A supplier company from which the gold or silver is sourced or another known upstream company in its supply chain has purchased mined or recycled gold or silver from CAHRAs in the past 12 months.
- Discrepancies or inconsistencies are found in the documentation relating to mined or recycled gold or silver, and the company refuses to provide necessary documentation.
- Mined or recycled gold or silver comes from a smelter that is materially contrary to ESG and poses a significant risk.
- A supplier company from which the gold or silver is sourced or another known upstream company in its supply chain has shareholders, UBOs or other gold/silver supplying interests in an area that meets the high risk criteria.
- There are unaccountable purchasing channels in the supply chain from suppliers or trading partners (recycled gold raw materials only).

3) Raw material risk.

- Mined gold or silver originates from small-scale mining (ASM).
- Mined or recycled gold is produced using mercury.
- Mined or recycled gold or silver is delivered from an intermediate refinery with a high-risk supply chain or trading partner.

Our internal regulations require that we perform enhanced due diligence (EDD) when we identify a high risk before the commencement of trading or within six months of the commencement of trading. The Responsible Mineral Procurement Working Group makes a decision on whether a transaction is acceptable or not for ‘high risk supply chains’ and provides appropriate instructions to the compliance officer. Each trading relationship is to be reviewed by the compliance officer at least once a year. In EDD, a site visit must be performed in order to verify information collected in document-based supply chain due diligence. The site visit must be conducted by a competent employee or a competent independent external consultant using the site visit template included in the LBMA toolkit and must be reported honestly and accurately.

In FY2024, no materials were sourced from high-risk suppliers.

In addition, the following cases are considered to be zero tolerance

- Mined or recycled gold or silver originates from an area designated as a World Heritage Site.
- Mined or recycled gold or silver is procured in breach of international sanctions (e.g. UN, EU, UK, US).
- Suppliers of mined or recycled gold and their upstream companies or beneficial owners are directly or indirectly involved in illegal non-state armed groups involved in terrorist or human rights abuses.
- We treat the purchase of gold from Russia as a potential risk, ‘zero tolerance’.

Our internal regulations do not accept raw materials with problems that have manifested themselves after information has been gathered. Raw materials where relevant risks are discovered are immediately stopped from being accepted, the business relationship is terminated and the LBMA is informed.

The EDD procedure implemented for high-risk recycled gold procured from intermediate refiners with high-risk supply chains is similar to the procedure for implementing EDDs for regular suppliers. There were no procurements from intermediate refiners in FY2024. The compliance officer reports the results of the risk assessment to the Responsible Mineral Procurement Working Group to seek its judgment on whether or not to proceed with the transaction.

Comments and Demonstration of Compliance:

When enhanced due diligence is performed, the Responsible Mineral Procurement Working Group has to be consulted whether to continue or discontinue a business relationship with the gold and silver supplying counterparty in question.

Step 3: Design and implement a management system to respond to identified risks

Compliance Statement with Requirement:

We have fully complied with Step 3.: Design and implement a management system to respond to identified risks.

Sumitomo Metal Mining has devised a strategy for risk management of an identified risk by either (i)Terminate relationship, (ii)Suspend relationship, (iii)Continue relationship with improvement plan.

Comments and Demonstration of Compliance:

We have devised a strategy for risk management of an identified risk. In our management system, where a management strategy of risk mitigation is undertaken, we are determined to take measurable steps of monitoring performance, and periodic reassessment of risk and regular reporting to the Responsible Mineral Procurement Working Group.

Comments and Demonstration of Compliance:

We have established the internal management system that prohibits or suspends our supply chain of gold and silver according to the degree of identified risk of us getting involved in systematic or widespread abuses of human rights, contributing to conflict, money laundering, and terrorist financing practice. Our internal regulations require that we perform enhanced due diligence (EDD) when we identify a high risk before the commencement of trading or within six months of the commencement of trading. In EDD, a site visit must be performed in order to verify information collected in document-based supply chain due diligence. Also, for individual companies involved in the supply chain from suppliers to the Toyo smelter & Refinery, including transporters, located in conflict zones and high-risk areas for human rights violations, we research corporate attributes using information from reliable neutral sources, identify beneficial owners, and review lists compiled by national governments. The result of the research is reported to the Responsible Mineral Procurement Working Group, and the Working Group reviews information on high-risk supply chains, risk mitigation strategies for suppliers under

risk mitigation strategies, the progress of improvement plans and their effectiveness, and seeks a decision on whether to continue trading.

Risks are categorized as follows.

1)	Money laundering, financing of terrorism, promotion of conflict, serious human rights abuses, direct or indirect support for illegitimate non-state armed groups or fraudulent misrepresentation of the country of origin of minerals are taking place.
2)	Money laundering, financing of terrorism, promotion of conflict, serious human rights abuses, direct or indirect support for illegitimate non-State armed groups, or fraudulent misrepresentation of the country of origin of minerals may be taking place.
3)	Not all conditions are met, or due diligence results indicate that bribery, fraudulent misrepresentation of the country of origin of gold or silver or non-compliance with taxes, fees or mining royalties owed to the government, Material breaches of environmental, health, safety, labour and community-related local legislation, and/or ESG risks that have the high likelihood to result in highly adverse impacts. but it has been concluded that the assessed companies in the supply chain are making reasonable and good faith efforts.

Sumitomo Metal Mining manages the above identified risks by either 1) Terminate relationship, 2)Suspend relationship, or 3)Continue relationship with improvement plan. with clear performance targets within a reasonable period of time, based on the criteria for judgment on the acceptability of transactions. No suppliers were identified as those requiring risk mitigation measures during FY2024. No suppliers are currently suspended. In addition, we never cooperated with any investigation by the national or local authorities from any questionable transactions during the reporting year.

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:

Sumitomo Metal Mining engaged the services of the assurance provider KPMG AZSA Sustainability Co., Ltd., and their independent limited assurance report is attached hereto. We have selected the company's services with the approval of the Responsible Mineral Procurement Working Group established by our board of directors. The content of this report has also been approved by the Working Group for publication. In order to maintain the independence of the assurance provider, we confirm, every time we sign a

contract with the assurance provider, that they will not be involve in any management function of the Sumitomo Metal Mining Group.

<https://www.smm.co.jp/sustainability/management/pdf/Report2024.pdf>

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:

Our Policy on Conflict Materials in Gold/Silver Smelting and Sumitomo Metal Mining Responsible Gold and Silver Guidance Compliance Report are available on Sumitomo Metal Mining's website. [Mineral Sourcing Policy | Sustainability | Sumitomo Metal Mining Co., Ltd.](#)

Table 3: Management conclusion

Is the Refiner in compliance with the requirements of the LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance, for the reporting period?

Yes

In conclusion, Sumitomo Metal Mining implemented effective management systems, procedures, processes and practices to conform to the requirements of the LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance, as explained above in Table 2, for the reporting year ended 31 March 2025.

Table 4: Other report comments

If users of this report wish to provide any feedback to Sumitomo Metal Mining with respect to this report, they can send an e-mail to the address below.

Funsokobutsu_Kin_Kinzoku@smm-g.com



Independent Practitioner's Limited Assurance Report

To the Management of Sumitomo Metal Mining Co., Ltd.

Report on Sumitomo Metal Mining Responsible Gold and Silver Guidance Compliance Report

Conclusion

We have performed a limited assurance engagement on whether Sumitomo Metal Mining Co., Ltd. (the "Company")'s Compliance Report for the year ended 31 March 2025 has been prepared in accordance with the requirements of the LBMA Responsible Gold Guidance Version 9 and the LBMA Responsible Silver Guidance Version 2 (the "Criteria").

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 2025 does not describe fairly the activities undertaken during the year to demonstrate compliance, and the management's overall conclusion contained therein is not, 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 guidance set out in the LBMA Responsible Sourcing Programme - Third Party Audit Guidance (the "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 Policy on Conflict Materials in Gold/Silver Smelting available on the Company's website:

www.smm.co.jp/en/sustainability/management/procurement/.



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 appropriateness of the policies and procedures used by the Company;
- inquired the management to gain an understanding of the Company's processes and risk management protocols in place;
- inquired the relevant personnel of the Company responsible for the preparation of the Compliance Report;
- performed a site visit at Toyo Smelter & Refinery which was determined through our risk assessment procedures;
- reviewed a selection of the supporting documentation, including Gold and Silver supplier counterparty due diligence file and transaction's documentation;
- tested a selection of the underlying processes and controls that support the information in the Compliance Report; and
- evaluated the overall presentation of the information presented in the Compliance Report.

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.

Kazuhiko Saito, Engagement Partner

KPMG AZSA Sustainability Co., Ltd.

Tokyo Office, Japan

27 June 2025