

## Refiner's Compliance Report

### Refiner's Details

**Refiner's Name:** Sabin Metal Corporation  
**Location:** (Corporate HQ) 300 Pantigo Place, Ste 102, East Hampton, NY 11937  
**Reporting Year-end:** June 30, 2023  
**Date of Report:** August 22, 2023

**Senior Management Responsible for this Report:** Marc Pane, Corporate Counsel and Compliance Officer, 300 Pantigo Place Ste 102, East Hampton, NY 11937

### Step 1: Establish strong company management systems

#### Compliance Statement with Requirement:

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

#### Has the Refiner adopted a company policy regarding due diligence for supply chains of PGM's?

We adopted an appropriate responsible sourcing and supply chain policy in September 2014 based on the model set out in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. This Responsible Supply Chain Policy was updated and restated in June 2020 and our Responsible Supply Chain Procedures last revised in January 2023.

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

An internal management system has been set up to define the roles and responsibilities, internal audit, communication and senior management review. The Compliance Officer has been assigned to manage the process and has a direct line of reporting to senior management and the Board of Directors.

#### Has the Refiner established a strong internal system of due diligence, controls and transparency over PGM supply chain, including traceability and identification of other supply chain actors?

We have a system in place to conduct appropriate due diligence on all of our suppliers in order to identify our suppliers and the sources and origin of all material sent to us. Specific documents are

### THE SABIN METAL GROUP OF COMPANIES

Sabin Metal Corporation

Sabin Metal West Corporation

Sabin Metal (Canada), Ltd.

Sabin Metal Europe B.V.

Sabin Metal Corporation DMCC Branch

**REFINING • PRECIOUS METALS • RECYCLING**

**CORPORATE HQ:** 300 Pantigo Place, Suite 102 East Hampton, NY 11937  
**PHONE:** 631-329-1717  
**WEBSITE:** sabinmetal.com

requested of suppliers and the supplier approved by compliance before we receive or process any material.

Our systems continue to be refined in the last period. With the introduction of the LPPM’s Responsible Platinum/Palladium Guidance in November 2022 our ERP software was updated to incorporate the Country of Origin Material Type Categories used therein. In August 2023 a need was identified to make improvements in the capability of this system to collate lot origin data in limited circumstances and this effort is in progress. Our KYC tracking tool has been updated to track ESG data of our counterparties as per the latest guidance.

**Has the Refiner strengthened company engagement with PGM supplying counterparties, and where possible, assisted PGM supplying counterparties in building due diligence capabilities?**

We have updated our terms and conditions issued to all suppliers to require disclosure of identity and supply chain information on all material sent to us, and have updated our supplier due diligence documentation. In 2023 we continued to revise our KYC Questionnaire in accordance with feedback from customers and comparisons with those of other LPPM members and industry peers.

**Has the Refiner established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management?**

All employees involved in sourcing or with customer-facing responsibilities are notified that they should contact the compliance officer with any concerns. Annual training in customer due diligence is provided to all customer-facing employees. Regular discussions are held as necessary between employees involved in sourcing decisions and senior management and corporate counsel regarding supply chain concerns. Management meetings are held regularly where any specific concerns may also be discussed at the highest level. In 2022 our due diligence procedures were updated to provide further KYC checks and safeguards at the plant level.

**Step 2: Identify and assess risks in the supply chain**

We have fully complied with Step 2: Identify and assess risks in the supply chain, having identified a need to formalize site visit procedures to high risk counterparties during the previous reporting period, which was conducted and closed following a corrective action plan review in January 2023.

**THE SABIN METAL GROUP OF COMPANIES**

Sabin Metal Corporation

Sabin Metal West Corporation

Sabin Metal (Canada), Ltd.

Sabin Metal Europe B.V.

Sabin Metal Corporation DMCC Branch

**REFINING • PRECIOUS METALS • RECYCLING**

**CORPORATE HQ:** 300 Pantigo Place, Suite 102 East Hampton, NY 11937  
**PHONE:** 631-329-1717  
**WEBSITE:** sabinmetal.com

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

We identify and assess risks in the supply chain. For every supplier we have established a client database and allocate a risk profile according to LPPM and other industry standard criteria. This process is a formal requirement before entering into a relationship with any metal supplying counterparty.

**Does the Refiner assess risks in light of the standards of their due diligence system?**

Supply chain due diligence comprises all measures required by the LPPM “Responsible Platinum/Palladium” Guidance (in addition to further standards which guide our KYC/AML/CFT due diligence obligations). Higher risk categories as defined by the LPPM (or other generally accepted guidance documents such as the OECD’s Due Diligence Guidance) will trigger enhanced due diligence. All transactions are monitored during the course of our relationship with any supplier. Sabin has implemented a formalized site-visit process for high risk counterparties.

**Does the Refiner report risk assessment to the designated manager?**

Monthly management meetings are held where the Compliance Officer reports risk assessments of all new supplier/counterparty relationships (and any changes or reassessments of existing ones) to senior management and the board of directors.

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

We have fully complied with Step 3: Design and implement a management system to respond to identified risks. We have continued to revise and fine tune these procedures, with our most recent version revised as of January 16th, 2023.

**Has the Refiner devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk?**

We have set up a system where all counterparties are subject to KYC review, including an assessment of supply chain risk, in addition to customer risk, geographic risk, and product risk, among other categories, prior to entering into any business relationship or receiving material from them. Counterparties are also subject to regular periodic review to reassess risk levels.

**THE SABIN METAL GROUP OF COMPANIES**

Sabin Metal Corporation

Sabin Metal West Corporation

Sabin Metal (Canada), Ltd.

Sabin Metal Europe B.V.

Sabin Metal Corporation DMCC Branch

**REFINING • PRECIOUS METALS • RECYCLING**

**CORPORATE HQ:** 300 Pantigo Place, Suite 102 East Hampton, NY 11937  
**PHONE:** 631-329-1717  
**WEBSITE:** sabinmetal.com

**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 designated senior management.**

Senior management is briefed regularly by the compliance officer on all new relationship risk assessments and any changes to existing customers’ risk assessments. If after EDD or other risk mitigation efforts a customer is still assessed as high-risk, using, among other criteria, those found in the LPPM’s Supply Chain Assessment Form, the relationship will require senior management approval in addition to the compliance officer’s. Where risk is deemed unacceptable or otherwise contrary to our Responsible Supply Chain, Sanctions, Anti-Corruption and AML policies, the relationship will not be approved, or in the case of an existing relationship, that relationship will be suspended or terminated.

**Step 4: Arrange for an independent third-party audit of the supply chain due diligence**

We have engaged with RCS Global to conduct a third party audit of our supply chain due diligence in accordance with the LPPM’s standards. Audits have been conducted annually beginning with the reporting period 7/1/19-6/30/20.

**Step 5: Report on supply chain due diligence**

We have fully complied with Step 5: Report on supply chain due diligence.

To date, Sabin Metal Corporation has identified the following numbers of medium or high risk prospective counterparties through KYC vetting, based on either prospective customer risk, product risk, or geographic risk (note in some cases one prospective counterparty might present more than one type of risk):

	Medium Risk	High Risk
Customer Risk	5	0
Product Risk	8	0
Geographic Risk	10	0

Sabin Metal Corporation either engaged the prospective customer and/or conducted Enhanced Due Diligence to mitigate risk, or decided not to approve a business relationship or to disengage with a relationship on KYC grounds, with the customers identified as presenting elevated risk above, as follows:

	Mitigation	Unapproved or Disengaged

**THE SABIN METAL GROUP OF COMPANIES**

Sabin Metal Corporation

Sabin Metal West Corporation

Sabin Metal (Canada), Ltd.

Sabin Metal Europe B.V.

Sabin Metal Corporation DMCC Branch

**REFINING • PRECIOUS METALS • RECYCLING**

**CORPORATE HQ:** 300 Pantigo Place, Suite 102 East Hampton, NY 11937  
**PHONE:** 631-329-1717  
**WEBSITE:** [sabinmetal.com](http://sabinmetal.com)

Customer Risk	3	2
Product Risk	4	2
Geographic Risk	4	5

Note that some unsolicited inquiries or proposals by parties to conduct business with Sabin Metal Corporation may be declined prior to being formally evaluated for KYC due diligence purposes. Often these would likely have been considered medium or high risk had they been formally evaluated.

**Comments**

Further information about how Sabin Metal Corporation’s procedures have been implemented to align to the requirements of the LPPM’s Responsible Platinum/Palladium guidance as well as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas may be found on our website at <https://www.sabinmetal.com/corporate-governance>

**Sabin Metal Corporation’s Overall Conclusion**

**Is the Refiner in compliance with the requirements of the LPPM’s Responsible Platinum & Palladium Guidance for the reporting period?**

Yes. In conclusion Sabin Metal Corporation implemented effective management systems, procedures, processes and practices to conform to the requirements of the LPPM’s Responsible Platinum and Palladium Guidance, as explained in the preceding report, for the reporting year ended June 30, 2023. Sabin Metal Corporation 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 feedback to Sabin Metal Corporation with respect to this report, they may contact corporate counsel at [m.pane@sabinmetalcorp.com](mailto:m.pane@sabinmetalcorp.com).



---

Marc Pane  
Corporate Counsel  
Sabin Metal Corporation

**THE SABIN METAL GROUP OF COMPANIES**

Sabin Metal Corporation

Sabin Metal West Corporation

Sabin Metal (Canada), Ltd.

Sabin Metal Europe Europe B.V.

Sabin Metal Corporation DMCC Branch