

Senju Manufacturing Europe s.r.o. (SMEC)

SUPPLY CHAIN POLICY FOR MINERALS AND METALS POTENTIALLY ORIGINATING FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS.

We, the company Senju Manufacturing Europe s.r.o. (SMEC), a subsidiary of Senju Metal Industry Co., Ltd. (SMIC) in Japan, are setting together with SMIC this common policy commitment forth principles for common reference on mineral extraction, transport, handling, trading, processing, smelting, refining and alloying, and export. This policy is consistent according regulation (EU) 2017/821 and OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence), Annex II, and it is a part of our purchasing policy.

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 we have the responsibility to respect human rights and not contribute to conflict, we commit to adopt, widely disseminate and incorporate in contracts or agreements with suppliers the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas, as representing a common reference for conflict-sensitive sourcing practices and suppliers' risk awareness from the point of extraction until end user. We commit to refraining from any action which contributes to the financing of conflict and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions. For this we have the support of our Corporate Social Responsibility (CSR) policy too. This policy is part our purchasing policy.

We commit to the due diligence steps and recommendations as mentioned in regulation (EU) 2017/821 and OECD Due Diligence in areas of our possibilities and responsibilities according real situations, which according to the down description will apply to us and our suppliers:

Regarding serious abuses associated with the extraction, transport or trade of minerals: we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of any forms of torture, cruel, inhuman and degrading treatment; any forms of forced or compulsory labour; the worst forms of child labour; other gross human rights violations and abuses such as widespread sexual violence; war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

Regarding risk management of serious abuses: We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in over.

Regarding direct or indirect support to non-state armed groups: We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals.

Regarding risk management of direct or indirect support to non-state armed groups: We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as mentioned over.

Regarding public or private security forces: We agree to eliminate as mentioned down, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders. We recognise that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade. Where we or any company in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, we will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired. We will support efforts, or take steps, to engage with central or local authorities, international organisations and civil society organisations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved. We will support efforts, or take steps, to engage with local authorities, international organisations and civil society organisations to avoid or minimise the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

Regarding risk management of public or private security forces: In accordance with the specific position of the company in the supply chain, we will immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces, where we identify that such a reasonable risk exists. In such cases, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan. Where we identify a reasonable risk of activities inconsistent, we will respond in the same way.

Regarding bribery and fraudulent misrepresentation of the origin of minerals: We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export

Regarding money laundering: We will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

Regarding the payment of taxes, fees and royalties due to governments: We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments and, in accordance with the company's position in the supply chain, we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

Regarding risk management of bribery and fraudulent misrepresentation of the origin of minerals, money-laundering and payment of taxes, fees and royalties to governments: In accordance with the specific position of the company in the supply chain, we commit to engage with suppliers, central or

local governmental authorities, international organisations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measurable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.

We set up clear and coherent management process to ensure risks are adequately managed.

Pavlov, 17.01.2023

Eihiko Muramatsu
(Managing Director)

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Tokuro Yamaki
(QM Coordinator)

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