



Conflict Minerals Sourcing Policy

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1. Background

For the past decade, an increasing focus has been laid on the sourcing and trading of conflict minerals from conflict affected and high-risk areas. The Conflict Minerals Rule was initially adopted by the U.S. Securities and Exchange Commission (SEC) in 2012, in an effort to report and disclose the ethical and sustainable sourcing of conflict minerals.

On 1 January 2021, the Conflict Minerals Regulation came into full force across the EU. Tantalum, Tin, Tungsten and Gold often referred to as 3TG by downstream companies are metal extracts from minerals cassiterite, columbite-tantalite and wolframite, respectively which are collectively referred to as "Conflict minerals".

3TG are often mined from areas which are prone to armed conflicts, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.

Conflict-Affected and High-Risk Areas (CAHRAs) constitute of the Democratic Republic of Congo (DRC) and, the Covered Countries : (1) Angola; (2) Burundi; (3) Central African Republic; (4) the Republic of the Congo; (5) Rwanda; (6) South Sudan; (7) Tanzania; (8) Uganda; and (9) Zambia.

Organisation for Economic Co-operation and Development (OECD) has adopted measures to ensure greater supply chain transparency to the use of conflict minerals from conflict affected and adjoining countries. OECD requires companies that manufacture or contract to manufacture products must identify and disclose the source of the conflict minerals.

2. Policy Statement

R&S Group is committed to adhere to legal obligations concerned with the sourcing of conflict 3TG (3TG – Tin, Tantalum, Tungsten and Gold) under the OECD Due Diligence Guidance for Responsible Supply Chains of 3TG from CAHRAs.

As part of its sustainability commitment on Responsible Sourcing of Minerals, R&S Group is dedicated to ensuring that 3TG contained in its products are sourced with due respect for human rights, the need to avoid contributing to conflict, and the desire to support development through its supply chain practices. The Group does not ban the use of 3TG originating from the Democratic Republic of Congo (DRC), adjoining countries, or other Conflict-Affected and High-Risk Areas (CAHRAs); however, it requires that such sourcing fully aligns with international standards. To this end, R&S Group complies with the Responsible Minerals Initiative (RMI) by completing and maintaining the Conflict Minerals Reporting Template (CMRT), which ensures transparency in its supply chain and alignment with the OECD Due Diligence Guidance. This process also supports compliance with the EU Conflict Minerals Regulation, effective January 2021, which requires companies importing conflict minerals into the EU as ores or raw metals to investigate and report annually on potential Annex II risks in CAHRAs.

To ensure the implementation and adoption of the Conflict Minerals Policy, the company has:

- Reviewed its supply chain to identify products supplied to the company which have a high probability of 3TG presence.



- Identified and collaborated with raw material and service suppliers to confirm the presence of 3TG in the products.
- Informed suppliers on the stance taken by the company on Conflict Minerals sourcing.

In its effort to maintain transparency in the supply chain, the R&S Group expects its suppliers to:

- Familiarize with the Conflict Minerals Policy and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
- Identify the presence of Tantalum, Tin, Tungsten and Gold metals in the products supplied to the R&S Group.
- Verify the source of the smelters in their respective supply chains that source and supply 3TG metals. If you do not source directly from smelters/refiners, please pass on this request to your suppliers (and they may have to pass it on to their suppliers).
- Complete the **Conflict Minerals Reporting Template (CMRT)** and provide necessary documentation to validate the claims. The R&S Group reserves the right to request documentation and certifications from suppliers to monitor or assess compliance with this policy.
- Devise strategies to address inconsistencies and track performance of risk mitigation efforts with respect to sourcing from non-conformant smelters or refiners.
- Communicate efforts or strategies put in place to address risks with the R&S Group.
- Adhere and adopt supply chain policies in line with the OECD Due Diligence Guidance for Responsible Supply Chains of 3TG from CAHRAs.
- Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain.

3. Policy Violation

Suppliers failing to adhere could see any of the following scenarios:

- Sustained trade throughout the course of measurable risk mitigation efforts.
- Temporary suspension of trade while pursuing ongoing measurable risk mitigation.
- Disengagement after failed attempts at mitigation or where a company deems risk mitigation not feasible or unacceptable.

4. Queries and Reporting

Any concerns or questions regarding the Company's Conflict Minerals Program can be sent to: conflict.minerals@the-rsgroup.com

