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INTRODUCTION

Ushio Poland Sp. z o.o. (hereinafter: **Ushio Poland** or **the Company**) is part of the international Ushio Group, which traces its roots back to Japan. Ushio is engaged in the production of specialised lamps for agriculture and industry. In the production process, the Company uses so-called conflict minerals, i.e. tin, tantalum, tungsten and their ores and gold (hereinafter: **3TG**). Ushio Poland imports them mainly from China as well as the European Union. The parent company in the Group's European structure and at the same time the main customer for Ushio Poland's products is the German company Ushio Germany.

The company's policy focuses particular attention on due diligence in the supply chain of conflict minerals. Ushio's activities in this regard are based on Regulation (EU) No 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas (OJ L 130, 19.5.2017, as amended by Delegated Regulation Commission (EU) 2020/1588 of 25 June 2020). As well as the guidelines OECD due diligence on responsible supply chains for minerals from conflict-affected and high-risk areas and the European Commission's Recommendation 2018/1149 of 10 August 2018 on non-binding guidelines on the identification of conflict-affected and high-risk areas and other risk factors in the supply chain under Regulation (EU) 2017 /821 of the European Parliament and of the Council.

The following report for 2022 provides an indication of the significant actions taken by the Ushio to meet its supply chain management system and risk management obligations. In addition, the report provides an overall year-over-year supply chain risk assessment.

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REPORT FOR 2022

1. OVERALL SUPPLY CHAIN RISK ASSESSMENT

Ushio Poland is a trader operating at the "downstream of the supply chain" (as defined by the OECD Guidelines), which uses purchased raw materials to manufacture industrial products. Indeed, the Company is an entity operating at one of the last stages of the supply chain, as it uses raw materials already substantially processed in the form of, for example, wires, rods, electrodes, rings and other products made from, or containing, metals obtained from conflict minerals.

However, Ushio Poland, as a responsible entrepreneur, is aware of the risk of significant negative impacts that may be associated with the extraction of, trade in, processing and export of the minerals from which the metals it purchases are produced, from conflict-affected and high-risk areas. At the same time, the Company is fully aware that it is the duty of a responsible entrepreneur to respect human rights and not to contribute to conflicts. For this reason, the Company has adopted and implemented into its daily practice the Supply Chain Management Policy for Minerals from Conflict-Affected and High-Risk Areas [**RSCM Policy**].

As part of the RSCM Policy, the Company has implemented procedures that ensure it identifies smelters and refiners from which the Company's suppliers source 3TG raw materials imported by Ushio Poland. All smelters and refiners identified through this process participate in the *Responsible Minerals Assurance Process*, which ensures that their supply chains comply with the requirements set out by the OECD Guidelines. In addition, the Company has appropriate tools in place to identify risks in its supply chain. For these reasons, the year-round risk in its 3TG raw material supply chain should be assessed as **low**.

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- The Company has established a Team of individuals responsible for implementing the Policy and managing the supply chain of conflict minerals.
- As part of the Policy, the Company has reaffirmed the requirement, already imposed on suppliers, to annually complete and send declarations regarding the smelters and refineries from which they source raw materials categorised as 'conflict minerals', in the form of the CMRT [*Conflict Minerals Reporting Template*].
- The company has implemented a due diligence process register. In accordance with the rules put in place, records of the register will be kept for at least 5 years.

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2. SIGNIFICANT DUE DILIGENCE EVENTS

- Ushio Poland commissioned the law firm Parulski i Wspólnicy Doradcy podatkowi s.c. for an analysis regarding the Company's correct application of due diligence procedures in the supply chain of so-called conflict minerals required by Regulation of the European Parliament and of the Council (EU) No. 2017/821 establishing due diligence obligations in the supply chain of EU importers of tin, tantalum and tungsten, their ores and gold originating in conflict and high-risk areas (OJ L 130, 19.5.2017).
- The opinion provided included proposals to supplement the Company's procedures to comply with all obligations under the Regulation, as well as recommendations and guidance in this regard based on the Regulation referred to above, as well as on Commission Recommendation (EU) 2018/1149 of 10 August 2018. on non-binding guidance on the identification of conflict and high-risk areas and other risk factors in the supply chain under Regulation (EU) 2017/821 of the European Parliament and of the Council (OJ L 208, 17.08.2018) and other sources, e.g. the OECD Due Diligence Guidance on Conflict Minerals.
- Ushio Poland commissioned the development of a supply chain management policy for conflicting materials. Such a policy was developed by an external consultant and subsequently adopted by the Company and implemented for practical application.
- The Conflict Minerals Supply Chain Management Policy has been communicated to employees.
- Ushio Poland commissioned the development and subsequent implementation of a manual on internal supply chain management processes for conflict minerals, in particular the tasks and responsibilities of specific persons/functions