

**SUPPLY CHAIN MANAGEMENT POLICY FOR MINERALS  
FROM CONFLICT-AFFECTED AREAS  
AND HIGH-RISK AREAS**

**USHIO POLAND SP. Z O.O.**



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## I. INTRODUCTION

Ushio Poland Sp. z o.o. [hereinafter referred to as "**Ushio Poland**" or the "**Company**"] is part of the international Ushio Group, which has its roots in Japan. The parent company in the European structure of the Group and at the same time the main customer of Ushio Poland's products is the German company Ushio Germany. Ushio Poland manufactures specialised lamps for agriculture and industry. In the production process, the Company uses metals obtained from minerals that may originate from conflict or high-risk areas [so-called "**conflict minerals**"], i.e. tin, tantalum, tungsten and gold [also referred to as "**3TG**"].

The Company imports 3TG mainly from China and Hong Kong. The suppliers of these raw materials are distributors sourcing from smelters (or refineries) located in China or Hong Kong. Ushio Poland obtains information from the suppliers regarding the smelters (or refineries) where the raw materials are purchased. This information is provided in the form of a **CMRT [Conflict Minerals Reporting Template]** form, completed and submitted at the beginning of each financial year. As a general rule, the smelters and refineries where the metals supplied to Ushio Poland are purchased are on the list of entities that have been audited or have applied to join the **RMAP programme [Responsible Minerals Assurance Process]** run by **RMI [Responsible Minerals Initiative]**. The list can be found on the RMI website:

<https://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/>

Ushio Poland is a 'downstream' company (as defined by the OECD Guidelines)<sup>1</sup>, which uses purchased raw materials to manufacture industrial products. The term "downstream" refers to the part of the mineral supply chain from smelters/refiners to retailers, while "upstream" refers to the part of the mineral supply chain from the point of extraction to smelters/refiners. In essence, the Company is a downstream entity, 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 derived from conflict minerals.

The Company's location in the supply chain and its relatively small purchasing power limit its ability to exert significant influence over suppliers. However, due to the position of the Ushio Group, of which the Company is a part, and its awareness of the need for due diligence, it has sufficient tools to require suppliers to provide information regarding their due diligence in responsibly shaping their supply chains of conflict minerals and the metals produced from

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<sup>1</sup> OECD (2016), OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Third Edition, OECD Publishing, Paris.  
<http://dx.doi.org/10.1787/9789264252479-en>

them. In this way, Ushio Poland contributes to the process of establishing responsible supply chains for conflict minerals and high-risk areas.

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. Therefore, the Company understands the need to adopt, widely disseminate and include in contracts or agreements with suppliers the Policy on Responsible Sourcing of Minerals from Conflict-Affected and High-Risk Areas as a common reference for conflict-sensitive sourcing practices and suppliers' knowledge of risk from the point of extraction to the end-user.

With this in mind, the purpose of the Conflict Minerals Supply Chain Management Policy set out in this document [hereinafter referred to as the "**RSCM Policy**"] is to establish a formal tool to facilitate the monitoring of a responsible supply chain due diligence process for conflict minerals in which the Company also participates. By adopting this RSCM Policy, the Company commits to refrain from any activities that could contribute to the financing of conflicts and also commits to comply with relevant UN resolutions imposing sanctions or, where applicable, national laws implementing such resolutions.

The herein version of the RSCM policy applies to all employees of Ushio Poland as of 1 April 2025 and applies to all agreements and contracts with raw material suppliers of the 3TG Group.

## II. CORE VALUES AND PRINCIPLES OF CONDUCT

### 1. Sources

This section of the RSCM Policy defines the core values and principles of conduct that guide Ushio Poland when managing the due diligence process for the responsible supply chain of conflict minerals.

These have been formulated on the basis of the OECD guidelines referred to in footnote 1, as well as:

- Regulation (EU) 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, 19.05.2017) [hereinafter "**Regulation 2017/821**";
- Commission Recommendation (EU) 2018/1149 of 10 August 2018 on non-binding guidelines for the identification of conflict-affected and high-risk areas and other supply chain risks under Regulation (EU) 2017/821 of the European Parliament and of the Council (OJ L 208, 17.08.2018) [**Commission Recommendations**];
- Other materials and publications on 'conflict minerals', in particular the information available on the European Commission's websites<sup>2</sup> and RMI.

### 2. Values and principles

With regard to serious abuses related to the extraction of, transport of or trade in minerals:

1. The Company will not tolerate or in any way benefit from, contribute to, assist or facilitate the commission of the following acts by any other entity in the supply chain in which it participates:
  - i. all forms of torture and cruel, inhuman and degrading treatment;
  - ii. any form of forced or compulsory labour meaning work or the provision of services which is required of any person under penalty and which the person has not volunteered to perform;
  - iii. the worst forms of child labour;

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<sup>2</sup> [https://policy.trade.ec.europa.eu/development-and-sustainability/conflict-minerals-regulation\\_en](https://policy.trade.ec.europa.eu/development-and-sustainability/conflict-minerals-regulation_en)

- iv. other serious human rights violations and abuses such as large-scale sexual violence;
- v. war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

With regard to the management of risks associated with serious abuses:

- 2. The Company will suspend or terminate its relationship with raw material suppliers if it determines that there is a reasonable risk that the suppliers are sourcing from any entity that has engaged in the serious abuses listed in paragraph 1 (above).

Regarding direct or indirect support to non-state armed groups:

- 3. The Company will not tolerate direct or indirect support to non-state armed groups by mining, transporting, trading, processing or exporting minerals. Support to non-state armed groups in this regard includes, but is not limited to, acquiring minerals from, making payments to, or otherwise providing logistical assistance or equipment to non-state armed groups or related entities that:
  - i. illegally control mining sites or otherwise control transport routes, points where minerals are traded, and upstream actors; or
  - ii. illegally tax or extort money or minerals at access points to mines, along transport routes or at points where minerals are traded; or
  - iii. illegally tax or extort money from intermediaries, exporting companies or international traders.

Regarding the management of risks associated with direct or indirect support to non-state armed groups:

- 4. The Company will suspend or terminate cooperation with raw material suppliers if it determines that there is a reasonable risk that the suppliers are sourcing from, or are affiliated with, any entity that provides direct or indirect support to non-state armed groups as defined in paragraph 3.

With regard to public or private security forces:

- 5. The company supports the view that it should be eliminated any support for public or private security forces that unlawfully control mines, transport routes and upstream actors; unlawfully tax or extort money or minerals at access points to mines, along transport routes or at points where minerals are traded; or unlawfully tax or extort money from intermediaries, exporting companies or international traders.

6. The Company recognises that the role of public or private security forces at mines or in surrounding areas or along transport routes should be solely to uphold the rule of law, including protecting human rights, ensuring the safety of mine workers, equipment and facilities, and protecting mines or transport routes from interference with legitimate mining and legitimate trade.
7. The company supports international efforts to take steps to create guarantees that individuals or units of the security forces known to be responsible for gross human rights violations will not be employed.
8. The company supports efforts to contribute to solutions on how to improve transparency in payments to security forces for u security assurance services.
9. The Company supports international efforts to reduce the risk to vulnerable groups, particularly miners who mine manually or on a small scale, of adverse effects associated with the presence of security forces, public or private, on mine sites.

Regarding the management of risks associated with public or private security forces:

10. The Company will suspend or terminate its relationship with raw material suppliers to prevent or mitigate risks associated with direct or indirect support to public or private security forces, as referred to in point 5, where it determines that such legitimate risks exist.

With regard to bribery and misrepresentation of the origin of minerals:

11. The Company will not offer, promise, give or solicit any bribes and will not solicit bribes to conceal or alter the origin of the minerals in order to misrepresent the taxes, fees and royalties paid to governments for mineral extraction, trade, processing, transportation and export.

With regard to money laundering:

12. The Company will support efforts and activities to contribute to the effective elimination of money laundering, particularly where a legitimate risk of money laundering arising from the extraction of, trade in, transport of or export of minerals is identified, linked to illegal taxation or extortion of minerals at access points to mines, along transport routes or at points where minerals are traded by raw material suppliers, or risks associated with such activities.



With regard to the payment of taxes, fees and royalties to governments:

13. The company supports all initiatives to create conditions that allow all taxes, fees and royalties related to the extraction of, trade in and export of minerals from conflict-affected and high-risk areas to be paid to governments and, in line with the company's position in the supply chain.

Regarding the management of risks associated with bribery and misrepresentation of the origin of minerals and money laundering for corrupt governments:

14. Taking into account its own position in the supply chain, the Company is committed to working with suppliers, central or local government authorities, international organisations, civil society and, where appropriate, affected third parties to improve and track the results of actions taken to prevent or reduce the risk of negative impacts by taking measurable actions within a reasonable timeframe. The Company will suspend or terminate cooperation with raw material suppliers if it becomes aware that they are involved in bribery and/or misrepresentation of the origin of minerals, as well as money laundering for corrupt governments.

The Company's due diligence values, principles of conduct and commitments outlined above must be understood in the context of the Company's position and its location in the supply chain. Being located downstream in the supply chain of conflict minerals and, more precisely, at one of the last stages of that supply chain, the Company can only have limited information relating to the upstream stages of the supply chain, in particular the extraction of the minerals or their ores and the transport from the extraction sites to the processing sites. Therefore, it also has limited influence over those upstream actors in the chain, which also tends to exclude direct influence over the processes of extraction and pre-processing and the stakeholders in these processes.

On the other hand, this does not preclude the Company from supporting initiatives aimed at greater transparency in the entire supply chain, as well as taking measures to verify suppliers and their sources of supply understood as steel mills and refineries, which the Company is undertaking.

Any wording referring to the tasks and obligations of the Company, insofar as the context so requires, should also be understood as the tasks and obligations of its representatives and employees to whom specific powers and duties have been assigned.



### III. RISK MITIGATION MEASURES ADOPTED

This section of the RSCM Policy outlines risk mitigation measures for responsible supply chain management of conflict and high-risk minerals. These measures are both elements of the supply chain management system and cover the following areas:

1. Setting up and implementation of an internal supply chain management system.
2. Identification of smelters/refiners in the supply chain in which the Company participates.
3. Verification of information obtained from suppliers.
4. Use of due diligence systems and publicly available sources.
5. Monitoring and auditing of the supply chain management due diligence process.
6. Documenting the due diligence process.

Details of the risk mitigation measures taken by the Company in the areas indicated are set out below.

#### 1. Supply chain management system

##### 1.1. Introduction

The basis of Ushio Poland's conflict minerals supply chain management system is:

- this RSCM Policy, which is both a set of principles and values that define the Company's and its employees' approach to exercising due diligence in the process of managing responsible supply chains of conflict minerals, as well as guidance on specific actions when risks are identified in the process to eliminate or mitigate them;
- and the implementing document "*Internal Procedure for the Supply Chain Management of Conflict Minerals by Ushio Poland Sp. z o.o.*".

In addition, Ushio Poland's conflict minerals supply chain management system consists of additional elements, which include:

- Identification of smelters/refiners from which the Company's suppliers are sourced based on information obtained from these suppliers and CMRT forms and supplier statements.
- Verification of information from suppliers based on close long-term collaboration with them and use of information available through the RMAP programme on RMI websites.

- Monitor, to the extent possible, external sources of information on conflict minerals supply chains, both formalised [RMAP, European Commission, due diligence systems] and informal [media information from various sources].
- Documenting the Company's due diligence activities in the responsible management of the supply chain of conflict minerals.

Other than the RSCM Policy, the elements of the supply chain management system are described in the following sections below.

## 1.2. Basic information about the RSCM Internal Procedure

The internal system for responsible management of the conflict minerals supply chain is described in the form of a procedure, which is addressed to all employees of the Company and which details the Company's internal processes to implement this RSCM Policy. The procedure is called "*Internal Procedure for the Supply Chain Management of Conflict Minerals by Ushio Poland Sp. z o.o.*". This document defines the following elements of the internal supply chain management system :

- Assigns appropriate authority and responsibility to staff with the necessary competence, knowledge and experience to oversee and implement the supply chain due diligence process.
- Defines the resources and procedures needed to support activities and monitor processes in the supply chain management system.
- It defines the organisational structure and communication processes to ensure that key information, including information on company policies, reaches employees.
- Regulates communication with suppliers and other stakeholders regarding the communication of the Company's RSCM Policy in relation to conflict minerals supply chain management.
- Formulates rules for monitoring and accounting for the performance of tasks assigned to individual employees.

The latest version of the document "*Internal Procedure for the Supply Chain Management of Conflict Minerals by Ushio Poland Sp. z o.o.*" [hereinafter referred to as the "**RSCM Internal Procedure**"] has been adopted together with this RSCM Policy and is effective from 1 April 2025.

### 1.3. Brief description of the RSCM Internal Procedure

The RSCM Internal Procedure is an internal document that is not revealed public and is not shared with suppliers or any other stakeholders. The document is an implementing act for the RSCM Policy. Its purpose is to define precise rules for the internal process of responsible supply chain management with due diligence.

Referring to the values and principles defined in the RSCM Policy, as well as the risk mitigation measures adopted and the strategy for responding to the risks identified, the RSCM Internal Procedure defines the structure of Ushio Poland's responsible management of the 3TG supply chain process, both in entity terms (by indicating the persons responsible and their functions) and in object terms, i.e. in relation to the tasks and activities foreseen.

In entity terms, the RSCM Internal Procedure defines a team of people (defined by their functions within the Company) who are assigned specific tasks and competences in the process. This team is made up of employees of the Purchasing Department, including its Manager. The task of overseeing the process "from a bird's eye view, as it were" has been assigned to the Chairman of the Management Board (possibly replaced by one of the Proxies).

In terms of subject matter, the RSCM Internal Procedure defines the tasks of the team selected to implement the RSCM Policy, details the responsibilities of the team members, places the defined tasks within the framework of other internal procedures already in place and defines the rules for internal communication - within the Company and externally - mainly with suppliers, but also with customers and Ushio Group companies.

The main tasks of the internal process management team, as defined by the RSCM Internal Procedure, are as follows:

- Verification of suppliers' compliance with due diligence in the responsible supply chain management of conflict minerals.
- Annual verification of the sourcing of 3TG raw materials by suppliers using CMRT forms and supplier statements.
- Monitoring the compliance of suppliers and the smelters/refineries where they source 3TG raw materials with the principles of responsible supply chain management.
- Maintain and deepen long-term relationships with proven suppliers to keep communication channels open.
- Monitor formalised sources for obtaining information on responsible management of conflict minerals supply chains [RMAP, 'White List', due diligence systems].

- Monitor, to the extent possible, external sources for information on the business activities of the smelters/refineries where Ushio Poland's suppliers are sourced, as well as on conflict-affected and high-risk areas.
- Ensure internal communication to build employee awareness of the Company's policy in relation to the management of the conflict minerals supply chain, and to communicate actions taken, particularly when risks are identified in this area.
- Manage the risk mitigation process based on the measures, as provided for in this RSCM Policy, when risks are identified related to the occurrence of non-compliant events in the responsible supply chains of conflict minerals.
- Carry out activities to obtain evidence that all smelters and refiners in Ushio Poland's supply chain comply with the requirements of Regulation 2017/821 and, if such evidence cannot be obtained, arrange for an external audit of the Company's conflict minerals supply chain management system.
- Maintain documentation of activities that demonstrate due diligence in the management of the conflict minerals supply chain, including maintaining a due diligence register and preparing and submitting annual reports in this regard for approval.

The main burden of tasks and responsibilities, as provided for in the RSCM Internal Procedure, rests with employees from the Purchasing Department. In addition, the schemes for the implementation of tasks related to the verification of suppliers and the smelters/refineries supplying them have been linked to the previously implemented and functioning procedures: verification and evaluation of suppliers for the procurement of appropriate materials for production. This solution seems the most natural, as it is the Purchasing Department that has the best knowledge of, and relationships with, suppliers.

## 2. Identification of smelters/refiners in the supply chain.

### 2.1. Introduction

Ushio Poland has put in place, as part of its RSCM Policy, a supply chain transparency system to identify smelters/refiners in the minerals/metals supply chain, through which it obtains information from these smelters/refiners, through their suppliers, regarding their compliance with the principles of responsible supply chain management of conflict minerals. This system is based on CMRT forms updated annually by suppliers and supplier statements, as further referred to in paras. 2.2. and 2.3. below.

As a downstream company that does not have sufficient purchasing power to directly influence the smelters/refineries from which the Company's suppliers source its imported metals, Ushio

Poland does not always have direct contact with these smelters/refineries. However, Ushio Poland has the ability to review the information it obtains from its suppliers and assess them for potential risks in its responsible supply chain management process and to manage such risks if they were identified.

The information obtained as part of the process of identifying smelters/refiners in the supply chain, allows verification of these smelters/refiners through available means, such as RMAP, as well as other sources, including publicly available sources of information as referred to in para. 4.2 below.

A system for identifying smelters/refiners in the supply chain, based on CMRT forms updated each year and sent by suppliers, was introduced at the Company prior to the implementation of the RSCM Policy (and before 1 January 2021, i.e. even before the substantive provisions of Regulation 2017/821 imposing certain obligations on EU importers of conflict minerals and the metals produced from them). As part of the RSCM Policy, this was supplemented by an obligation for suppliers to make supplier's statements.

## 2.2. CMRT form

The CMRT form is a standardised reporting template developed by RMI in collaboration with RMI members, AIAG<sup>3</sup> and JEITA<sup>4</sup>. The CMRT form facilitates the exchange of information throughout the supply chain regarding the country of origin of the mineral and participating smelters and refiners. It supports compliance with legislation and adherence to OECD guidelines. The template also facilitates the identification of new smelters and refiners that could potentially participate in independent third-party compliance programmes. The purpose of the CMRT form is to promote consistency and efficiency in the mineral due diligence data exchange process. The CMRT has been designed in accordance with the Conflict Minerals Data Exchange Standard - IPC-1755<sup>5</sup>.

Ushio Poland uses the CMRT form to obtain information from suppliers regarding the smelters (or refineries) where the suppliers purchase raw materials, which they then sell to the Company, and Ushio Poland imports. At the beginning of each financial year, no later than the month of April, the Company sends an e-mail request to suppliers to update (or prepare) the CMRT form and send it promptly.

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<sup>3</sup> AIAG - Automotive Industry Action Group.

<sup>4</sup> JEITA - Japan Electronics and Information Technology Industries Association.

<sup>5</sup> This standard establishes requirements for data exchange between suppliers and their customers in relation to responsible sourcing of minerals. The standard originally addressed reporting under the US Dodd-Frank Act. It is now a global standard for reporting on the management of conflict minerals supply chains.

The CMRT form received by the Company contains a list of the smelters and refineries from which it sources the 3TG supplied to the Company. In addition, the form contains, inter alia, information on:

- the origin of the raw materials used to make the metals, from conflict-affected countries or high-risk areas [CAHRA ];<sup>6</sup>
- the completeness of the designated smelters/refiners;
- confirmation by suppliers that they adhere to the OECD Guidelines for the Responsible Management of Conflict Minerals Supply Chains;
- confirmation by suppliers that they have declarations of adherence to the OECD Guidelines for Responsible Supply Chain Management of Conflict Minerals from the smelters/refiners indicated in the forms.

CMRT forms received by the Company from its suppliers are retained for a period of five years after the end of the year in which they were prepared. The CMRT forms, together with other documents such as invoices and specifications and available sources such as RMAP, enable the Company to provide a supply chain traceability system to collect the following information, relevant to the process:

- description of the metal, including its trade name and type,
- name and address of the metal supplier,
- names and addresses of smelters and refiners supplying metals,
- records of audits carried out at smelters and refineries by an external body or other evidence of compliance with the supply chain due diligence system.

An additional document to the CMRT form is the supplier statement.

### 2.3. Supplier statements

The CMRT form is an electronic document which, however, does not contain the signature of the person making the statements contained therein. For this reason, the Company, in implementing the RSCM Policy, has introduced a requirement that the CMRT forms to be completed by 3TG suppliers be further supplemented by a statement that the information provided on the form is true and that the suppliers have a policy of responsible sourcing of minerals in accordance with OECD guidelines. Such a statement should be signed by the supplier. For technical reasons, the statement referred to above can be made outside the declaration itself, e.g. in the form of a statement in an e-mail or in a separate document, a scan

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<sup>6</sup> Conflict-Affected and High-Risk Areas. Up-to-date information on CAHRA member countries can be found at: <https://www.cahraslist.net/>.

of which should be sent together with the CMRT form. A template for such a declaration in English has been prepared by the Company and, starting from 2025, is sent to suppliers together with the request to complete/update the CMRT form.

A model statement is attached as Appendix 1 to this RSCM Policy.

### 3. Verification of information from suppliers

#### 3.1. RMAP

Article 5(4) of Regulation 2017/821 requires EU metal importers to identify and assess risk factors in their supply chains by determining whether the smelters and refiners from which its suppliers purchase raw materials have successfully passed an audit confirming compliance with the requirements of the regulation.

Audits meeting the requirements of Regulation 2017/821 are carried out by RMI under the RMAP programme. Information can be found on the website at the following link:

<https://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/>

The RMI website contains a list of active smelters and refineries that have expressed entry into the RMAP programme [**Active**] and a list of smelters and refineries that have passed an RMAP audit and are compliant [**Conformant**] or non-compliant [**Non-Conformant**] with the standards set for the programme.

The list of smelters/refiners Active includes those who have committed to undergo an RMAP assessment, completed the relevant documents and scheduled an on-site assessment. These may be pre-assessment, assessment or corrective action stages. RMI notes on the Active Smelters/Refiners list the names of any smelters or refiners that have left the Active or Compliant list and intend to re-join the programme.

The list of smelters and refiners identified as compliant [Conformant] includes those entities that have been successfully audited against the applicable RMAP programme standards or equivalent recognised cross-assessment. RMAP audits are retrospective in nature. The audit assesses the auditee's due diligence systems and processes against RMAP standards. It is intended that audits should take place on annual or triennial cycles, with the COVID-19 outbreak causing some delays in the implementation of audits.

Ushio Poland has information on all smelters/refineries from which its suppliers source 3TG raw materials (metals), as they are listed in the CMRT forms submitted. The Company



analyses this information to determine whether all listed smelters/refineries are on one of the lists, i.e. the Conformant Smelter/Refinery List or at least the Active List.

If a particular smelter/refinery is missing from the lists indicated, the Company requests an explanation from the supplier.

If the explanation is insufficient, which may indicate a risk, Ushio Poland may request further clarification or the exclusion of the smelter/refinery in question from the Company's supply chain. In the event of non-cooperation from the supplier, the Company may take action and apply the handling strategies referred to in Part IV of this RSCM Policy.

### 3.2. Cooperation with suppliers

Ushio Poland seeks to establish long-term relationships with its suppliers, which not only enables it to ensure a steady and reliable supply of raw materials needed for production, but also to strengthen cooperation that increases mutual trust and improves communication, which in turn strengthens its ability to influence supplier behaviour. As part of this process, the Company is strengthening the tools to obtain assurances from suppliers that they observe due diligence in the management of the supply chain of conflict minerals, and thus their supply chain policy is in line with OECD guidelines and Regulation 2017/821. Consequently, it is also in line with the Company's RSCM Policy.

As part of its collaboration with suppliers, Ushio Poland communicates its expectations of responsible supply chains for conflict-affected and high-risk minerals to suppliers. This is done through:

- An annual process for preparing/updating CMRT forms and supplier statements on the content of CMRT forms, and supplier compliance with responsible conflict minerals supply chain management requirements;
- making this RSCM Policy available to the supplier;
- monitoring, to the extent possible, the activities of the smelters/refiners identified by the suppliers using available tools, both formalised such as RMAP, as well as non-formalised publicly available sources.

The policy of strengthening cooperation with suppliers is aimed at a better mutual understanding at a level that enables joint mitigation of risks arising from the supply chain of conflict minerals.

#### 4. Use of external sources.

##### 4.1. Due diligence systems

The provisions of Regulation 2017/821, in Article 8, provide the possibility for the European Commission to recognise supply chain due diligence systems developed by member governments, industry organisations and groups of interested organisations. Such schemes are intended to guarantee that the solutions adopted comply with the requirements of Regulation 2017/821. Businesses that subscribe to such a scheme can benefit from off-the-shelf due diligence solutions by implementing them in the management of their supply chains.

The European Commission, when recognising a scheme as meeting the requirements of Regulation 2017/821, adopts an implementing act on the recognition of that scheme as equivalent to the requirements of the Regulation. The European Commission is also required to establish and keep up to date a register of recognised supply chain due diligence systems, which is publicly available on the internet.

At the effective date of the RSCM Policy, the Company is not aware of any due diligence regime recognised by the European Commission. However, the Company monitors the regulations in this area to remain abreast of best practice due diligence for the management of conflict minerals supply chains.

Ushio Poland will review available due diligence systems recognised by the European Commission and entered in the Due Diligence Systems Register to verify its own RSCM Policy and the responsible supply chain management of conflict minerals it has implemented. The Company undertakes to update this RSCM Policy in the event that a recognised due diligence system is found to contain implementable solutions at Ushio Poland that may improve its own system.

The Company will also consider the rationale, practicalities and potential benefits of joining such a scheme and decide accordingly.

##### 4.2. Identification of risks based on publicly available sources

The **Commission's recommendations** indicate that, as part of their processes for identifying risks in the supply chain, traders (including EU metal importers) should keep track of all available sources of information both on areas of conflict, unusual countries of origin and upstream companies (i.e. from mining to refineries or smelters). Such example sources of information are listed in the table in para. 4.2. 'List of non-confidential sources of information', together with the websites of institutions and organisations that analyse and provide this type of information.

The Commission's recommendations as sources to use include, among others, the British and American Geological Institute, the European Commission's Raw Materials Information System, US State Department websites, reports published by UN agencies (e.g. the Human Rights Council, the UN High Commissioner for Human Rights, the UN Children's Fund, UNICEF) and other relevant civil society organisations, for example Amnesty International, Global Witness Human Rights Watch and the International Committee of the Red Cross.

Ushio Poland periodically performs a selective review of designated and other publicly available sources of information to exercise due diligence in verifying the smelters/refiners from which its imported 3TG originate.

If signals emerge that could call into question the integrity of those identified in the supply chain (suppliers, smelters, etc.) or cast doubt on the origin of the minerals from which the imported metals were obtained, the Company will take additional measures to obtain more information from suppliers. This includes, for example, information on their due diligence system, their sources of information, as well as evidence of the origin of the minerals. If it is not possible to clarify these issues, the Company will take appropriate action in line with the strategies indicated in Part IV of the RSCM Policy, including suspending purchases from the supplier or even withdrawing from the cooperation.

## 5. Monitoring and auditing.

### 5.1. Introduction - RMAP

Notwithstanding the use of the RMAP programme to verify the information provided by suppliers on the CMRT forms, the information on the RMI websites, both on the programme itself and otherwise, is a rich source of knowledge and training material on due diligence in supply chains of conflict minerals. Thus, they are helpful both for the process of obtaining information on smelters and refiners that occur in Ushio Poland's supply chain, as well as for the process of the Company's monitoring of its own actions adopted under the RSCM Policy. Below is a link to the RMI website:

<https://www.responsiblemineralsinitiative.org/>

The RMI's webpages provide a range of valuable information on the principles of the RMAP Programme, including the assessment criteria and how to audit due diligence in conflict minerals supply chains. Moreover, they cover not only audits of smelters and refiners, which is important, for the purposes of the Company's own RSCM Policy, but also audits of downstream entities in supply chains. RMI's websites also include a number of publications

and brochures on conflict minerals, CAHRA areas and due diligence and responsible supply chains. In addition, the RMI also organises training in this area.

As part of the RSCM Policy, the Conflict Minerals Supply Chain Management team is required to periodically review RMI's websites, in particular those relating to the RMAP programme, in order to improve its knowledge in this area and to familiarise itself with emerging news.

The team responsible for managing the supply chain of conflict minerals may also take initiatives to disseminate the knowledge gained in this area to Ushio Poland employees, which will result in an expanded ability to monitor events potentially relevant to this process.

## 5.2. "White List"

In accordance with Article 9(1) of Regulation 2017/821, the European Commission shall adopt implementing acts establishing or amending the list of names and addresses of responsible smelters and refiners worldwide. This list shall be drawn up taking into account the responsible smelters and refiners in the world covered by the supply chain due diligence systems recognised in accordance with Article 8 of the Regulation. This is the so-called "White List" of smelters and refiners fulfilling the conditions for due diligence in the supply chain management of conflict minerals.

The management of the "White List" by the European Commission is dynamic. The Commission is obliged to continuously monitor the entities included in the List and to revise and update it by including new responsible entities, updating the data, but also removing entities that are no longer considered responsible on the basis of information received from external sources, e.g. from Member States or entities that "own" due diligence systems. The European Commission also consults the OECD Secretariat on this issue.

At the date of entry into force of the RSCM Policy, no implementing act as referred to in Article 9(1) of Regulation 2017/821 had been published. Thus, a "White List" of responsible smelters and refiners presumed to manage their supply chains in a manner consistent with the Regulation and the OECD Guidelines had not been established.

As part of the RSCM Policy, the Company is obliged to monitor EU legislation in order to identify the implementing acts referred to in Article 9(1) of Regulation 2017/821, if any. Following the publication of the "White List", based on such implementing act, the Company is obliged to monitor any changes made to this list.

In addition, the Company is obliged to verify that the smelters/refiners indicated by its suppliers in the CMRT forms are on the "White List" (as of its publication).

Insofar as this is possible and at the same time does not conflict with production and technical requirements, Ushio Poland will take steps to manage its supply chain in such a way that all smelters/refiners from which its suppliers source 3TG are on the 'White List'.

### 5.3. Audit

In accordance with Article 6(1) of Regulation 2017/821, EU importers of minerals or metals shall commission an independent third party to carry out an audit which:

- a) covers all the activities, processes and systems of an EU importer used to perform due diligence in the minerals or metals supply chain, including the management system put in place by the EU importer, its risk management and its disclosure of information, in accordance with Articles 4, 5 and 7 respectively;
- b) aims to verify the compliance of the EU importer's supply chain due diligence practices with Articles 4, 5 and 7;
- c) leads to recommendations to the EU importer to improve its supply chain due diligence practices; and
- d) complies with the principles of independence, competence and accountability of the audit as set out in the OECD due diligence guidelines.

The referenced provision extends the obligations of EU downstream importers of minerals and metals to the OECD Guidelines. The latter refer only to audits of smelters and refineries and, to that extent, provide guidance for all supply chain actors. Downstream companies, on the other hand, are given only a supporting role, i.e. they are advised to join industry organisations and, through these organisations, participate in the appointment of auditors and the definition of the terms and conditions of audits for smelters and refiners.

Union importers of metals (this does not apply to importers of minerals) may be exempt from the obligation to have an external body carry out the audit referred to in Article 6(1) of the Regulation. Such an exemption is formulated in Article 6(2) of the Regulation.

The audit exemption is subject to the provision of concrete evidence, including audit reports from external bodies, confirming that all smelters/refiners in the EU metal importer's supply chain meet the requirements of the Regulation. At the same time, the above requirement is deemed to be fulfilled if the EU metal importer demonstrates that its suppliers source 3TG raw materials only from smelters/refiners on the 'White List'.

Given the regulations described above, since the publication of the 'White List' by the European Commission, Ushio Poland will take steps to verify whether, due to production needs and technical considerations, it is possible to structure its supply chain in such a way that all smelters/refiners from which its suppliers source 3TG are on the 'White List'.

In addition, as the "White List" has not been published as of the effective date of the RSCM Policy and thus the actions described above are not possible at this time, the Company will first seek to obtain interpretations from the relevant authorities clarifying the types and extent of evidence referred to in Article 6(2) of Regulation 2017/821 sufficient to obtain an audit exemption. In particular, the Company will seek clarification as to whether such evidence may be information on smelters/refiners obtained from RMI websites, including the presence of smelters/refiners on active and compliant lists and documents posted there, such as supply chain policies, audit reports and/or summaries of the results of audits conducted.

In the event that the evidence held/obtained by the Company is insufficient, the team responsible for the management of the supply chain of conflict minerals will make enquiries and then commission a selected external body for an audit, in accordance with Article 6(1) of Regulation 2017/821. Such an audit should be in accordance with the international standard ISO 19011<sup>7</sup>.

The auditing entity and all members of the team - the auditors - must be independent of the Company, as well as of Ushio Group companies, suppliers and their affiliated companies. The auditors must not have a conflict of interest with the audited entity, including not having a business or financial relationship with the audited entity (in the form of equity, debt, securities), or providing any other services to the audited company, in particular any services related to the due diligence practices or supply chain activities assessed in this audit, during the 24 months prior to the start of the audit.

Auditors should meet the requirements set out in Chapter 7 of ISO 19011 on auditor competence and assessment. Auditors must have knowledge and skills in the following areas:

- i. audit principles, procedures and techniques (ISO 19011);
- ii. company policies, procedures and techniques for supply chain due diligence;
- iii. the organisational structure of the company's operations, in particular the company's mineral procurement and supply chain;
- iv. social, cultural and historical contexts in conflict-affected areas of mineral origin or transport;
- v. all applicable standards, including the Model Supply Chain Policy for Minerals from Conflict-Affected and High-Risk Areas (Annex II) for downstream companies.

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<sup>7</sup> The standard provides guidance on auditing various management systems. ISO 19011 provides guidance on auditing principles, the management of audit programmes, the conduct of management system audits and the assessment of the competence of those involved in the auditing process.

The audit will be carried out no later than one year after:

- obtain an interpretation on the evidence referred to in Article 6(2) of Regulation 2017/821, if the interpretation does not confirm the audit exemption, or
- to publish a "White List" in the event that any of the smelters/refiners from which Ushio Poland's suppliers are sourced are not on this list and it is not possible to replace them with an entity on the List, or to obtain other sufficient evidence.

The one-year period referred to above is to be counted from the receipt of the interpretation referred to in the first bullet point, unless the "White List" has been published earlier. Furthermore, if, during the one-year period from the acquisition of the interpretation not confirming the audit exemption, the "White List" would have appeared and the condition for audit exemption would have been fulfilled, the Company will withdraw from the audit assignment and/or execution.

Any subsequent audit, where conditions persist that prevent exemption from the audit, will be carried out within three years of the previous audit. It should be emphasised that Regulation 2017/821 does not specify either a deadline for the first audit or for subsequent audits. The three-year period adopted by the Company in this RSCM Policy is inspired by the arrangements under the RMAP (where annual and three-year periods are provided for), with the caveat that the RMAP is based on the OECD Guidelines, which provide for the auditing of smelters and refineries only.

## 6. Documenting due diligence

### 6.1. Due diligence process register

Ushio Poland maintains a due diligence process register. The register includes entries relating to events related to the Company's responsible management of the supply chain of conflict minerals. In addition to the date and the entry relating to the event, the register includes an indication of the person making the entry and the reason for the entry, as well as an indication of the consequences associated with the event. The register also provides a separate entry for any comments.

The Due Diligence Process Register is a document to record any events that are relevant to demonstrate the Company's compliance with the provisions of Regulation 2017/821 and other sources (which are not necessarily mandatory acts) explaining due diligence in the responsible management of the supply chain of conflict minerals. Entries in the register should include, but not be limited to, the following events in the Company's operations:



- commissioning the development and adoption of the RSCM Policy and other elements of Ushio Poland's supply chain management system;
- any action to clarify the Company's obligations in this process, e.g. requests for opinions, interpretations, etc., both to public authorities and other advisory bodies;
- changes and updates to the supply chain management system and the documents that make up the system;
- actions taken in relation to legal changes in due diligence for responsible management of the supply chain of conflict minerals, or actions taken in relation to interpretations of, or amendments to, these laws;
- changes to the internal supply chain management system, both in terms of actors and subjects;
- activities related to the implementation of the RSCM Policy on a practical level, e.g. all decisions and actions performed as part of the annual mill/refinery verification process based on CMRT forms provided by suppliers;
- actions taken to obtain concrete evidence that all smelters and refiners in the Ushio Poland supply chain comply with the requirements of Regulation 2017/821;
- actions taken in relation to commissioning and carrying out audits, and corrective actions where areas for improvement have been identified;
- any identified risks in the supply chain management process, as well as the actions taken to address those risks;
- adoption and approval of annual reports on due diligence activities;
- any other event directly or indirectly affecting the responsible management of the conflict minerals supply chain identified by the Company.

A template for the due diligence process register is attached as Appendix 2 to this RSCM Policy.

## **6.2. Annual reports**

Ushio Poland prepares annual reports on the due diligence measures taken in the conflict minerals supply chain [hereinafter **Report**]. The Report is prepared by the Conflict Minerals Supply Chain Management Team and approved by the CEO or one of the Proxies. The process for preparing and approving the Report is set out in the RSCM Internal Procedure.

The report provides information on the most significant events related to the Company's responsible management of the conflict minerals supply chain that were recorded in the due diligence process register during the financial year. The report also provides an overall year-

over-year assessment of the level of risk associated with the Company's conflict minerals supply chain.

The first Report for 2022 was prepared and approved on 30 September 2023 and, in addition to a general assessment of the risks associated with the conflict minerals supply chain, it mainly contained a range of information related to the organisation of the supply chain management process, in particular the actions to set up this RSCM Policy as well as the RSCM Internal Procedure, and a description of the actions taken with suppliers to complement the procedures previously used in this regard.

In subsequent years, the Reports will be prepared no later than by the end of June of the relevant year for the preceding year and approved and made public (including on the Ushio Germany website) by 30 September of the relevant year. The Reports are subject to retention for five years after the end of the year to which they relate.

## IV. STRATEGY FOR RESPONDING TO IDENTIFIED RISKS

### 1. Risks requiring action

The purpose of implementing mitigation measures for responsible supply chain management of conflict minerals is to create a structural framework within the Company for the continuous monitoring of situations and incidents that could indicate the emergence of risks of non-compliance with due diligence by Ushio Poland's direct suppliers or upstream in the supply chain. These measures are described in Part III of this RSCM Policy and are intended to enable such situations and incidents to be identified, clarified and, if necessary, appropriate corrective actions implemented.

The following situations, identified by the due diligence monitoring of the supply chain management process, require action to be taken to clarify them and, if necessary, to implement corrective action.

- Placing an order or entering into a 3TG purchase agreement with a new supplier without conducting a pre-verification of its compliance with due diligence in managing the supply chain of conflict minerals and/or without notifying that supplier of the Company's Conflict Minerals Policy.
- Failure to obtain information from the supplier on the 3TG sources from which the supplier obtains these raw materials, i.e. smelters/refineries.
- Failure to receive CMRT forms completed by the smelters/refiners from the supplier by the end of May of the relevant year.
- Receipt of CMRT forms not containing the required information.
- Failure to receive a completed Conflict Minerals Responsible Supply Chain Management Statement from the supplier by the end of May of the relevant calendar year.
- The absence of the smelter/refinery identified by the supplier as a source of 3TG from the list of entities that have been audited or applied for the RMAP programme, or the removal of such an entity from that list, or the publication on the RMI website of a negative audit result.
- In the event of the publication of a "White List" by the European Commission - the non-listing or removal from the List of a smelter/refinery that supplies any of Ushio Poland's suppliers with 3TG raw materials.

- Obtaining information from publicly available sources, public institutions and business organisations about any concerns regarding due diligence in supply chain management by the mills/refineries supplying any of Ushio Poland's suppliers.
- Obtaining information from the sources referred to in the previous section on the involvement of the smelter/refinery or any related entity (both legal persons and individuals) in business ventures in conflict-affected countries/regions or high-risk areas.
- The receipt of any information regarding the supplier or the smelters/refineries from which it sources 3TG that could challenge the assumption that these entities are exercising due diligence in their supply chain management of conflict minerals.

In the event of the occurrence of any of the events indicated above, the Company will take appropriate action under the risk management strategies indicated below.

## 2. Risk management strategies

Due to its location in the conflict minerals supply chain, and its relatively low purchasing power, the Company has limited ability to influence the upstream stages of the supply chains in which it participates. Nevertheless, the Company has direct influence over suppliers through its ability to decide whether or not to continue working with a particular supplier. In addition, the Company is part of the international Ushio Group, which increases the potential ability to influence supply chains, albeit through communication within the Group in cases where risks of non-compliance with supply chain management due diligence regulations arise.

In the event of the occurrence of one of the events indicated in para. IV.1, the Company will apply one of the following strategies to respond to the identified risk:

- 1) Continue to trade throughout to mitigate risks;
- 2) Temporary suspension of trading while risk mitigation efforts continue;
- 3) Termination of the relationship with the supplier when risk reduction appears to be unfeasible or unacceptable.

## 3. Risk reduction measures

If it becomes aware of the occurrence of one of the events indicated in para. IV.1, the Company will develop a risk management plan which will provide for specific actions to eliminate/mitigate the risk. In particular, these actions will focus on communication with the 3TG supplier occurring in the supply chain within which the risk has been identified and may concern the supplier itself or the source (smelter/refinery) from which it obtains 3TG.

These activities can take the following forms.

- Address a written request for an explanation of an incident that has been identified as a risk of failing to exercise due diligence in the responsible management of the supply chain of conflict minerals.
- Address a written request for specific actions to eliminate/reduce identified risks.
- Undertake consultations with the supplier to determine how to resolve the situation created by the identified risk.
- Verification of identified risks using available in-house tools and tools available within the Ushio Group.
- Verification of identified risks through external institutions - public administrations, business and industry organisations.
- Making a specific request to the supplier aimed at mitigating an identified risk (e.g. requesting that the CMRT form be sent or completed, sending a statement or changing the source of supply).
- Directing information to the supplier about a possible decision by the Company to suspend or terminate the relationship.
- Inform the supplier to suspend cooperation until the risks associated with the identified event have been eliminated/reduced.
- Inform the supplier of the termination of the relationship due to a lack of appropriate action on their part to eliminate/mitigate the risks associated with the identified event.
- Other actions as defined by the Company in the risk management plan related to the identified risks.

The company may also take ad hoc actions not specified in the risk management plan.

## V. ADOPTION OF THE RSCM POLICY / CONCLUDING REMARKS

The RSCM Policy has been adopted and approved in accordance with the procedure set out in the RSCM Internal Procedure with mandatory application from 1 April 2025. The RSCM Internal Procedure is an implementing act of the RSCM Policy, which clarifies and details Ushio Poland's conflict minerals supply chain management process. The RSCM Policy and the RSCM Internal Procedure form a unified regulation that implements the provisions of Regulation 2017/821 with regard to the obligations of EU metal importers, which include Ushio Poland. The RSCM Internal Procedure is not subject to public reveal, except for the familiarisation of Ushio Poland employees with it.

The RSCM Policy is a document drafted in Polish and English. Both language versions have equivalent meaning. The RSCM Policy is revealed public by making it available to suppliers. Whenever there is a process of establishing a relationship with a new supplier, it is the Company's responsibility to communicate the RSCM Policy for acceptance by the new supplier before they are admitted.

The RSCM Policy is subject to review and update, at least once every three years. In addition, the RSCM Policy may be updated between mandatory reviews in the following cases:



- changes in EU and local regulations that affect the solutions adopted in the RSCM Policy;
- changes to interpretations and guidelines;
- perceive gaps in the solutions adopted that need to be improved;
- identify risks in the supply chain management process, the reduction or elimination of which requires a change in the solutions adopted;
- in relation to the recommendations made during the audit referred to in Article 6(1) of Regulation 2017/821;
- in relation to the conclusions reached as a result of the ex-post control carried out by the authorised body, in accordance with Article 11 of Regulation 2017/821;
- as a result of other events that are assessed by the RSCM Policy team as requiring an appropriate response.

**Supply chain management policy for minerals from conflict-affected and high-risk areas**  
**USHIO POLAND Sp. z o.o.**

The update of the RSCM Policy is carried out by the team of persons responsible for the implementation of the RSCM Policy. It may also delegate the preparation of the update to an ad hoc team appointed from among the Company's employees or contract the service of preparing the update to an external consultant.

The RSCM Policy and its updates are approved by the Chairman of the Board of Directors or one of the Proxies. The team of persons responsible for the implementation of the RSCM Policy is headed by the Head of Procurement, who is directly responsible for the preparation of the RSCM Policy and its updates. The decision to update the RSCM Policy between mandatory reviews may be taken by any of the persons performing the functions mentioned in this paragraph.

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