

Hosokura Metal Mining Co., Ltd. Responsible Minerals Sourcing Policy for Lead

Established on: May 23, 2023

Hosokura Metal Mining Co., Ltd. (hereinafter referred to as the “Company”) manufacture lead ingots. In procuring raw materials for lead ingots, the Company establishes and operates a control system in accordance with the Responsible Sourcing Policy of the London Metal Exchange as well as the Joint Due Diligence Standard of The Copper Mark, and will undergo independent third party assessment of its risk assessment.

The Company hereby sets out its Responsible Minerals Sourcing Policy for Lead as follows and will implement the following measures.

- (1) The Company implements the five-step due diligence process defined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas Annex I for its raw material procurement of lead.
- (2) The Company identifies, assesses and responds to risks of adverse impacts and actual adverse impacts in its mineral supply chains including those listed in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas Annex II (as listed below).
 - ① Direct or indirect support to non-state armed groups
 - ② Serious abuses associated with the extraction, transport or trade of minerals
 - ③ Direct or indirect support to public or private security forces
 - ④ Bribery and fraudulent misrepresentation of the origin of minerals
 - ⑤ Money laundering
 - ⑥ Payment of taxes, fees, and royalties due to governments
- (3) If a serious abuse of human rights or any support to non-state armed groups is identified, the Company will immediately terminate the transaction or cancel the contract. Risks other than serious abuse of human rights or support to non-state armed groups will be mitigated. If it is determined that the risk cannot be mitigated, the Company will immediately terminate the transaction. A risk management plan will be used as a framework for procedures to be implemented to manage and mitigate the risks of adverse

impacts and actual adverse impacts. The risk management plan will enable the Company to manage risks through engagement with suppliers that could exercise their influence further upstream of the supply chain, initiatives with business alliances and diverse stakeholders, and involvement with local and central governments. It will also monitor and track performance through feedback from stakeholders.

- (4) We will undergo an independent third party assessment of the risk assessment of the supply chain for the procurement of raw materials including lead, and will also provide an annual report on the implementation status of the management system for procurement of raw materials including lead.