

## Responsible Procurement Policy for Mineral raw material

Hibi kyodo Smelting recognize and respond risks associated with the procurement of mineral resources by referring in the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Area, Annex II .

- (1) Address systematic or widespread human rights violations related to the extraction, transportation, and trade of mineral resources.
  - Any form of torture or inhuman treatment.
  - All forms of forced labor.
  - The worst forms of child labor.
  - Widespread sexual violence and other serious incidents Human rights violations and human rights violations.
  - War crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide.
- (2) Responding to direct or indirect support for non-governmental groups:
  - Illegally controlling mines or exerting dominance over upstream actors in transportation routes, mineral trading hubs, and supply chains.
  - Engaging in illegal taxation and extortion of money or minerals at access points to mines, along transportation routes, and at mineral trading hubs.
  - Enforcing illegal taxation and extortion practices against intermediary businesses, export companies, or international trading entities.
- (3) Addressing bribery and misrepresentation of origin.
- (4) Addressing non-compliance with tax, fees, and royalty obligations to governments related to mineral extraction, trade, and exports from conflict-affected and high-risk areas (CAHRA).
- (5) Preventing money laundering and funding of terrorists.
- (6) Responding to complicity in conflicts.
- (7) Promoting business integrity and ethical conduct, and supporting the implementation of relevant initiatives such as the Extractive Industries Transparency Initiative (EITI).

We will promote the risk management that incorporate the OECD Due Diligence Guidance For Responsible Supply Chains from Conflict-Affect and High-Risk

Area,Annex I -Five-Step Framework for Mineral Supply Chains.

We will promote initiatives related to human rights, labor, safety and health, environment, and ethics in accordance with Mitsui Kinzoku.

### **1. Development of a management system**

We will establish supply chain and traceability systems for mineral raw materials.

In addition, through appointing a compliance officer, a supply chain officer and a systems officer, We will clarify the responsibilities and authorities for promoting responsible procurement management of mineral raw materials.

### **2. Implementation of education and training**

We will continue to plan and implement education and training for all employees involved in the procurement of mineral raw materials.

### **3. Communication**

We will build and promote a mechanism that enables all employees or external stakeholders to express anonymously about their concerns on any risk related to the supply chain pertaining to raw materials or any other newly identified risk.

### **4. Supply chain due diligence assessment**

Hibi kyodo Smelting will engage in the procurement raw materials in accordance with the processes required by the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the London Metal Exchange (LME) Joint Due Diligence Standard. By conducting supply chain due diligence of procured mineral raw materials on an ongoing basis, We endeavor to grasp the overall picture of the supply chain and carry out risk assessment effectively.

### **5. Transaction monitoring and recording**

As for the supply chain and risk profiles, we will check for consistency between the obtained information and actual transactions, and retain and manage the records appropriately.

### **6. Formulation and implementation of a strategy for managing identified risks**

When a high-risk item is identified as a result of risk assessment, we will try to mitigate the risk, and if risk mitigation is impossible, the supply chain officer will immediately terminate the purchase of the raw material.

#### **7. Implementation of a third-party audit**

We will get audited by a third-party entity conducted in accordance with the Audit Guidance, obtain a third-party guarantee, and report the audit results.

#### **8. Information disclosure**

Hibi kyodo Smelting will disclose compliance reports and a third-party audit report related to the procurement of raw materials on our website, in accordance with the processes required by the London Metal Exchange (LME) Joint Due Diligence Standard.

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