



# CONFLICT MINERALS POLICY

Effective as of June 25, 2024

## BACKGROUND:

In August 2012, the SEC (United States Securities and Exchange Commission) unveiled its final directives on „Conflict Minerals“ (referred to as ‚3TG‘ – Tantalum, Tin, Tungsten, and Gold), as outlined in section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Consequently, numerous companies have turned their attention to evaluating the presence and origins of Conflict Minerals in their products, particularly focusing on their sources in the Democratic Republic of Congo and the surrounding countries mentioned in the Act.

Magnetec Group recognizes the significance of addressing Conflict Minerals within its supply chain. We are committed to ensuring that our products do not contain Conflict Minerals sourced from mines that support or fund conflict within the Democratic Republic of Congo or adjoining countries. This commitment aligns with our broader corporate responsibility efforts to uphold high social, environmental, and human rights standards.

## COMMITMENTS:

In line with our values, Magnetec Group commits to:

- Determining the Magnetec Group products affected by Conflict Minerals and guiding actions accordingly.
- Refraining from acquiring products and materials containing Conflict Minerals directly from Conflict Mines.
- Encouraging our suppliers to verify that Conflict Minerals in their provided products and materials originate from Conflict-Free Sources.
- Advocating for conflict-free trade by urging our suppliers to treat all sources of Conflict Minerals fairly.
- Collaborating with our suppliers on their disclosure responsibilities to enhance transparency and accountability across our operations.

## MEASURES:

To fulfill these commitments, Magnetec Group has implemented the following measures:

- Requiring our suppliers to implement a policy addressing Conflict Minerals and conduct thorough investigations to determine their origins.
- Requiring suppliers to use smelters/refiners conformant to a 3rd party responsible mineral sourcing validation program like RMAP.
- In case there is reported non-active/conformant smelters, request the smelters to participate in RMAP.
- We work with our supply-chain to ensure that smelter becomes RMAP compliant. If smelter does not become RMAP compliant again in near future, we ask your supply chain to transition away from this smelter.
- In case the supplier lists an entity that is currently subject to sanctions under U.S. law, he has to provide a product level report detailing the specific 3TG smelters/refiners, confirm that material from such entity did not enter PIDEU-SK supply chain while subject to sanctions.
- Collaborating with suppliers to ensure prompt responses to requests for proof of compliance. Supplier commitment to this endeavor will impact our procurement choices.
- Periodically revising the Magnetec Group Supplier Code of Conduct and procurement terms to align with our Conflict Minerals policy.

Additionally, it's essential to include provisions for regular monitoring, evaluation, and continuous improvement of the Conflict Minerals compliance program. This might involve periodic audits, risk assessments, and supplier performance evaluations. Furthermore, clear communication channels should be established internally and externally to facilitate reporting of concerns or violations related to Conflict Minerals sourcing.