

HL Mando's Policy on Conflict Minerals (Responsible Minerals)



Background

Conflict minerals refer to minerals (3TG: tin, tantalum, tungsten and gold) mined in 10 African countries (Democratic Republic of Congo and surrounding countries) with ongoing conflicts. Recently, the scope of conflict minerals (also referred to as responsible minerals) has been expanded to include cobalt. These minerals are the source of funds for armed forces in conflict regions, and the conflicts funded by these minerals have numerous negative implications for international society, including human rights violations against local inhabitants and environmental pollution.

Our Policy

As part of our proactive policy against the global conflict minerals issue, and to combat human rights violations and destruction of the environment, HL Mando prohibits use of conflict minerals mined using unethical methods in conflict areas.

HL Mando maintains compliance with related regulations, and enforces a conflict minerals policy based on international guidelines such as the Due Diligence Guidance of the OECD. Under our responsible management policy and practices, we ensure ethical procurement on the part of our vendors.

- ① Vendors are provided conflict minerals-related standards and management guides. Conflict minerals awareness is maintained among vendors through regularly scheduled briefing sessions and education programs.
- ② At regular intervals, vendors are screened using the *CMRT and CRT reporting templates in our internal systems (*GPM, MMDS). This allows us to identify, preempt and mitigate conflict minerals-related risks.

*GPM : Global Parts Management, MMDS: HL Mando Material Data System

*CMRT : Conflict Minerals Reporting Template, CRT: Cobalt Reporting Template

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- ③ Vendors are subjected to ESG evaluation, including due diligence investigation of conflict minerals use. Based on evaluation results, HL Mando and vendors jointly identify and implement corrective action, ensuring social responsibility of our vendors regarding conflict minerals.

Conclusion

HL Mando, together with clients, vendors and other stakeholders, remains strongly committed to international efforts toward responsible minerals use.

It is our policy that our operations will not have a negative impact on conflict zones. We will continue to engage our corporate social responsibility through consistent improvements and updates to our conflict minerals policy, systems and management scope.