

# Responsible Minerals Sourcing Policy

## Background

There is increased concern that the exploitation and trade of conflict minerals originating in the Democratic Republic of the Congo and adjoining countries are helping to finance armed conflict characterized by extreme levels of violence. “Conflict minerals” are tin, tantalum, tungsten or gold (also referred to as 3TG). As required by the EU Conflict Minerals Regulation, the EU has adopted rules to bring greater supply chain transparency to the use of conflict minerals originating from the Democratic Republic of the Congo and surrounding countries. EU importers of tin, tantalum, tungsten and gold are required by EU regulations to source from responsible and conflict-free sources, provided they exceed specific thresholds. The objective is to sever the connection between the trade of these 3TG minerals and the financing of armed conflicts. The regulation also seeks to put an end to the exploitation and mistreatment of local communities while simultaneously promoting local development.

To avoid the use of the 3TG conflict minerals, which directly or indirectly contribute to the financing or support of armed groups and are associated with severe human rights violations in high-risk and conflict-affected regions, we have developed this Responsible Minerals Sourcing Policy. As part of this commitment, we will promote responsible sourcing of minerals and will not knowingly procure or supply products containing metals derived from these conflict mineral areas.

## Policy Statement

Stansomatic’s values commit us to act with maximum ethical focus and to conduct business in a socially responsible manner. We are committed to upholding EU legislation and guaranteeing that we do not procure conflict minerals that provide financial backing to armed groups in the Democratic Republic of Congo and adjoining countries.

Stansomatic manufactures a limited number of products containing conflict minerals (tin and gold) that are necessary to the functionality of such products and may be included in the production of components. We take every action to ensure that our use of tin and gold are sourced responsibly and only from smelters that, at the minimum, have been approved to be compliant with the relevant Conflict-Free Smelter Program Assessment protocols and regarded as DRC conflict-free. As a downstream company, we do not directly source any 3TG from mines, smelters or refiners and only use surface treatment services that includes conflict minerals from approved companies.

We conduct Conflict Minerals surveys of relevant suppliers in conformance with IPC1755 meaning that with every revision of the CMRT, we collect data from our suppliers. To survey our suppliers, we use the Responsible Minerals Initiative's Conflict Minerals Reporting Template (CMRT) to track country of origin and the smelters and refiners they source from. All information collected is reviewed against conformant smelter and refiner lists, sanction lists, local regulations and our internal sourcing policy.

### **Supplier Expectations**

EU importers are obligated to conduct thorough checks on their purchases of tin, tantalum, tungsten and gold to ensure these minerals have not been sourced in a manner that supports conflict or other illegal activities. As 90% of our direct suppliers fall under the category of EU importers, they are bound by the EU Conflict Minerals Regulation. The regulation requires importers to adhere to a five-step framework outlined in the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Stansomatic expects all relevant suppliers to assist us in complying with the EU regulation by exercising due diligence around the source and chain of custody of conflict minerals used in metals and products they supply to us. We expect relevant suppliers to trace the origin of tin, tantalum, tungsten and gold supplied to Stansomatic following the CMRT template developed by the Responsible Minerals Initiative.

Suppliers are expected to source minerals from ethically and socially responsible sources that do not directly or indirectly finance or benefit any conflict. Relevant suppliers must implement controls on their import of conflict minerals so that all metals we procure is conflict-free. We expect suppliers to, where possible, source 3TG from smelters that are validated as conflict-free or otherwise require their suppliers to implement policies, protocols and standards that are consistent with the framework for the OECD Guidance. If Stansomatic finds that a supplier has not complied with these expectations, we will have the supplier address the problem within a given deadline and follow up to make sure it does so. The supplier will also be evaluated for future sourcing decisions.

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