



MPS MAYORISTA DE COLOMBIA S.A.

(SYSTEM PROCEDURE)

Conflict Minerals Management Procedures

Document NO.	Version	Effective date	Page
QEP-QA-022	A/0	2023 / 9 / 20	Page 1 to 4
Formulating units	Formulating	Audits	Approval
Quality Department	Pengyuan Wei	Yong Xie	Guangrong Zhao

Revised Records	NO	Chapter NO.	Summary of Revisions	Reviser	Approver
	1		Formulated for the first time on 2023/9/20	Pengyuan Wei	Guangrong Zhao
	2				
	3				
	4				

Secondary documents		Conflict Minerals Management Procedures	Effective date	2023/8/30
Document NO.	QEP-QA-023		controlled condition	controlled document
Version	A/0		Page	Page 2 of 4

1. Purpose

In order to prevent conflict minerals from being used in our raw materials in the Democratic Republic of the Congo and adjacent areas, we implement the company's policy on conflict minerals and improve the conditions of the supply chain to meet the requirements of the social responsibility system.

2. Scope

It is applicable to the procurement and investigation of all raw materials of the company.

3. Rights and Responsibilities

3.1 R&D Department: Determine whether the product contains tin (Sn), tungsten (W), tantalum (Ta), gold (Au), tungsten (W), cobalt (Co) and other conflict metals;

3.2 Quality Department: During the first inspection of the sample or the inspection of incoming materials, ensure that the supplier has provided a conflict-free mineral commitment letter and a conflict mineral questionnaire;

3.3 Procurement Department: Select the appropriate supplier according to the material procurement needs, require the supplier to provide a conflict-free mineral commitment letter and a conflict mineral questionnaire, and conduct an effective audit.

4. Definitions

4.1 Conflict minerals: Mineral products from areas of conflict controlled by non-governmental military groups or non-military factions in the Democratic Republic of the Congo, where the profits from illegal mining are stolen from citizens, and cause human rights violations and environmental degradation in the Democratic Republic of the Congo(Tanzania), Kenya and other minerals recognized by the United Nations Security Council as occurring from Congolese veins, including gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and tin (Sn) and other metal minerals, referred to as 3TG;

4.2 Policy on Conflict Minerals: Minerals such as tungsten, tin, tantalum, gold, and cobalt from conflict or high-risk areas, as well as metal minerals controlled by non-state forces or illegal military factions through smuggling trade, are classified as conflict minerals. We require our suppliers to comply with the Responsible Business Alliance (RBA) Code of Conduct, to source only from environmentally and socially responsible suppliers, and not to prohibit suppliers from sourcing minerals from the DRC and its neighbouring countries, and to be recognized from the Responsible Minerals Initiative (RMI) Responsible Minerals Assurance Process (RMAP) certified smelter and refiner list. Smelters and refiners that are not RMAP certified or do not meet customer requirements must be removed from the supply chain and commit to due diligence as required by the OECD.

5. Work content

5.1 Supplier Requirements:

Secondary documents		Conflict Minerals Management Procedures	Effective date	2023/8/30
Document NO.	QEP-QA-023		controlled condition	controlled document
Version	A/0		Page	Page 3 of 4

5.1.1 Suppliers are required to inform and take alternative measures immediately if there are conflict minerals used to provide our products, and implement relevant corrective measures in accordance with our requirements.

5.1.2 Require our suppliers and supply chain to conduct commercially reasonable due diligence annually to ensure that the metals used in the products we provide to us do not originate from conflict minerals. Changes (including additions or removals) to supplier or supply chain conflict minerals smelters and refiners information are the primary change management and are required to be notified immediately through the RMI Conflict Minerals Reporting Template or other reports that meet the requirements of the IPC-1755 Conflict Minerals Data Exchange Standard.

5.1.3 Suppliers, mineral processors, mining companies or raw minerals at the source of the supply chain are required to formulate relevant policies and management procedures for conflict minerals in accordance with the requirements of the Organization for Economic Co-operation and Development and this standard.

5.2 Conflict Minerals Survey

5.2.1 According to the needs of the actual product, the specifications and other relevant requirements of the required materials shall be passed to the procurement, and the procurement shall be required to find a suitable supplier to send samples for recognition, and the risk assessment information of whether the materials contain conflict minerals shall be disclosed to the procurement and quality department.

5.2.2 Confirm all materials that may contain "conflict minerals", such as electronic materials, PCBs, aluminum plates, aluminum bars, iron plates, iron bars, molds, inspection tools, fixture materials, equipment, etc. Suppliers are required to complete the "FSI_CMRT" questionnaire and sign the "Declaration of Non-Use of Conflict Minerals".

5.2.3 Identify the CMRT information and risks provided by suppliers & subcontractors (review the validity, authenticity, and compliance), compare and confirm with the RMI conformity list and customer requirements, and summarize and sort out the information to confirm OK.

5.3 Collection of Conflict Minerals Data from Customers

5.3.1 According to customer needs, select the corresponding survey scope, such as according to the product scope of the survey, it is necessary to determine the product list submitted to the customer, confirm whether there is 3TG in the corresponding materials, and use the 3TG material summary list, and accordingly conduct a conflict mineral investigation on the manufacturer.

5.3.2 Identify the CMRT information and risks provided by suppliers & subcontractors (review the validity, authenticity, and compliance), compare and confirm with the RMI qualified list and customer requirements, summarize and sort out the information that confirms OK, and deal with any abnormalities according to the exception handling process.

Secondary documents		Conflict Minerals Management Procedures	Effective date	2023/8/30
Document NO.	QEP-QA-023		controlled condition	controlled document
Version	A/0		Page	Page 4 of 4

5.4 Exception Handling Process

5.4.1 If the smelter is not in the RMI compliance list or does not meet the customer's requirements, it is necessary to issue a non-conformity statement to the manufacturer and require the manufacturer to further confirm this, and require the manufacturer to adopt a corresponding risk mitigation plan according to the actual situation, including but not limited to: a) remove the smelter's CSR management system documents that do not meet the requirements b) The smelter can be recertified and obtain a license, and the customer can be communicated during the certification period whether the delivery can be continued; c) suspend delivery or terminate cooperation if the risk mitigation given is not feasible or ineffective;

5.4.2 For the manufacturer's reply to risk mitigation measures, it is necessary to confirm this to ensure that the manufacturer truthfully performs the corresponding measures and does due diligence.

5.5 Arrange for the issuance of the "RMII_CMRT" questionnaire to suppliers at least once a year to investigate the situation of conflict minerals.

5.6 Organize procurement, R&D, quality and other relevant units to conduct conflict minerals training at least once a year and keep training records.

6. References

6.1 Regulations of the Dodd-Frank Protection Act

6.2 OECD Guiding Principles

7. Generated/File Forms

7.1 Conflict Minerals RMI_CMRT Questionnaire

7.2 Declaration of Non-Use of Conflict Minerals

8. Flowchart: None