

# Policy on Conflict Materials in Gold / Silver Smelting

Ohkuchi Electronics Co., Ltd.

Ohkuchi Electronics agrees with the aims of EITI<sup>\*1</sup> and as well as making representations of support, also makes efforts based on Sumitomo Metal Mining (SMM) Group Policy on Human Rights<sup>\*2</sup> towards increasing transparency at suppliers to ensure that no contribution is made to human rights problems such as conflict materials. Ohkuchi Electronics, as a member of the SMM group, is audited by an independent third-party in accordance with the LBMA Responsible Gold Guidance, LBMA Responsible Silver Guidance and LBMA Third Party Audit Guidance for Gold/Silver issued by the London Bullion Market Association (LBMA). Ohkuchi Electronics's policy regarding conflict minerals in Ohkuchi Electronics's gold / silver smelting activities is shown below.

<sup>\*1</sup> EITI (The Extractive Industries Transparency Initiative)

The EITI is a framework for cooperation between numerous countries for the promotion of responsible resource development with the aim of preventing corruption and conflict and as such promoting economic growth and a reduction of poverty through increased transparency in the flow of funds to the governments of resource-rich countries from extractive industry for the development of resources such as oil, gas, and minerals.

<sup>\*2</sup> SMM Group Policy on Human Rights

The SMM Group's policy on human rights, in accordance with the SMM Group Corporate Philosophy and the SMM Group Code of Conduct, has been established as follows.

1. The SMM Group will comply with domestic laws and international standards relating to human rights and encourage persons within the Group, as well as outside parties over which the Group has influence, to work toward the realization of a society without human rights infringements.
2. The SMM Group will not allow harassment or other incidents of a discriminatory nature within the Group and will make efforts to prevent such incidents from occurring among outside parties over which the Group has influence.
3. The SMM Group will not engage in child labor or forced labor and will make efforts to prevent child labor or forced labor from occurring among outside parties over which the Group has influence.
4. The SMM Group will show other considerations to human rights in addition to items 1-3 above within the Group and in relationships with outside parties over which the Group has influence.
5. The SMM Group will establish appropriate measures and procedures for responding to human rights problems if they should occur.
6. The SMM Group will identify and stay aware of the current and changing state of human rights in the world, as well as the impact of corporations in the area of human rights, and carry out awareness-raising activities and other necessary measures on an ongoing basis.

## 1. General rules

Ohkuchi Electronics fulfills our obligations with the environmental and sustainability in the supply chain, and neither directly nor indirectly supports acts of abuse such as forced labor, child labor, and serious human rights violations or illegal activities such as money laundering through the mining, trading, handling, and export of gold / silver ore from conflict zones (The Democratic Republic of the Congo and nine neighboring countries). Risk management is performed in the procurement of the raw materials for gold / silver smelting, and trading is halted in the event that a material is discovered to be a conflict mineral originating in a conflict zone. The smelting activities themselves are audited by an independent third-party.

## 2. Organization and responsibility

For gold / silver smelting, Ohkuchi Electronics sets up the department which takes responsibility for the supply of raw materials to SMM's gold / silver smelting facility.

## 3. Criteria for determining high-risk gold supply chain

Ohkuchi Electronics deems the procurement of raw materials for gold / silver smelting originating in a conflict zone (The Democratic Republic of the Congo and nine neighboring countries) or a region with a high risk of human rights violations to be high-risk.

## 4. Use of management system

### 1) Due diligence for raw material suppliers

- Due diligence is carried out for raw material suppliers and risk analysis is performed. Based on the result of this analysis, trading is halted if it is discovered that the materials contain conflict minerals originating in a conflict zone.

### 2) Monitoring of trading

- Raw materials for gold / silver smelting are inspected onsite and their volume is measured in order to confirm that it is consistent with the transaction information held by the procurement department.
- Periodic internal audits are conducted in order to monitor and confirm that due diligence is performed appropriately for raw material suppliers. Audits are conducted by an independent third-party on raw materials for gold / silver smelting.

### 3) Training

- Training and education that are deemed necessary are implemented continuously for the personnel who perform procurement and onsite confirmation of raw material for gold / silver smelting.

### 4) Record storage

- Records concerning the procurement of raw material for gold / silver smelting that require storage are defined and then managed for a set storage period.