

	<p style="text-align: center;">Responsible Mineral Supply Chain Policy</p> <p style="text-align: center;"><i>Responsible Supply Chain Policy(RSCP)</i></p>	Doc. No.	GM-L-8-C-01
		Revision	02
		Revised Date	2026.03.23

1. Policy Purpose and Scope

1.1 Purpose

COSMO Chemical Co., Ltd. (hereinafter "the Company") establishes this policy in accordance with the OECD 「OECD Due Diligence Guidance for Responsible Supply Chains of Minerals (including Annex II Model Supply Chains Policy)」 and the RMAP requirements of the Responsible Minerals Initiative, in order to ensure responsible mineral sourcing from Conflict-Affected and High-Risk Areas (CAHRA) and to prevent the mitigate risks related to human rights abuses, conflict financing, corruption, and money laundering.

1.2 Scope

This policy applies to:

- All employees of the Company
- All direct and indirect suppliers within the Company's supply chain
- All minerals that are sourced, traded, processed, or sold by the Company

The Company shall:

- Publicly disclose this policy on its official website
- Communicate this policy formally to all direct suppliers

1.3 Effective Date and Review

- Effective Date: January 18th, 2019
- This policy shall be reviewed at least annually and revised as necessary

2. Responsible Sourcing Principles

The Company maintains a zero-tolerance for the following practices and will take appropriate risk mitigation measures, including disengagement from suppliers, where risks are identified.

1. Serious human rights abuses associated with the extraction, transport, or trade of minerals
 - Torture, cruel, inhuman, or degrading treatment

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- Forced or compulsory labor
 - Worst form of child labor
 - Other gross human rights abuses (e.g., widespread sexual violence)
 - War crimes, serious violations of international humanitarian law, crimes against humanity, or genocide
2. Direct or indirect support to non-state armed groups
 3. Direct or indirect support to public or private security forces
 4. Bribery and fraudulent misrepresentation of the origin of minerals
 5. Money laundering
 6. Non-payment of taxes, fees, and royalties due to governments
 7. Occupational health and safety conditions that are inadequate to ensure the physical and mental well-being of workers including miners and direct and indirect employees

The Company applies the same responsible sourcing principles regardless of geographic origin, including non-CAHRA regions, and prioritizes sourcing from RMAP-conformant smelters and refiners.

3. Commitment to OECD Five(5)-Step Due Diligence Framework

This Company commits to implementing the OECD five(5)-step due diligence framework as follows:

1. Establish strong company management systems
2. Identify and assess risks in the supply chain
3. Design and implement a strategy to respond to identified risks
4. Carry out or support independent third-party audits
5. Report on supply chain due diligence

4. Internal Management System

4.1 Organization and Responsibilities

- Top management holds ultimate accountability for the supply chain due diligence system.
- A designated responsible person for due diligence shall be appointed.
- Roles and Responsibilities (R&R) across relevant functions (e.g., Quality, Procurement, Sales, Production) shall be defined and documented.
- The effectiveness of the due diligence system shall be periodically reviewed, and risk assessment results shall be reported to management.

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4.2 Resource Allocation

- Adequate human and financial resources shall be allocated to implement due diligence activities.
- Relevant personnel shall receive [regular training at least annually](#), and training records shall be maintained.

4.3 Record Retention

- All relevant documents and records shall be [retained for a minimum of five\(5\) years](#).

4.4 System Effectiveness Evaluation

- The effectiveness of the due diligence system shall be internally reviewed/evaluated at least annually.

5. CAHRA Identification Procedure

5.1 Definition of CAHRA

CAHRA(Conflict-Affected and High-Risk Areas) are areas identified in accordance with the OECD Due Diligence Guidance as those characterized by:

- Armed conflict
- Weak governance
- Widespread human rights abuses

5.2 Mandatory Inclusion

- [The Democratic Republic of the Congo \(DRC\) and its nine\(9\) adjoining countries under section 1502 of the Dodd-Frank Act](#)
- [Countries listed in the EU Regulation \(EU\) 2017/821 CAHRA list](#)

5.3 Assessment Criteria

The Company determines CAHRA status based on the following three(3) risk categories; Conflict, Governance, and Human rights. At least one internationally recognized and credible source shall be referenced for each category.

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Reference Sources:

- [United Nations reports](#)
- [World Bank Governance Indicators](#)
- [Transparency International CPI](#)
- [European Commission CAHRA list](#)
- [Responsible Minerals Initiative resources](#)

5.4 Approach

The Company adopts a **Country-level Approach**¹⁾ as the default method for determining CAHRA status. Where **Sub-national Approach**²⁾ is applied, it shall be supported by objective and verifiable evidence and shall not be used for the purpose of Artificial De-risking.

- 1) **Country-level Approach** is applied "where the risk is not limited to a specific area, but where the overall country conditions indicate a high-risk environment status."
- 2) A **Sub-national Approach** refers to an evaluation conducted at a more granular level, such as specific region, state/provinces, or mine sites.
 - Where sub-national analysis is conducted, it shall be based on consistent and objective criteria and supported by credible evidence (e.g., supply chain mapping, reliable regional reports).
It shall not be used for Artificial De-risking, defined as the practice of making a supply chain appear lower risk than it is by narrowing the scope of analysis or adjusting assessment criteria so that a CAHRA designation is avoided, despite actual risks being present.

5.5 Consistent Application of Criteria

The Company shall apply consistent criteria when assessing both country of origin and transit country. This includes using the same information sources and applying the same decision criteria (**threshold***).

- * **Threshold** : shall be clearly defined quantitative sources or qualitative ratings used to determine whether a region qualifies as high-risk

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5.6 Review and Update

- The CAHRA list shall be reviewed at least annually.
- Updates to external CAHRA references (e.g., EU CAHRA list) shall be promptly reflected.
- Final identified countries and regions shall be formally documented.

6. Supply Chain Control and Transparency System

6.1 Identification of Upstream Actors

- Establish a system enabling identification up to the smelter/refiner level
- Conduct Red Flag reviews in accordance with OECD Due Diligence Guidance Step2: Identify and assess supply chain risks

6.2 Origin Traceability

- Require suppliers, through contractual agreements, to provide origin information
- Verify origin information upon receipt of materials
- Conduct mass balance assessment

6.3 Cash Transaction Controls

- Avoid cash-based transactions
- Where unavoidable, perform risk assessment and ensure proper documentation

6.4 Response to Suppliers Failing to Provide Origin or Workforce Information

- Require independent third-party assessment
- Establish and implement a risk mitigation plan
- Consider disengagement in case of failure to implement corrective actions

7. Supplier Engagement and Contract Management

7.1 Contractual Requirements

All contracts with direct suppliers shall include:

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- Obligation to comply with the Company's Supply Chain Policy
- Requirement to implement OECD-aligned due diligence
- Obligation to cooperate with independent third-party audits

7.2 Long-Term Engagement

- Avoid short-term, transactional sourcing practices
- Promote long-term relationships focused on continuous improvement

7.3 Capacity Building

- Provide training and technical support to suppliers
- Maintain records of activities

7.4 Engagement with External Stakeholders

- Where appropriate, engage with relevant stakeholders such as local authorities and civil society organizations to develop and implement risk mitigation plans

8. Grievance Mechanism

8.1 Reporting Channels

- Accessible grievance channels, including the anonymous reporting
- Non-retaliation policy established
- Concerns related to the Company's policy or due diligence system may also be reported directly to the Responsible Minerals Initiative through its grievance mechanism via the following link. (<http://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-anagement/grievance-mechanism/>)

8.2 Investigation Procedure

- Receipt → Investigation → Corrective and Preventive Actions → Documentation of outcomes
- Integrate into the due diligence process

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8.3 Continuous Improvement

- Grievance data shall be incorporated into the risk identification process.

9. Disclosure and Reporting

- [Publicly report on supply chain due diligence activities and outcomes](#)
- Provide information in alignment with RMAP and customers requirements, and applicable regulations