

## Policy Statement

Recognising the risks of significant adverse impacts which may be associated with extracting, trading, handling, and exporting minerals from conflict-affected and high-risk areas, and recognising that LuNa Smelting Ltd. has the responsibility to respect human rights and not contribute to conflict, commits to the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas. LuNa commits to refraining from any action that contributes to the financing of conflict and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

LuNa commits to implement the due diligence steps described in the Supplement on Tin, Tantalum, and Tungsten of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

## Scope

This Policy applies to all purchased, tolling, processed, and traded multiple tin products including tin ingot and all by-products.

## Objectives

The objectives of this Policy are to:

- manage business and financial risk, derive maximum value from our spending, whilst mitigating risks to business and customer objectives and meeting our customer service requirements;
- work collaboratively across all LuNa's divisions and with suppliers to maximise and deliver sustainable value and drive continuous improvements;
- comply with laws and regulations and other requirements applicable to the locations in which we operate our business;
- reflect our Supply Chain Policy, Human Rights Policy, and Code of Business Conduct throughout our supply chain and ensure that sourcing initiatives are fair and ethical.

Policy, systems and procedures will be reviewed annually to ensure they reflect business requirements and legal responsibilities.

Supply chain management structure will be implemented to support the delivery of policies, systems, and procedures, to review procurement performance and respond to business procurement and supply chain management needs.

## Risk Management

Supply chain risks will be identified and assessed with appropriate controls implemented to manage the risk in accordance with our Risk Management Policy.

## Responsible Procurement

LuNa will apply responsible procurement to ensure the products, services, works, and utilities it procures achieve value for money on a whole life basis whilst delivering tangible social, environmental and economic outcomes important to our clients and the communities within which we operate.

In accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas regarding Responsible Supply Chain of Minerals LuNa will manage its procurement processes to:

- eliminate, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders;
- recognise that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.
- commit that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights, in particular, to support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired;
- support efforts, or take steps, to engage with central or local authorities, international organisations and civil society organisations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved;
- support efforts, or take steps, to engage with local authorities, international organisations and civil society organisations to avoid or minimise the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through

artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

LuNa will neither tolerate nor by any means profit from:

- any forms of torture, cruel, inhuman and degrading treatment;
- any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
- the worst forms of child labour in the meaning of ILO Convention No. 182 on the Worst Forms of Child Labour (1999).
- other gross human rights violations and abuses such as widespread sexual violence;
- war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
- any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals

Moreover, LuNa will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.

LuNa will support efforts to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

Company will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments and, in accordance with the company's position in the supply chain, we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

### **Supplier diversity**

LuNa promotes an environment in which inclusion is fundamental to what we do, celebrating the diversity of both the communities it serves and the people it employs within its business. A commitment to supplier diversity is a natural extension of Company's culture.

In line with LuNa's Code of Business Conduct small firms, social enterprises and ethnic minority businesses etc. are considered valued members of LuNa's supply chain.

LuNa's supply chain processes will be objective, transparent and non-discriminatory.

### **What LuNa expects from its suppliers**

The following expectations will be assessed and considered when reviewing the overall suitability and performance of suppliers in the procurement process. Throughout LuNa's supply chain, suppliers will be required to:

- Conduct their business in accordance with the highest standards of integrity, honesty and openness. LuNa will never knowingly use suppliers whose values do not reflect appropriately on our own.
- Recognise, comply with and respect laws applicable to their operations and those governing the LuNa-supplier relationship.
- Act in accordance with fair business, marketing and advertising practices.
- Comply with all national and other applicable law and regulations.
- Establish and maintain ethical and other standards that are, at a minimum, consistent with LuNa's Business Conduct and Human Rights Policy
- Never offer, promise, give, accept, condone, knowingly benefit from, or demand a bribe or other improper advantage
- Never offer, promise or give payments to foreign public officials ('Facilitation Payments') unless required by local written law.
- Support LuNa's commitment to responsible procurement.
- Maintain an appropriate compliance and ethics programme that reflects the legal and ethical requirements applicable to the supplier's business and its business dealings with LuNa.
- Ensure provision of appropriate guidance to their employees and sub-contractors, applicable in its business dealings with LuNa, to implement this standard's requirements.
- Allow LuNa the right to conduct unannounced spot-checks on suppliers and have access to their documentation.
- Respect and promote the equality of opportunity consistent with the legal requirements for suppliers' business, the jurisdictions in which they operate, and the law governing the

contract with LuNa; including, matters as they relate to sex, race, colour, sexual orientation, gender identity/expression, trade union activity, political belief, religion, marital status, caring responsibilities, national or ethnic origin, disability, age or citizenship.

- Maintain an appropriate employee relations environment and consider diversity in recruitment and dealings with employees.
- Respect labour and union rights and obligations applicable to the supplier and its business, and its business dealings with LuNa.
- Never use forced, compulsory or child labour, and never engage in any form of trafficking in persons or procurement of commercial sex acts. All labour is voluntary, adheres to minimum ages stated in applicable labour laws or international standards and employees are free to leave in accordance with established laws, regulations, and rules.
- Respect the security of the individual by not engaging in or benefiting from any activity that violates humanitarian law or supports or encourages the abuse of human rights.
- Respect the environment of the countries in which we operate and seek to contribute to the wider goal of sustainable development.
- LuNa will not do business with a supplier where serious breaches of this Supply Chain Policy are identified and where the supplier consistently fails to take corrective action within an agreed timescale

### **Disclosure obligations:**

It is our standard that we incorporate into commercial contracts with international concentrate traders, mineral re-processors and local exporters the following disclosure requirements:

- all export, import and re-export documentation, including records of all payments given for the purposes of export, import and re-export and all taxes and any other payments made to public or private security forces or other armed groups accompany the goods in a sealed container;
- the identification of all immediate suppliers (traders, mineral re-processors or local exporters);
- all information provided by traders, mineral re-processors or local exporter.

We will archive the information generated by the chain of custody system for a minimum of five years, preferably on a computerized database and make it available to our downstream purchasers and to any institutionalized mechanism, regional or global, once in place with the mandate to collect and process information on minerals from conflict-affected and high-risk areas.

**Communication:**

LuNa's Supply Chain Policy shall be incorporated into all commercial contracts and/or written agreements with suppliers. A copy of this policy will be made available on the LuNa website. (<http://lunasmelter.com/>).

**Grievance Mechanism:**

Concerns and complaints or violation or potential violation regarding this Policy can be communicated anonymously by phone +250 737 015 944 or online via e-mail address [grievance@lunasmelter.com](mailto:grievance@lunasmelter.com).

Last Update: 5<sup>th</sup> July 2024.

Signature:



**Managing Director**

**LuNa smelter Ltd**