

Responsible Minerals Sourcing Policy

Scope

This policy pertains to the selection and retention of all ToolXpert direct suppliers that provide materials containing tin, tantalum, tungsten, gold, and/or cobalt.

Introduction and Purpose

ToolXpert adopts a comprehensive approach to responsible mineral sourcing. ToolXpert strives to avoid sourcing minerals that contribute to armed conflict or human rights abuses in Conflict Affected and High-Risk Areas (CAHRAs), including the Democratic Republic of the Congo (DRC) and neighboring countries. Additionally, ToolXpert aims to prevent harm to communities in CAHRAs by avoiding de facto embargoes of minerals sourced from these areas. Armed groups in eastern DRC have engaged in conflict and severe human rights abuses, funded by proceeds from the mining or trade of “conflict minerals” or 3TGs (tin, tantalum, tungsten, and gold). These issues prompted the creation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, based on the UN Guiding Principles on Business and Human Rights. Legal requirements followed, mandating certain companies to disclose their due diligence in line with the OECD Guidance, to mitigate the risk that their 3TG purchases may finance conflict in the DRC, adjoining countries, or other high-risk regions. Companies are also expected to source responsibly from these areas to avoid de facto embargoes, which can have significant negative impacts on artisanal miners and their families. Similar concerns exist regarding the social and environmental impacts of cobalt extraction, including child labor and unsafe working conditions in artisanal cobalt mining in the DRC. The Responsible Business Initiative (RMI) included cobalt as a focus area in 2017. RMI supports companies in exercising due diligence over cobalt supply chains per the OECD Due Diligence Guidance. ToolXpert condemns the violence and inhumane treatment in the DRC, neighboring countries, and other regions worldwide. By implementing this Policy and collaborating with our customers and suppliers, especially through RMI, ToolXpert promotes responsible business practices and fosters peace and prosperity, consistent with ToolXpert’s values.

Requirements

ToolXpert is committed to responsible mineral sourcing, including 3TG and cobalt, using the OECD due diligence framework to avoid supporting conflict or human rights abuses in the DRC region or other CAHRAs, while avoiding de facto embargoes. This aligns with ToolXpert’s Human Rights Policy, Supplier Responsibility Code, and ToolXpert’s respect for human rights within our operations and supply chains, as well as the OECD Due Diligence Guidance and UN Guiding Principles. ToolXpert’s global suppliers are required to:

- As per ToolXpert’s relevant Contract agreement templates supply materials to ToolXpert that are “Conflict-Free,” meaning minerals from recycled or scrap sources or that do not finance armed groups through mining or mineral trading in the DRC, adjoining countries, or other CAHRAs as determined by regulatory bodies and applied by RMI.

- Be transparent and responsibly source from the DRC, adjoining countries, and CAHRAs to avoid de facto embargoes.
- Implement policies and due diligence management systems consistent with OECD Guidance to identify, prevent, mitigate, and, where appropriate, remediate risks associated with minerals, including 3TGs and cobalt, and require their suppliers to adopt similar policies and practices. ToolXpert expects suppliers to cooperate in evaluating compliance with these requirements.
- Provide ToolXpert with information on the presence of requested minerals, including 3TGs and cobalt, in their products and data on the smelters and refiners in their supply chains, consistent with the industry standard for Supply Chain Transparency provided in the Conflict Mineral Reporting Template (CMRT) or Cobalt Reporting Template (CRT) developed by RMI.
- Source, directly or indirectly, from smelters and refiners validated under the Responsible Minerals Assurance Process (RMAP) of RMI or other recognized third-party audit/validation programs (for suppliers whose sourcing originates from the DRC, adjoining countries, or other CAHRAs).
- Suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation, remediation, or non-conformance with ToolXpert's policy.
- Collaborate with others on cross-industry efforts, such as with RMI, to support responsible minerals sourcing, including ongoing education and training.