



RESPONSIBLE SOURCING AND SUPPLY CHAIN POLICY

1. Introduction

The core mission of our company is to ethically source the resources that enrich everyday life in a sustainable and responsible manner.

Responsible sourcing embodies our pledge to consider social, ethical, and environmental factors concerning our products and supply chains. With our policies, standards and processes we adhere to international declarations such as the United Nations (UN) Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict and High-Risk Areas (OECD Conflict Minerals Guidance), dated April 2016, including all annexes and supplements as well as SR 221.433 Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour under the Swiss Code of Obligations (CO).

We expect our suppliers to share our dedication to ethical, safe, and responsible business practices.

Whenever possible, we utilize our business connections and advocate for dialogue among stakeholders to advance these standards and industry best practices.

In the context of this policy, a supplier refers to any individual or organization that directly provides, sells, or leases materials, products, or services to FEC.

2. Who is concerned by this policy?

This policy takes effect on all employees, directors, officer as well as contractors under FEC's direct supervision, working for a FEC office or industrial asset directly or indirectly controlled or operated by FEC.

3. What is our dedication to address responsible sourcing and supply chain?

- We communicate and train relevant FEC employees to ensure that they are aware of and responsive to social and environmental risks, and are aligned with our goal to have a responsible supply chain;



- We carry out risk based due diligence on our supply chain focusing on those activities in our supply chain where risks to people and the environment are greatest;
- Engage with stakeholders and suppliers to develop procedures and policies in line with our expectations of responsible sourcing promoting and spreading the adoption of those values;
- Regularly review our practices and guidance to ensure they remain responsive to the evolution of supply chain sustainability risks;
- Report on supply chain due diligence where appropriate or required by legislation.

4. What is FEC expecting from its suppliers?

Suppliers should not profit from, contribute to, assist with or facilitate the commission of tortures, cruel, inhuman and degrading treatment, forced or compulsory labour, worst forms of child labour, modern slavery, other gross human rights violations and abuses.

Suppliers shall suspend or discontinue engagement with upstream suppliers where they identify that they are sourcing from, or linked to, any party committing serious abuses as mentioned above in this paragraph 4, and where attempts to mitigate such impacts have failed.

Suppliers shall engage with local authorities, international organisations and civil society organisations to avoid or minimise the exposure of vulnerable groups, in particular, where minerals in the supply chain are extracted through artisanal or small scale mining.

Suppliers to screen public or private security forces to ensure that individuals or units of security forces that are known to be responsible for gross human rights abuses will either not be hired, in the case of 'individuals' or required to demonstrate measures to mitigate the likelihood of such impacts occurring in the future, in the case of units.

Suppliers to devise, adopt and implement policies and procedures designed to prevent or mitigate the risk of bribery and/or the solicitation of bribes to conceal or disguise the origin of metals and minerals associated with the extraction, handling, processing, transportation and trade of metals and minerals.

Suppliers to devise, adopt and implement policies and procedures designed to prevent or mitigate the risk of money laundering resulting from, or connected to, the extraction, handling, processing, transportation and trade of metals and minerals.



Suppliers to devise, adopt and implement policies and procedures designed to ensure that all required taxes, fees and royalties are paid to governments in accordance with supplier's position in the supply chain.

5. What are the consequences?

Our policies are in line with our Values and Code of Conduct and reflect what is important to us and our activities.

FEC takes violation of our policies seriously. Depending on the severity of the violation, consequences may range from a warning to a plain termination of employment.

Far East Commodities SA