

Date: 2026/9/5

The Responsible Mineral Initiative and Responsible Mineral Assurance Pram Committee (RMI and RMAP Committee) of Mechema will follow CAHRAs Identification Procedure to determine high risk and low risk countries/areas. The countries/areas will be evaluated for suppliers' location, material location and transportation route and followed by below 5 steps and frequently re- evaluates sourcing practices to incorporate new opportunities.

STEP 1: RESOURCES

To determine if an area is Conflict-Affected or High-Risk, Mechema uses objective indicators to assess the financial, humanitarian, and potential conflict risk, based on the following primary resources:

Criteria	Resources	Threshold
Governance	Fragile States Index https://fragilestatesindex.org/country-data/	A ranking of 90 or more will be considered in Step 2.
Financial and Humanitarian Risk	The ranking (from 0 to 100) provided by www.knowyourcountry.com which provides a country risk level considering conflict, UN sanctions, Corruption, AML/CFT and Human Rights is used in the matrix. The risk is higher for lower ranked countries.	A ranking of 50 or less will be considered in Step 2.
Human Rights Risk	Based on Human Development Reports of UNDP website https://hdr.undp.org/data-center/country-insights#/ranks	A score of HDI Value under 0.5 will be considered in Step 2.
Conflict Risk	Based on Heidelberg Conflict Barometer https://hiik.de/wp-content/uploads/2023/05/CoBa_2022_00_01.pdf	A intensity 4 or above will be considered in Step 2.
Necessary requirement	The DRC and its 9 adjoining countries as outline in Section 1502 of the Dodd Frank Act (DFA 1502)	No step 2 will be taken. It will be clarified as CAHRAs

Necessary requirement	EU CAHRAs List including national and subnational level. https://www.cahraslist.net/cahras#MMR	No step 2 will be taken. It will be clarified as CAHRAs
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If an area is determined as CAHRAs based on Step 1, Mechema shall consider of red flags and take Step 2.

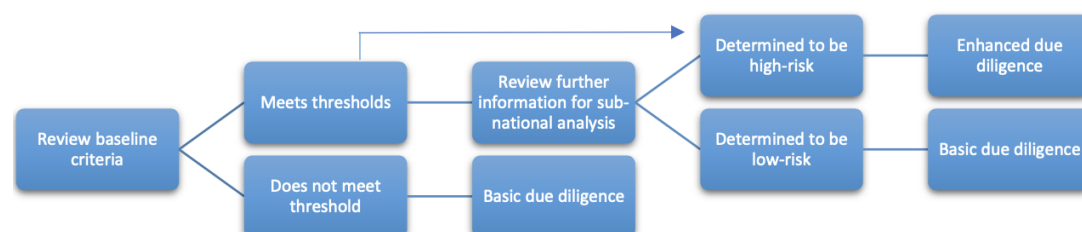
STEP 2: REVIEW

The Chief Compliance officer will review all countries within its supply chain that meet the CAHRAs threshold, and where relevant will use credible supplementary sources for sub-national analysis, such as NGO reports, industry publications and data, news articles, and counterparty information to identify any localized conflicts, to determine whether risks are associated specifically with the following factors:

1. Specified area of counterparty or sourcing;
2. Specified activity location (e.g. mining /storage / transit);

STEP 3: FINAL RISK CLASSIFICATION

The final risk-determination is made by the Chief Compliance Officer based on the credible primary and supplementary resources. Such determinations are fully documented.



* If the countries are listed in either one of the two necessary requirements, DFA 1502 and EU CAHRAs list, will be clarified as CAHRAs.

STEP 4: FREQUENCY

To sign off on a new counterparty, Mechema adopts the following process:

- CAHRAs will be updated by the Chief Compliance Officer at least on annual basis.
- The Chief Compliance Officer will review annually after the publication of Mechema's Step 5 Due Diligence Report and assess the impact of the newly published resource levels on the Risk Classifications of all of Company Mechema's supply chain.

STEP 5: SUPPLIER APPROVAL

Once the new supplier on-boarding and approval process is completed, the Chief Compliance Officer forwards the request for senior management 's final approval and forward to account opening to the accounts department.