

EMBS Company Due diligence Policy for Responsible Sourcing of Raw Materials

1. Purpose

This policy (the "**Policy**") establishes the due diligence framework for responsible sourcing and ethical supply chain management for raw materials used in our products including **Minerals of concern** (defined in section 6 below) falling within the scope of the Regulation (EU) 2017/821 (the "**Regulation**") and the corresponding OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the "**OECD Due Diligence Guidance**" and the "**CAHRAs**"). This Policy applies not only to EMBS, but also to all **direct and relevant sub-suppliers throughout the supply chain** involved in the sourcing, processing, and trading of raw materials within the EMBS's supply chain. This Policy was established to ensure that the sourcing Minerals of concern, within our supply chain, must neither directly nor indirectly contribute to armed conflict, human rights violations, or unethical business practices in CAHRAs. This includes the implementation and ensuring the compliance with the specific obligations arising under the Regulation.

2. General Policy Commitments

EMBS and the Suppliers (to the extent applicable) are, in particular, committed to:

- Preventing human rights abuses, child labor, and environmental damage within their respective supply chain.
- Ensuring that sourcing practices do not directly or indirectly contribute to armed conflicts, corruption, organized crimes or unethical business practices.
- Promoting traceability and transparency by implementing a robust supply chain due diligence process.
- Engaging with and supporting legitimate supply chain actors in CAHRAs through responsible sourcing practices, in line with the OECD Due Diligence Guidance.
- Aligning procedures and management systems with the **OECD Due Diligence Guidance**.

3. Due Diligence Requirements

EMBS due diligence program follows a risk-based approach and includes:

3.1. Risk Identification and Assessment

- Regularly identify, assess, and mitigate risks related to human rights violations, environmental degradation, and unethical sourcing.
- Utilize a social and environmental risk matrix covering key concerns, including health, labor conditions, and community impacts.
- Gather information about material origin and smelter/refiner details from the EMBS's Suppliers.

3.2. Risk Mitigation and Management

- Implement an **escalation** and corrective action plan for high-risk Suppliers.
- Engage in remediation efforts for risks, including Supplier training or disengagement in cases of non-compliance.
- Require the Suppliers to establish their own due diligence programs in line with **OECD Due Diligence Guidelines**.
- Encourage the Suppliers to rely on third-party audit and validation schemes such as RMI/RMAP for smelters/refiners, particularly those operating in CAHRAs.

3.3. Stakeholder Engagement and Consultation

- Engage relevant stakeholders, such as employees, affected communities, and industry partners, where appropriate, to improve their respective due diligence efforts.
- Maintain a grievance mechanism allowing stakeholders to report violations or concerns confidentially.

3.4. Transparency and Public Disclosure

- Publish an annual due diligence report detailing risk assessments, mitigation efforts, and audit results.
- Make this Policy publicly available and ensure the Suppliers commit to similar transparency standards.

4. Responsibilities

This Policy outlines the specific responsibilities of all the EMBS's employees to ensure compliance with this Policy by assigning respective responsibilities, in the following manner:

- **Company's Top Management:** Responsible for the Policy's implementation oversight, updates, and ensuring regulatory compliance.
- **Company's Supply Chain & Procurement Teams:** Ensure due diligence measures are followed in all sourcing activities.
- **Company's Suppliers:** Must adhere to due diligence requirements defined in the Policy and provide requested compliance information.
- **Company's Employees:** Must comply with company policies, including the Policy, and report any violations with the grievance mechanism.
- **Company's Customers:** EMBS is committed to address inquiries about sourcing Minerals of concern within a reasonable timeframe.

5. Compliance and Consequences

In line with our obligations under the Regulation and OECD Due Diligence Guidance, we expect our Suppliers to support responsible sourcing practices and risk management throughout the supply chain. In particular, we request that our Suppliers:

- **Familiarize themselves with and respect the principles outlined in our Policy and Supplier Code of Conduct.** Where appropriate, these documents may be incorporated into contractual agreements executed with the Suppliers.
- **Develop or align their internal sourcing policies due diligence practices, and management systems** with the OECD Due Diligence Guidance, especially where risks of adverse impacts or sourcing from high-risk areas are identified.
- **Cooperate in providing relevant supply chain information** (e.g.: material origin, due diligence declarations such as the Minerals Reporting Template [EMRT/AMRT]), in a timely and accurate manner.
- **Encourage responsible practices within their own supply chains**, proportionate to their size, capacity, and level of risk exposure, especially third-party validation schemes (e.g.: RMI/RMAP).

Where available and proportionate, the Suppliers are encouraged to rely on third-party audit schemes or validation mechanisms for their smelters and refiners, particularly those operating in or sourcing from CAHRAs.

In cases where material non-compliance is identified, EMBS may initiate appropriate remedial actions, which may include capacity-building support, temporary suspension, or — where risk remains unmitigated — immediate termination of the business relationship with the Supplier, in line with the OECD Due Diligence Guidance.

6. Definitions

Word	Definition
CAHRAs	Countries or regions with high demand for minerals that are either experiencing armed conflict, fragile post-conflict conditions, or facing weak governance, insecurity, and widespread or systematic violations of interna-
3TGs	Tin, Tantalum, Tungsten and Gold.
Minerals of concern	Raw materials covered under Regulation (EU) 2017/821
CSDDD	Corporate Sustainability Due Diligence Directive
OECD Due Diligence Guidance	OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs.
Suppliers	Suppliers with whom EMBS has a direct relationship and are affected by the Policy.

7. Review and Updates

This Policy will be regularly reviewed and updated to reflect any regulatory / legal changes, audit results, and stakeholder feedback. This Policy remains in compliance with the Regulation and will align with any future legal requirements (should those become adopted).



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