

# Responsible Minerals Assurance Process

## Due Diligence Public Report

[ 2022 edition ]

### 1. Company information (all origins)

The company name is Asaka Riken Co., Ltd. , We have the following two refining factories.

- 1) Headquarters plant [CID:000090] Handling Item: gold  
(address : 47 Aza Maseguchi, Kanaya, Tamura-machi, Koriyama-shi, Fukushima, 963-0725, Japan )
- 2) Iwaki plant [CID:000092] Handling Item: no item  
(address : 246-23 Aza Egoshi, Kurosuno, Izumi-machi, Iwaki-shi, Fukushima, 971-8184, Japan).

\* Iwaki factory is not active now.

### 2. RMAP evaluation summary (all origins)

We have gotten RMAP audit at Headquarters plant, and the latest evaluation results were as follows.

Target material: gold  
Evaluation date: April 12<sup>th</sup> 2022  
Evaluation period: January 2019 to December 2021  
Auditor: Intertek Certification Japan Ltd.  
Evaluation result: Currently under evaluation.  
Validity of this evaluation: Undecided

### 3. Corporate policy on supply chain (all origins)

We have established a basic policy on raw material procurement in order to avoid the use of conflict minerals that may directly or indirectly benefit or fund armed groups, and / or cause other serious human rights violations in conflict-affected and high-risk areas. This supply chain policy is fully compliant with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) . This policy covers all risks identified in Annex II of the OECD guidance and covers the entire world. We will do our best to address any risks identified in Annex II . This policy has been reviewed and approved by senior management committed to supporting the implementation of this policy. This policy is widely provided to relevant stakeholders (suppliers, customers, employees, etc.) and is also available from our website ( <http://www.asaka.co.jp/company/08.html> ) .

#### **4. Company management system (all origins)**

[Management structure]

We are committed to comply with our supply chain policy and have established internal procedures for due diligence that includes the following items:

- Our raw materials procurement manager is responsible for overseeing the design and practice of due diligence programs and risk management.
- In order to execute the roles and responsibilities properly that each department should play in the implementation of due diligence program and reporting of identified red flags and potential risks, we have determined and assigned roles of each related department (including the sales department, manufacturing department, and quality assurance department).
- We conduct due diligence management system training required for the due diligence program more than once a year for key employees in all relevant departments. If the due diligence program is updated, we will provide additional training as needed.

[Internal management system]

In December 2021, we reviewed our due diligence management system based on OECD guidance and RMAP. And in March 2022, we have notified identified upstream suppliers of this updated supply chain policy and procurement requirements.

In addition, we have included due diligence-related requirements in the contract content as a legally binding agreement.

[Contact for complaints]

We refer to RMI 's grievance mechanism in order to collect information related to complaints and mitigation from related parties. And we have a grievance page on our company's website where external complaint information can be entered.

In addition, a contact point has been established to accept information from whistleblowers.

[Record keeping system]

We maintain all records related to the due diligence program for at least five years, and we stipulate that such records be used appropriately and kept safely in our database.

## **5. Identification of risks (all origins)**

We use the following robust process to identify risks in our supply chain.

1) We refers to the indicated risk in our supply chain policy, and defines procedure for identifying conflict-affected and high-risk areas (CAHRAs). This procedure includes the resources used, the definition of “conflict and high risk areas”, and the frequency of reviews for our decisions. In determining CAHRAs, we refer to the following resources:

- Conflict regions - Heidelberg dispute barometer  
<https://hiik.de/conflict-barometer/current-version/?lang=en>
- Human rights violation - Fragile States Index  
<https://fragilestatesindex.org/global-data/>
- Money Laundering Risk Area - Knowyourcountry  
<https://www.knowyourcountry.com/country-ratings-table>
- Resource governance
  - Resource Governance Index(RGI)  
<https://resourcegovernance.org/>
  - Human Freedom Index  
<https://www.cato.org/human-freedom-index>
- The Indicative List of CAHRAs Provided by the European Commission Pursuant to Article 14.2 of the European Union Regulation 2017/821 was published. (Latest update: December 2021)

<https://www.cahraslist.net/cahras>

We are referring to our supply chain policy and external resources and have developed conditions and benchmark indicators for determining CAHRAs.

- 2) We have developed a Know Your Supplier (KYS) process that includes information about the legal status and identity of suppliers, supplier mappings and potential risks. We have commissioned an external research organization to check the ownership of all suppliers, corporate structure, identification of related businesses, financial status, and whether there are any violations of laws. In addition, for the refining company, we ask and collect information through CMRT.

\*No red flags were identified for the suppliers during the reporting period.

- 3) We require submission of origin information for all material transactions, and we have a system in place that allows us to know the origin of the material, the transport route, and the name and location of the direct supplier.
- 4) We require submission of origin information for all material transactions, and we maintain a system that allows us to know the origin of the material, the transport route, and the name and location of the direct supplier.
- 5) We review all collected information against CAHRAs, sanctions lists, local laws, and internal procurement requirements.

## **6 . Risk assessment (high risk origin only)**

We have implemented the enhanced due diligence on materials and supply chains designated as “high risk”. The contents are as follows.

- Assessment of CAHRAs status .
- Clarification of production logistics management.
- Questionnaire survey of risks listed on OECD Guidance Annex II.
- Assessment of upstream supplier activities and relationships .
- Identification and assessment of raw material suppliers by CMRT survey.

In addition, we will perform due diligence by assessing the risk level for the

document based on the upstream company's due diligence program for public and actual transaction information.

Furthermore, we conduct the due diligence by completing the comparison between the documents based on the diligence program by the upstream companies and the public, actual transaction information and by evaluating the risk level.

## **7 . Risk mitigation**

Our supply chain policy defines risk mitigation strategies that can be adopted in accordance with the OECD Guidance Annex II Model Policy. Risks identified in high-risk supply chains are mitigated by following steps:

We will get more information about the risk mitigation process by asking the supplier directly. We will endeavor to implement the following items using them.

- Identify information, including the names of producers and exporters, for specific sources of materials.
- Confirmation of whether the reported risk has been addressed and / or re-reported during the next reporting period.
- Make inquiries about how to deal with risks, including who is responsible for implementing risk mitigation actions.
- Regularly request the latest information on risk mitigation measures for related supply chains.

August 1<sup>th</sup> 2022

Asaka Riken Co., Ltd.