"O'ZBEKISTON TEXNOLOGIK METALLAR KOMBINATI" AJ

APPROVED BY

Chairman of the board of JSC
"Uzbekistan Technological
metals complex"
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"14" июня 2026 y.

PROCEDURE FOR IDENTIFYING CAHRA
(Conflict-Affected and High-Risk Areas)

1. General Provisions

This Procedure defines the mechanisms for identifying, assessing, and documenting CAHRA — Conflict-Affected and High-Risk Areas — within the mineral raw materials and technological metals supply chain of "Uzbekistan Technological Metals Combine" JSC (hereinafter – the Combine).

The Combine is following the OECD guidance on definition of a 'CAHRA' specifically; Conflict-affected and high-risk areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.

The Procedure is based on the following international documents and standards:

- **Responsible Minerals Initiative (RMI) requirements;**
- **OECD Due Diligence Guidance for Responsible Mineral Supply Chains;**
- **IRMA Standard for Responsible Mining;**
- **The Combine's Supply Chain Policy.**

2. Purpose of the Procedure

Regarding the responsible sourcing of primary raw materials from areas of elevated risk, the principal philosophy for the combine is to apply reasonable criteria to assure adequate risk management whilst avoiding an outright boycott of CAHRA's which would potentially deprive the local population in these areas of their livelihood and further opportunities.

The combine notes the following OECD Guidance:

"In conflict-affect and high-risk areas, companies involved in mining and trade in minerals have the potential to generate income, growth and prosperity, sustain livelihoods and foster local development. In such situations, companies may also be at risk of contributing to or being associated with significant adverse impacts, including serious human rights abuses and conflict."

The main objectives of this Procedure are:

- Systematically identifying whether the origin of mineral raw materials is located in a conflict-affected or high-risk area;
- Conducting risk-based due diligence in accordance with RMI/OECD requirements;

• Introducing additional controls and restrictions when working with raw materials originating from CAHRA;
• Ensuring a responsible supply chain within the Combine.

3. Scope of Application

This Procedure applies to:
• All Tungsten materials derived from primary sources purchased by the Combine
• Transportation/logistics routes (transit countries);
• All suppliers, subcontractors, and logistics partners.

4. Key Definitions

• **CAHRA (Conflict-Affected and High-Risk Areas)** – areas affected by armed conflict, political instability, human trafficking, forced labor, corruption, and other high-risk indicators.
• **Due Diligence** – a systematic process of identifying, assessing, mitigating, and monitoring risks.
• **Risk Indicators** – factors defining whether a specific area qualifies as a CAHRA (armed conflict, human rights violations, political instability, etc.).
• **Conflict** – shall mean a political or armed conflict, widespread violence or other risks of harm to people, which may involve international or non-international character, consist of two or more opposing states, between government forces and non-governmental groups, and of varying structures including wars of liberation, insurgencies, civil wars, and rebellions.
• **Human Rights** – are inherent to all human beings regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human Rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. A Human Rights violation refer to violations of the core international conventions on human rights including the International Covenant on Civil and Political Rights, International Covenant on Social and Economic Rights, and the Universal Declaration of Human Rights.
• **Good Governance** – is the process whereby public institutions conduct public affairs and manage public resources in a manner that promotes the rule of law and the realization of human rights. Core elements of good governance include; transparency, integrity, lawfulness, sound policy, participation, accountability, responsiveness, and the absence of corruption and wrongdoing.

5. Responsible Units and Functions

• **Compliance Service** – identification and assessment of CAHRA and implementation of due diligence;

• **Commercial Department** – collection of data on raw material origin, country and regional information;
• **Legal Department** – analysis of sanctions, export-import restrictions, and legal risks.

6. Information Sources Used for CAHRA Identification

The combine uses objective indicators to assess Conflict, Governance and Human Rights conflicts and utilized the following resources:

No.	Criteria	Resources	Threshold
1	Governance, Humanitarian and Conflict Risk	Based on RMI Global Risk Map https://analyze.eiq.ai/risk-landscape/global?view=RMI which is a risk assessment tool that allows users to identify and compare governance, human rights, and conflict risk indices across geographic regions globally.	A ranking of High or Extreme will be considered in Section 4.
2	Financial and Humanitarian Risk	The ranking (from 0 to 100) provided by https://www.knowyourcountry.com/copy-of-country-reports which provides a country risk level taking into account 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 30 or less will be considered in Section 4.
3	Future Potential Risk	Based on Control Risk World Map provided by https://www.controlrisks.com/riskmap/maps, which forecasts political and security risk across the globe for the coming year.	A ranking of High will be considered in Section 4.
4	Sanction Risk	UN/EU/OFAC sanctions list. https://www.un.org/securitycouncil/sanctions/information https://www.sanctionsmap.eu/#/main https://ofac.treasury.gov/sanctions-programs-and-country-information	If listed on UN or EU or OFAC sanctions, a country shall be assessed further as per the process outlined in Section 4.

7. Step-by-Step CAHRA Identification Process

7.1. Step 1: Initial Country-Level Screening

For each and every source the Commercial Department and Compliance Service shall:

1. Identify the country of origin using available documentation (COO, Export declaration, Contract, title documents ~ BOL, Correspondence with the vendor), and guidance within Annex V of the RMI-RMAP Tungsten Standard.
2. Identify the transit route and check for any red flags.
3. Cross reference the Information Sources used for CAHRA Identification and classify the country of origin and if required any countries of transit as either 'Low-Risk' or 'High-Risk' in accordance with Risk Classification Procedure 7.X.

The Combine identifies the following regions and countries as high-risk without further determination:

1. The Democratic Republic of Congo (DRC) and its nine adjoining countries as outlined in section 1502 of the Dodd Frank Act (DFA1502) namely Angola, Burundi, Central African Republic, Republic of Rwanda, South Sudan, Tanzania, Uganda and Zambia (the 'Covered Countries').
2. The indicative and non-exhaustive list of CAHRAs provided by the European Commission pursuant to Article 14.2 of the EU Regulation 2017/821, which can be found here: https://www.cahraslist.net/

7.2. Step 2: Plausibility Assessment

For every source the Commercial Department and Compliance Service shall:

1. Determine whether there are any inconsistencies or discrepancies related to the material and supplier, KYC, origin, or transportation document submitted by the supplier.
2. Ensure consistency between documents e.g. references, markings, counterparty names, origin/destination.
3. Inspect material upon receipt for conformity with provided information e.g. gross/net weights, markings, quality, packaging.
4. Review and consider any publicly available information on the supplier or originating source.
5. Cross check any plausibility information regarding the reserves, resources, or known production statistics for the country of origin; e.g. Ministry of Mines, Export Data, Export Tax Receipts.

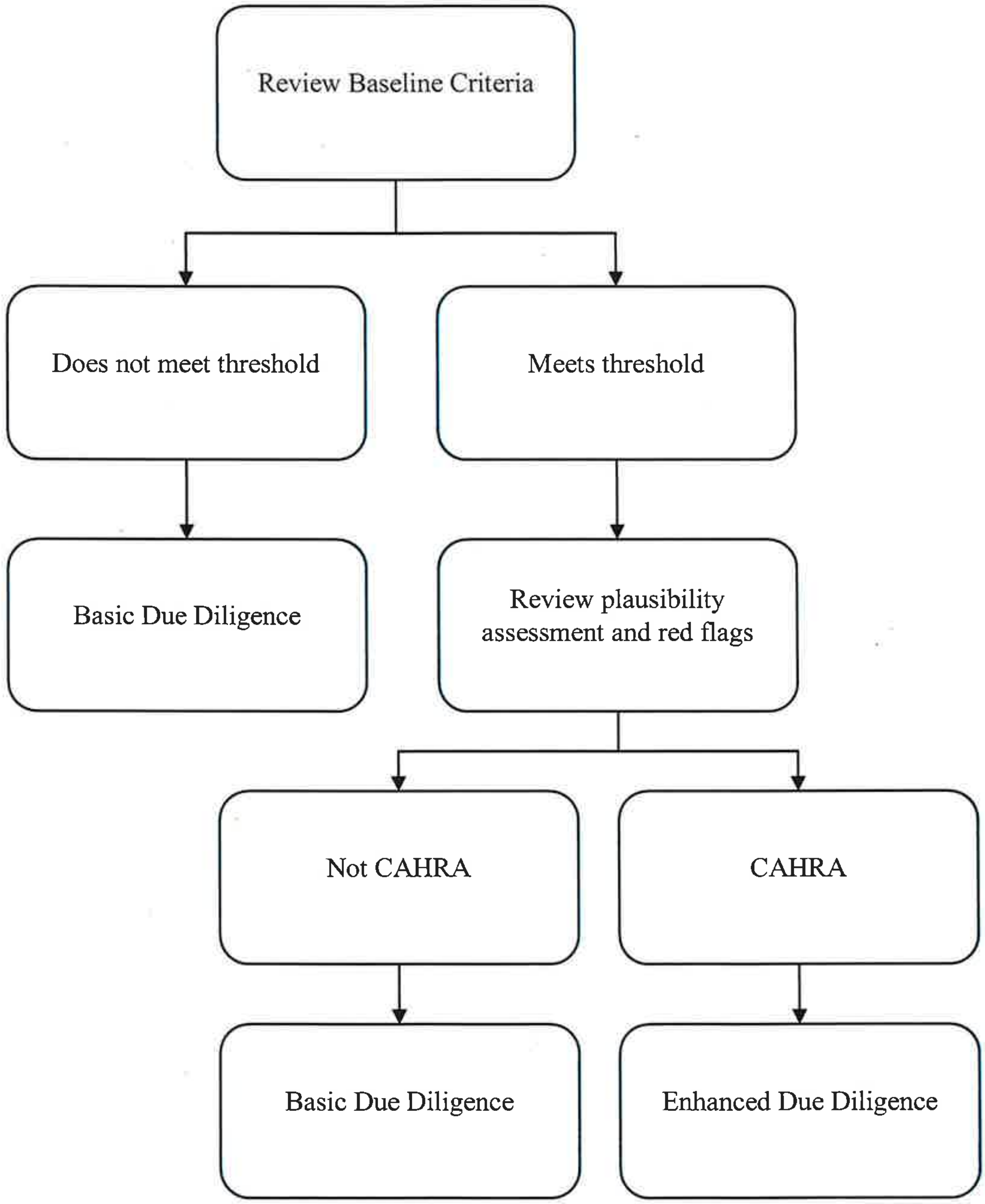
7.3. Step 3: Red Flags

The Commercial Department and Compliance Service shall assess the occurrence of OECD Red Flags related to material origin, transit, supply chain actors. The following red flags should trigger the processes contained in this procedure:

1. The materials are claimed to originate from a country that has limited known reserves, likely resources or expected production levels of the material in question (i.e. the declared volumes of minerals from that country are out of keeping with its known reserved or expected production levels).
2. The minerals are claimed to originate from a country in which minerals from conflict-affected and high-risk areas are known to transit, legally or illegally;
3. The minerals originate from or have been transported via another country that may be a CAHRA.
4. The vendor or any supply chain actors have shareholder or other interests in companies that supply materials from, or operate in a CAHRA.
5. The vendor or any supply chain actors are known to have sourced minerals from a CAHRA in the last 12-months.

6. Any industry knowledge, whistleblower reports, information received through the Combine's grievance mechanism or otherwise received verbally or in writing that implies that materials may originate from a CAHRA.

7.4. Step 4: CAHRA Assessment



If a supplier or region is classified as a CAHRA then the following internal actions will take place:

• The Compliance Service prepares a "CAHRA Area Assessment Conclusion" (Internal Memo / Risk Assessment Report);
• The conclusion includes the country, region, raw material type, supplier, risk indicators, list of sources;
• The region is added to the Combine's CAHRA Registe

8. Ten Key CAHRA-Related Risks

The Combine recognizes the following risks related to sourcing materials from a CAHRA in line with the OECD guidance:

1. **Risk of directly financing armed groups**
2. **Risk of indirectly supporting armed groups** (transport, taxes, customs "road fees").
3. **Abuse by state or private security forces.**
4. **Severe human rights violations** (torture, unlawful detention, mass sexual violence, etc.).
5. **Child labor risk.**
6. **Forced labor risk.**
7. **Risk of falsifying mineral origin** (MSDS, Certificate of Origin, customs documents).
8. **Corruption and bribery risk.**
9. **Money laundering and financial fraud risk.**
10. **Severe environmental damage risk** (illegal mining, waste mismanagement, water contamination, toxic emissions).

9. Supplier Approval Process

For all countries determined to be low-risk or below threshold the Compliance Manager will approve sourcing contingent on the supplier or source meeting the relevant requirements of the other internal onboarding documents and processes.

For all countries determined to be high-risk the Compliance Manager will conduct enhanced due diligence including but not limited to; literature search of NGO reports, industry publications, news articles, corporate background check, to determine whether risks are associated with which of the following factors:

- Specified area of counterparty or sourcing,
- Specified material,
- Specified industry (e.g mining, transit).

Suppliers from CAHRA's will be required to provide documentary evidence in accordance with the High-Risk sourcing checklist which will seek to address possible red flags and includes but is not limited to:

- Mining / Business Licenses,
- Geological survey or report (BFS/DFS),
- Production Records,
- Mine visit reports,
- Consistent inland transit documents through to port of departure.

Furthermore, the Compliance Manager may also insist upon 'On-the-ground Assessments' with a principal scope of determining:

- Ongoing plausibility of supply.
- Adherence to Conflict, Humanitarian and Governance criteria.
- Review of mine site and transit security.

In all risk cases new suppliers will only be approved upon a formal KYC assessment, with checks to determine the identity, type of business relationship and legality of business operations for each supplier. The KYC process includes verification of individuals and entities. Anti-Money Laundering (AML) is a principal goal of the KYC process.

Note:

"UzTMK" JSC does not currently purchase primary raw material (tungsten); instead, it receives it from its own "Ingichka" mine.

The tungsten originating from "Ingichka" mine is considered Low risk under CAHRA criteria.

10. Frequency of Review and Reassessment of CAHRA Results

10.1. Purpose

To establish the frequency and procedure for reassessing CAHRA-related risks, supplier profiles, compliance with sanctions, and monitoring results.

10.2. Coverage

Applies to all suppliers of raw materials, equipment, and services, and to all operations related to CAHRA.

10.3. Reassessment Frequency

10.3.1. Annual Full Reassessment

• Each supplier's CAHRA risk rating must be updated on at least the following basis:

1. As each resource becomes updated or available or;
2. At least Annually:

- Risk indicator reassessment
- Updated documentation
- Sanctions compliance checks
- Human rights, labor, and illicit financing risks

10.3.3. Immediate (Real-Time) Reassessment

Triggered by:

• Supplier added to a sanctions list

• Escalation of conflict or security conditions
• Reports of forced labor, child labor, or human rights abuse
• Indicators of terrorism financing or illegal armed group support
• New entities entering the supply chain
• Serious non-conformities identified by internal or external audit

10.3.5. Assessment for New Suppliers

• Full CAHRA assessment required prior to contract signing.
• If "medium" or "high" risk is identified — additional investigation is required.
• If "high risk" is confirmed — cooperation is prohibited unless risks are fully mitigated.

11. Confirmation and Documentation of Results

• Reassessment results are documented by the Procurement / Compliance via official report or electronic record.
• Results must be approved by the management.
• The CAHRA Register is reviewed and updated at least once per year.
• Reports must be kept for at least 5 years.

12. Final Provisions

This Procedure enters into force upon approval by the Board of "UzTMK" JSC. The Compliance Service prepares an annual Due Diligence and CAHRA report in line with RMI/OECD requirements. Adjustments are made as needed in accordance with updates to RMI/OECD standards.