



This Policy is set and monitored by the Executive Board of Hill & Smith PLC ("the Group").

Policy

Some countries which have access to natural resources that are in high demand are suffering from armed-conflict, such as civil war; a state of fragile post-conflict; or witnessing weak or non-existing governance; and systematic violations of international law, including human rights abuses and it is the policy of the Group to ensure that natural resources mined in areas of conflict, which may have led to human rights abuses as well as are being sold to fund armed groups, do not enter the Group's supply chain.

Background

Profits from mining around the world may be being used to fund armed conflict, as many mines are under the control of armed groups.

The most widely cited instance of conflict minerals is in the Democratic Republic of Congo and neighbouring countries, where tin, tungsten, tantalum and gold are mined.

Other examples of minerals with potential links to conflict include copper, cobalt, platinum and diamonds.

Groups which are known to mine conflict minerals

- Democratic Forces for the Liberation of Rwanda (FDLR)
- Armed Forces of the Democratic Republic of Congo (FARDC)
- Congolese national army
- Several industrial gold mining companies are moving from exploration to production of gold in northern and eastern DRC and adjoining countries

High risk countries for sourcing conflicts materials

- Democratic Republic of Congo (DRC)
- Rwanda
- Columbia (Gold)
- Afghanistan
- Zimbabwe
- Myanmar (Burma)
- Adjoining countries to DRC:
 - o Angola
 - o Republic of the Congo
 - o Central African Republic
 - o South Sudan
 - o Uganda
 - o Zambia
 - o Tanzania
 - o Burundi



Conflict Minerals and the supply chain

Conflict Minerals to look out for

Companies, whether at the 'upstream' stage of the supply chain (i.e. from mine to smelter) or at the 'downstream' stage (i.e. from smelter to end user), are at risk of using conflict minerals. Minerals are traded and processed by upstream stakeholders, before being used in downstream manufacturing products.

Mineral	Description	Major uses
Cassiterite (tin)	Ore from which tin is extracted	Plating and solders for joining pipes and electronic circuits
Columbite- tantalite (tantalum)	Ore from which tantalum is extracted	Electrical components (including those used in mobile phones, computers, videogame consoles), aircraft and surgical components
Wolframite (tungsten)	Ore from which tungsten is extracted	Metal wires, electrodes and contacts in lighting, electronic, electrical, heating and welding applications
Gold	Rare metal found in a native (pure) form and obtained as a by-product of other	Jewellery, electronic, communications and aerospace equipment

Our supply chain

All business units, when sourcing new products and/or new suppliers must ensure that the follow the Group's Sanctioned Countries and Restricted Parties Trading Policy, whereby business units must comply with all valid international economic sanctions and the legal requirements for the import and export of goods, technology and services in the countries in which it operates and in some circumstances, the laws and regulations of countries with whom it has trading relationships. And must not engage, directly or to the best of our knowledge, indirectly, in any trade, business or other activities with or to or for the benefit of and Sanction Country; Denied Party; or countries and organisations listed above.

Violations

Violations of this Policy will be treated seriously by the Group and may result in disciplinary action (including dismissal). Non-compliance with this Policy will result in a breach of the standards required by the Group as a socially responsible business. Furthermore, violations of international trade compliance laws may also result in prosecutions for individuals, Business Units or members of the Group and/or fines or terms of imprisonment.

In the event of any questions or concerns, please contact the Company Secretary and Head of Legal on +44 (0)121 704 7430 or email: compliance@hsgroup.com.

This Policy statement will be reviewed annually and where appropriate updated or modified.

Approved by the Executive Board of 15 February 2021