

From
RRC power solutions GmbH
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Homburg, 19th April 2024

To whom it may concern,

The RRC Power Solutions v6.31 Conflict Mineral Reporting Template (CMRT) is a compilation of the tin, tantalum, tungsten and gold Smelters or Refiners (SORs) received from our suppliers for the 2023 reporting period. We are aware that as of the current date, some of these smelters are no longer considered RMAP eligible and may no longer have an audit status of Conformant. Some of these SORs on the v6.31 CMRT were either active or conformant for at least part of the 2023 reporting period and were reported by our suppliers as used in their supply chains; therefore, we must continue to report them on our CMRT. RRC Power Solutions has no direct affiliation or business with the SORs and relies on information from a multi-level upstream supply base. Based on these factors and the size of our supply chain, we are unable to provide a specific removal date at this time as we have no direct influence over the supply base purchasing sources/budgetary constraints.

We are committed to responsible sourcing and conformance with global standards. As part of our ongoing due diligence procedures, we conduct continuous review of the supply chain and promote supplier direct/indirect contact with the smelters to encourage RMAP conformance and/or participation. For smelters which are unable/unwilling to conform to RMAP audit standards, we will work with our supply chain to disengage from these smelters and/or find alternative sourcing locations should they remain non-conformant. We have reviewed the smelters or concern and have provided comments below regarding the RMAP non-conformant and/or High-Risk smelters.

- **Russia Sanctioned Smelters:** Government sanctions against Russia took effect beginning March 2022. The RMI has noted the Russia related sanctions are not retroactive and became effective March 2022 to present date. Unfortunately, due to the continued Russian activities in Ukraine, and ceased RMAP assessments in Russia; the amount of ineligible, sanctioned and/or non-conformant smelters significantly increased during the 2023 reporting cycle. As they are reported in the supply chain by one or more of our suppliers for the 2023 reporting period, we must continue to report them in our CMRT. As part of our ongoing due diligence procedures, we have reached out to the suppliers regarding next steps, remediation and/or disengagement procedures from these sanctioned smelters and will work with our supply chain to disengage from these smelters and/or find alternative sourcing locations should they remain ineligible due to sanctions.
- **RMAP Non-Conformant Smelters:** The SORS in these categories are not necessarily a high risk necessarily due to sourcing locations but rather just a non-conformant category due to the RMAP Audit status. They are non-conformant due to ineligibility to participate in RMAP or failed RMAP inspections. The SOR is non-conformant if their systems, processes, and practices significantly deviate from the Standard requirements or Assessment Criteria, imposed sanctions on the smelter, the company refuses to participate in the assessment process, or does not provide adequate access to facilities, personnel and/or evidence to complete the assessment. We are aware the CMRT contains smelters are non-conformant and are engaging our suppliers to encourage RMAP conformance. Proof of participation in audit programs, conflict free evidence or corrective action plans are requested from our suppliers. As part of our due diligence procedures, we will work with our suppliers to remove from them from their supply chains should they remain non-conformant with RMAP audit standards.
- **Democratic Republic of the Congo (DRC) and Conflict Affected and High-Risk Areas (CAHRAs) regions:** SORs that are RMI compliant can source from the DRC/CAHRA regions, they just have to show due diligence actions are taken to ensure minerals are sourced responsibly and align with the European policies on conflict prevention and the development of local communities. When non-conformant status is noted for SORS sourcing from DRC/CAHRAs, due diligence efforts are performed to advise the supplier of the non-conformance status. This notification includes the referenced CMRT along with the High-Risk and/or Non-Conformant smelter report. Suppliers are encouraged to reach out to SORS directly/indirectly to encourage RMAP Conformance and/or participation and provide proposed next steps, due diligence procedures, and/or corrective actions that are being taken for these SORS. Additionally, alternate Supply Chain sourcing is encouraged for SORS which remain non-conformant or are unwilling/unable to participate in the RMAP.

- **Uyghur Forced Labor Prevention Act (UFLPA):** Some SORS have been identified as having possible links to sourcing and/or refining operations in China's Xinjiang Uyghur Autonomous Region which makes them subject to the Uyghur Forced Labor Prevention Act. Suppliers have been recontacted for due diligence programs or compliance procedures regarding responsible sourcing from these areas.

During the reporting period we will continue to engage our suppliers regarding due diligence processes and procedures to enhance our conflict minerals program and promote responsible sourcing.

Best Regards



Thomas Neumann
Regulatory Affairs Manager