

Conflict and Responsible Minerals Sourcing Policy

1. Introduction

As a responsible and socially committed business entity, NIKO d.o.o. recognizes the importance of sustainable and ethical management of supply chains, particularly in the sourcing and use of raw materials that may be associated with risks related to human rights, environmental impact, and corruption. We are aware that the manner in which minerals are sourced has a direct impact on local communities, the environment, and geopolitical conditions; therefore, we base our supply chain responsibility on international standards and guidelines.

Our commitment is founded on ESG (Environmental, Social, Governance) principles and the following recommendations:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas,
- EU Regulation 2017/821, which sets requirements related to the import of conflict minerals,
- Responsible Minerals Initiative (RMI) and related tools (CMRT, EMRT),
- UN Guiding Principles on Business and Human Rights.

2. Scope and Applicability

This statement applies to all mineral raw materials that the company uses directly or indirectly in its operations, production, or product development. It specifically refers to the following categories:

2.1 Conflict Minerals (3TG)

Tin (Sn), Tantalum (Ta), Tungsten (W), and Gold (Au) minerals originating from conflict-affected areas such as the Democratic Republic of the Congo and neighboring countries, where there are known instances of armed group financing, forced labor, and severe human rights violations.

2.2 Responsible Minerals from High-Risk Areas

Minerals not legally defined as conflict minerals but often associated with similar risks. This includes primarily:

- Nickel (Ni)
- Cobalt (Co)
- Lithium (Li), Manganese (Mn), Graphite (C)

2.3 Aluminum (Al)

Although not categorized as a conflict mineral, aluminum is often linked with environmental impacts, high energy consumption, and socially sensitive regions due to its extraction from bauxite. Therefore, the company includes it within its extended responsibility scope.

3. NIKO d.o.o. Commitments

NIKO d.o.o. commits to:

- Not directly or indirectly financing armed groups or other activities contributing to violence, instability, or human rights violations;
- Cooperating with suppliers who can provide traceability and proof of responsible sourcing of minerals;
- Urge its suppliers to follow this NIKO Responsible Minerals Sourcing Policy.
- Promoting and supporting suppliers in using standardized reporting tools (e.g., CMRT, EMRT);
- Monitoring and evaluating suppliers for compliance with responsible sourcing requirements;
- Regularly updating its policy in line with legal developments and best practices in the ESG field.

4. Supplier Responsibilities:

- All our suppliers who use or may use conflict minerals in their products or processes must:
- Provide, upon request, completed reporting templates (e.g., CMRT – Conflict Minerals Reporting Template).
- Commit to sourcing only from verified and responsible sources.
- Promptly notify Niko, d.o.o. of any findings that could indicate irregularities within the supply chain.

5. Responsibility and Implementation

Responsibility for the implementation of this policy lies with the company's management together with the procurement and quality.

6. Conclusion

Through this statement, NIKO d.o.o. affirms its commitment to transparent, ethical, and sustainable business practices.

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Managing Director

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