

# PHYCHIPS Conflict Minerals Policy

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Conflict minerals refer to tantalum, tungsten, tin, and gold originated in the Democratic Republic of the Congo and its adjoining countries ("Covered Countries"). There are concerns that the conflict minerals fund armed forces of the Covered Countries causing many deaths of their own people and infringement of human rights during mineral excavation such as forced labor and abuse of women and children. In response to these concerns, the United States Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). Section 1502 of the Dodd-Frank Act ("Conflict Minerals Rule") requires manufacturing companies listed in U.S. stock exchange to disclose whether the products they manufacture or contract to manufacture contain conflict minerals.

PHYCHIPS will make every effort to ensure that conflict minerals related to armed forces in the conflict zone are not included in the supply chain to produce its products, and as a responsible corporate citizen, the following procedures will be carried out.

- Using the conflict minerals reporting template provided by the RMI (Responsible Minerals Initiative), the names and locations of all 3TG smelters used in our products will be identified, and due diligence procedures will be established according to the OECD Due Diligence Guidance. If necessary, due diligence will be conducted on the procedures and materials that the business partners have conducted to investigate the use of conflict minerals.
- We will support suppliers to purchase and use conflict minerals from smelters certified by the 'Responsible Minerals Assurance Process'.  
(You can find a list of smelters certified by the Responsible Minerals Assurance Process (RMAP) at <http://www.Responsiblemineralsinitiative.org>.)

PHYCHIPS requires suppliers to fully understand and comply with the laws and regulations related to conflict minerals in the United States and Europe and our policy on conflict minerals, and for this purpose, suppliers must perform the following procedures.

- Suppliers shall establish documented conflict minerals management policies and procedures so that the products supplied to PHYCHIPS do not contain conflict minerals that directly or indirectly contribute to the armed forces of DRC or its neighboring countries.
- Suppliers shall endeavor to identify the names and locations of all smelters handling conflict minerals in the supply chain.
- Suppliers must fill out the conflict minerals report template and submit it to PHYCHIPS in a timely manner.
- Suppliers shall take corrective action when identified risks in the supply chain are discovered.

If PHYCHIPS does not receive the appropriate information necessary for confirming the use of conflict minerals from the supplier, or if it is different from the information provided by the supplier, and if an identified risk in the supplier's supply chain is found but does not take corrective action, PHYCHIPS may terminate the transaction with the partner.

PHYCHIPS will actively participate in international efforts to achieve a conflict-free supply chain, and through this, we will fulfill our social responsibility to prevent human rights violations in DRC and neighboring countries.