

Metrod Supply Chain Due Diligence Report – 2024

1. Executive Summary

Metrod Holdings Bhd (Metrod), a leading global copper rod and wire manufacturer, reaffirms its commitment to responsible production and sourcing of copper materials. Metrod is committed to sustainable business practices, responsible mineral sourcing, and transparency across our copper supply chain. As part of our alignment with the Copper Mark Assurance Framework, this report details our supplier due diligence approach, in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Our goal is to ensure that our supply chain operates responsibly with respect to human rights, the environment, and business integrity, which is outlined in our supply chain management system manual (SCM/SM/01) and Supplier Due Diligence Procedure (SM/SDD/01).

This report highlights the progress we have made in identifying and managing supply chain risks, supporting supplier capacity, and ensuring alignment with international environmental, social, and governance (ESG) standards.

2. Commitment to Responsible Sourcing

Metrod Holdings Bhd has adopted the Copper Mark's Risk Readiness Assessment (RRA) framework to promote ethical and sustainable sourcing of copper. Our commitment to due diligence process prioritizes:

- Identifying and mitigating environmental, social, and governance (ESG) risks across our supply chain.
- Ensuring transparency and traceability of copper sources.
- Promoting responsible sourcing practices among all suppliers
- Traceability of material origin.
- Risk assessment and mitigation aligned with OECD Annex II risks.
- Supplier engagement and continuous improvement.
- Transparency in reporting and stakeholder engagement.

We support a zero-tolerance approach to:

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|---|-----------------------------|
| • Child and forced labour | • Corruption and bribery |
| • Human rights violations | • Money laundering |
| • Uncontrolled artisanal mining | • Environmental degradation |
| • Funding of armed conflicts and terrorist activities | |

3. Supply Chain Due Diligence Framework

Our supply chain due diligence framework follows the OECD's Five-Step Framework, adapted to the copper primary and secondary raw material procurement through the Copper Mark initiative:

3.1. Establishing Strong Company Management Systems

- Implemented a Supplier Code of Conduct incorporating Copper Mark requirements.
- Maintained an internal Due Diligence Policy aligned with the OECD Guidance.
- Created a cross-functional ESG sustainability Committee with responsibility for due diligence.
- All Tier 1 copper suppliers have been mapped and categorized based on geographic and risk-related criteria.
- CAHRA regions are identified based on OECD and Copper Mark indicators as per the established procedures.

3.2. Risk Assessment

- Conducted risk assessments for 100% of Tier 1 copper supplier.
- Mapped supplier origin of materials & transit routes and assessed geopolitical, environmental, and labour-related risks.
- Identified 1 Tier 2 manufacturer / supplier with elevated ESG risk indicators from DRC and transit route through Tanzania.
- Red flagging process in place through desk-based assessments and supplier declarations.

3.3. Risk Mitigation

- Tier 2 Supplier from CAHRA is certified with copper mark and the risk is mitigated. However, consistent engagement with the supplier regarding evaluating their sustainable practices through self-questionnaire is planned for 2025.
- Provided technical support and capacity-building sessions to enable supplier compliance.

3.4. Monitoring and Auditing

- Supplier contracts now include ESG compliance clauses.
- Selected suppliers will be subjected to self-questionnaire / third-party assessments based on risk tiering.

- Annual assessments of all critical non copper suppliers are conducted in 2024 and planned for copper suppliers in 2025.

3.5. Reporting and Disclosure

- All risk assessment activities are documented internally.
- Significant supply chain incidents, if any are disclosed to stakeholders.
- A grievance mechanism is available for anonymous reporting of supply chain issues.

4. Supplier Engagement and Training

In 2024, Metrod conducted the following capacity-building initiatives:

- ESG training sessions delivered to majority of the internal stake holders and planned in 2025 for Tier 1 suppliers.
- Supplier onboarding kits and the contracts for primary raw material were updated to include clear ESG and Copper Mark expectations.
- Periodic communication being maintained with key suppliers regarding compliance updates.

5. Grievance Mechanism

Our grievance mechanism is accessible to all employees, suppliers, and external stakeholders. It enables reporting of unethical conduct or ESG-related concerns linked to our copper supply chain. During the reporting period:

- No grievances received.

6. Key Metrics (2024)

Metric	Value
Tier 1 Copper Suppliers Assessed	100%
Tier 2 suppliers from Non CAHRA Assessed	100%
Tier 2 Suppliers from CAHRA Assessed with risk	2
Corrective Action Plans Initiated	Nil as supplier is copper mark certified
Grievance Reports Linked to Supply Chain	Nil

7. Continuous Improvement (2025 Goals)

To further align with the Copper Mark and raise supply chain resilience, Metrod will pursue the following in 2025:

- Expand due diligence to all Tier 1 – critical and non-critical suppliers and logistics partners.
- Increase frequency of supplier audits and strengthen verification protocols.
- Launch an internal audit program to review implementation of ESG controls.
- Publish an annual Copper Supply Chain Risk Report.

8. Copper Mark Alignment

This report supports Metrod Holdings Bhd's Copper Mark commitment and covers key aspects of the assurance process:

- Implementation of a due diligence management system.
- Assessment and mitigation of ESG risks.
- Grievance handling and continuous improvement.
- Business Integrity
- Human Rights and Working Conditions
- Community and Stakeholder Engagement
- Environmental Stewardship

9. Contact for Inquiries

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