

Responsible Minerals Sourcing statement

There has been an increasing international focus on “Conflict Minerals” emanating from mining operations in the Democratic Republic of the Congo (DRC) and adjoining countries. Armed groups engaged in mining operations in the Democratic Republic of the Congo and adjoining countries are believed to be subjecting workers to serious human rights abuses and are using proceeds from the sale of conflict minerals (tantalum, tin, tungsten, and gold, or 3TG) to finance regional conflicts.

In response to these concerns, the US Congress enacted Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010 while the European Union passed the Conflict Minerals Regulation in 2017. Both legislations aimed at preventing the use of conflict minerals that finance or benefit these armed groups. US publicly traded companies and EU companies using conflict minerals in their products must disclose the source of such minerals.

Being a member of Responsible Business Alliance (RBA) and Responsible Minerals initiative (RMI), XP Power adopted a Responsible Minerals Sourcing Program which aligns with the requirements of RMI and complies to the standards of RBA Code of Conduct and OECD Due Diligence Guidance. We request our direct suppliers to conduct due diligence to determine the origin of metals and raw materials used in our products.

Although not subject to existing mandatory due diligence requirements, cobalt and mica are also covered by XP Power in the responsible minerals sourcing program since they are also sourced predominantly from high-risk regions due to unsafe working conditions and the exploitation of miners like child labour.

XP Power vigorously supports this responsible mineral sourcing initiative by:

- Working with suppliers to identify the origin of 3TG, Cobalt and Mica in our supply chain to ensure that we are not sourcing the minerals from the source that is directly or indirectly supporting armed groups, violence, or human rights violations in the Democratic Republic of the Congo (DRC) and adjoining countries, and Conflict Affected and High-Risk Areas (CAHRAs).
- Requiring suppliers to have a policy or program in place that will enable these suppliers to conduct responsible sourcing and to not knowingly procure specified minerals sourced from the DRC and adjoining countries, and CAHRAs.
- Taking corrective action by urging direct suppliers to confirm the presence of smelters who have shown red flag risks as per OECD Due Diligence Guidance in their supply chain and to request from their suppliers to manage the risks by either transitioning away from these smelters or encouraging these smelters to participate in the Responsible Minerals Assurance Process (RMAP).

- Continuing to observe international laws as they develop relating to the use of Conflict Minerals, Cobalt and Mica.

Signed:

A handwritten signature in black ink, appearing to be 'G. Griggs', written in a cursive style.

Gavin Griggs
Chief Executive Officer