



## Responsible Sourcing Policy

### Introduction

Lee Kee Group (“Lee Kee” or “The Group”, which includes Lee Kee Holdings Limited and its subsidiaries) offers a broad portfolio of quality metals including commodities zinc, aluminum, nickel, copper as well as zinc alloy, aluminum alloy, stainless steel and electroplating chemicals. Apart from producing and distributing metals. The group is committed to conducting business with integrity, transparency, and respect for people and the planet. As a leading provider of metal solutions, we recognize that our sourcing decisions have significant social, environmental, and economic impacts across global supply chains.

As a metals processing and trading company, we recognize our responsibility to conduct supply chain due diligence consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance), and the Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc (JDD). This Policy establishes mandatory requirements for our procurement activities and suppliers and sets out our governance, due diligence processes, and transparency commitments.

### Scope

This policy applies to:

**All suppliers** that provide materials managed by Lee Kee.

**All minerals of concern**, including but not limited **to tin (Sn), tantalum (Ta), tungsten (W), gold (Au)**—collectively known as 3TG—**cobalt, mica** and any other minerals identified as high-risk or sourced from **conflict-affected and high-risk areas (CAHRAs)**.

### Policy Objectives

Through this policy, we aim to work collaboratively with all metal suppliers to improve sustainability performance, reduce risk, and create long-term value for Lee Kee customers, employees, and communities. Responsible sourcing is not only a compliance requirement, but also a strategic imperative for Lee Kee Group’s continued success and resilience.



## **Alignment with OECD Due Diligence Guidance**

Lee Kee Group is committed to ensuring responsible sourcing by conducting comprehensive risk-based due diligence aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals will not from Conflict-Affected and High-Risk Areas. We implement systematic processes to identify, assess, and mitigate risks associated with sourcing from conflict-affected and high-risk areas (CAHRAs), ensuring that our procurement activities do not contribute to conflict, human rights abuses, or environmental harm.

## **Human Rights, Fair Labor, Health and Safety workplace**

We reference the principles of the UN Global Compact and maintain zero tolerance for forced labor, child labor, or any form of exploitative labor practices throughout our supply chain. Lee Kee Group is committed to respecting internationally recognized human rights, ensuring health and safe working conditions, fair wages, and the right to freedom of association for all workers involved in our mineral supply chains. We actively monitor and engage with suppliers to ensure compliance with international labor standards and take immediate action when violations are identified.

## **Ethical Business Conduct**

Lee Kee Group maintains the highest standards of ethical business conduct to prevent contribution to serious human rights abuses, conflict financing, bribery, corruption, money laundering, tax evasion, and environmental degradation. We operate with integrity and transparency in all procurement activities, adhering to Hong Kong regulations and international anti-corruption standards. Our commitment to ethical conduct creates long-term value for Lee Kee customers, employees, and communities while safeguarding our reputation and operational resilience.

## **Transparency and Accountability**

We are committed to establishing transparent, traceable supply chains supported by credible documentation and robust chain-of-custody controls. Lee Kee Group maintains comprehensive records of material flows, supplier information, and due diligence activities, ensuring traceability to smelter/refiner level wherever feasible. We engage in open communication with stakeholders and maintain accessible grievance mechanisms to ensure accountability across our operations.



## **Responsible Partnerships and Supplier Engagement**

Lee Kee Group believes in building responsible partnerships through proactive supplier engagement, capacity building, and collaborative corrective actions. We work closely with our suppliers to improve their sustainability performance and support continuous improvement initiatives. When non-compliance is identified, we will report to supplier to remediation solution, prioritizing engagement and improvement over immediate disengagement wherever appropriate.

## **Legal and Regulatory Compliance**

We are committed to full compliance with all applicable laws, regulations, and international standards governing responsible mineral sourcing. This includes adherence to the OECD Guidance, conflict minerals regulations, anti-corruption laws, trade compliance requirements, and environmental protection legislation. Lee Kee Group continuously monitors regulatory developments and updates our policies and procedures to maintain alignment with evolving legal and industry standards.

## **Environmental Stewardship**

Lee Kee Group is dedicated to minimizing environmental impact through responsible metal selection, emissions reduction initiatives, and circular economy practices. We prioritize suppliers who demonstrate strong environmental management systems, implement pollution prevention measures, and contribute to resource efficiency and waste reduction. Our commitment to environmental stewardship supports sustainable development and helps mitigate climate change impacts across our supply chain.

## **Commitment**

Lee Kee Group commits to setting clear requirements and expectations for all metal suppliers, ensuring they share our commitment to responsible sourcing and sustainable business practices. This policy applies to all procurement activities across our global operations and establishes mandatory standards for supplier engagement, due diligence, and performance monitoring.



## **Procurement Process:**

### **1. Planning and Supplier Screening**

Based on sales delivery planning, to decide the purchase volume. And then we begin by identifying potential suppliers maintains detailed compliance documents for them which collects and verifies supplier information. Our planning process integrates ESG & sustainability with sustainability criteria as a strategic priority, ensuring that responsible sourcing or minerals principles on supplier selection decisions. We evaluate potential suppliers based on their alignment and commitment to ethical practices, and their capacity to meet our sustainability standards.

### **2. Company market review & Identify risks**

We review examines suppliers' policies, certifications, track records, and risk profiles to identify potential concerns related to governance, financial risk, human rights risk, and conflict risk.

### **3. Evaluation and Selection**

Our supplier evaluation process balances multiple criteria to ensure both commercial viability and responsible sourcing. Assessment factors include:

- **Price Competitiveness:** Fair and competitive pricing reflects true costs including environmental and social considerations
- **Quality and Technical Capability:** Demonstrated ability to meet our technical specifications and quality standards
- **Sustainability and Certifications:** Evidence of strong management systems, third-party certifications (such as ISO, Copper Mark, RMI), and commitment to continuous improvement
- **Risk Profile:** Screen suppliers and material are not operating or sourcing from or transported through conflict-affected and high-risk areas (CAHRAs), identify red flags per OECD and industry-specific indicators.



#### **4. Contractual Requirements and Code of Conduct**

All suppliers shall adhere to mandatory clauses covering anti-bribery, human rights, labor standards, environmental protection, and ESG commitments. Suppliers are required to either provide evidence of their own equivalent policies and procedures or formally sign and commit to the Lee Kee Supplier Code of Conduct. This Code establishes binding requirements pertaining to corporate governance, human rights, health and safety, business integrity and ethics, conflict minerals, environmental stewardship, consumer protection, community engagement, due diligence processes, and responsible sourcing practices.

#### **5. Delivery, Payment, and Documentation**

Throughout the delivery and payment process, we systematically record sustainability attributes and performance metrics for all procured materials. Our secure recordkeeping systems maintain comprehensive documentation including chain-of-custody records, certificates of origin, smelter/refinery information and audit reports. All records are retained for a minimum period of five years to ensure traceability, support due diligence verification, and enable continuous improvement analysis.

#### **6. Monitoring, Ongoing relationship and Performance Review**

We implement ongoing supplier performance reviews and annual ESG reporting (If any) from all active suppliers. Our monitoring program includes regular performance assessments, periodic audits or site visits where applicable, and the development of corrective action plans for identified non-compliance issues, while those with persistent compliance challenges may face suspension or termination of business relationships.



## **Supplier management**

### **Sustainability criteria**

**Aligning with OECD Due Diligence Guidance:** Suppliers shall implement a due diligence process aligned with the OECD Guidance to identify and assess risks in their supply chains related to minerals from conflict affected and high-risk areas (CAHRAs).

**Compliance with Lee Kee Supplier Code of Conduct:** All suppliers shall adhere to the Lee Kee Supplier Code of Conduct, which covers corporate governance, human rights, health and safety, business integrity and ethics, conflicted minerals, environment, consumer issues, community involvement and development, due diligence, and sourcing.

**ESG Information Disclosure:** Suppliers are required to disclose their ESG policies, management controls, and certifications related to environmental, social, and governance practices.

### **Internal Controls**

**Maintains detailed compliance file for all suppliers:** They are expected to provide accurate and timely documentation regarding the origin. They are also requested to complete the "Supplier Questionnaire" and update company details, legal and financial information, factory and production details, health and safety practices, environmental management, and social ethics every five years.

**Cooperate with Lee Kee assessments, site visits, and third-party audits:** Audit reports will be generated to document audit information, evidence, and findings. Auditors will share the audit report with suppliers for necessary actions or improvements based on audit findings.



## **Implementation**

**Public Communication** Lee Kee Group will publicly share this Policy on its website and through relevant stakeholder channels. Policy documents, guidance materials, and contact information will be easily accessible to suppliers, customers, and other stakeholders. Proactive engagement with industry groups, civil society, and local communities will be prioritized to advocate for responsible sourcing practices.

**Internal Training** will be conducted for Lee Kee's procurement new staff. These sessions will cover essential topics such as the OECD five-step due diligence framework, CAHRA screening and risk assessment, traceability and chain-of-custody requirements, grievance handling and remediation procedures, as well as updates on policies and emerging best practices. It is crucial to ensure that all relevant employees fully understand their roles and responsibilities in effectively implementing this Policy.

## **Policy Review and Continuous Improvement**

**Policy Review** process involves an annual assessment by the sustainability team and procurement team, with updates requiring approval from the COO. Regulatory third -parties cert policy changes, standard updates, and emerging best practices are noticed in IMS meetings hold by monthly to incorporate feedback and address evolving expectations. Version control and change management practices are implemented to ensure proper documentation and communication of updates.

**Continuous Improvement** include monitoring performance, grievance response time, root-cause analysis of incidents is conducted to integrate lessons learned into Standard Operating Procedures (SOPs) and training programs. Adapting to regulatory changes and standard updates is prioritized, with enhancements adopted accordingly. Regular management reviews assess policy effectiveness and implementation progress. Stakeholder feedback and emerging risks are integrated into policy refinements to drive ongoing improvement.



## **Remediation Guidance**

The policy will be reviewed as necessary. Suppliers are encouraged to raise concerns about suspected misconduct or unethical behavior in procurement activities. Misconduct may include bribery, fraud, collusion, kickbacks, conflicts of interest, or any other actions that compromise the integrity of the procurement process. Concerns can be reported through [responsible sourcing@leekeegroup.com](mailto:responsible sourcing@leekeegroup.com).

Once non-compliance incident was found, Lee Kee will conduct a thorough investigation to gather evidence and documentation in order to understand the root causes and extent of the issue. Engagement with the supplier will be initiated to obtain their perspective and cooperation. To address deficiencies, a collaborative effort will be made Corrective Action Plan Request (CAPR) with the supplier to develop a time-bound, providing guidance, resources to support remediation efforts. Lee Kee will be regular reviews and on-site assessments where appropriate.

In cases where the supplier fails to demonstrate compliance within the agreed timeframe, Lee Kee Group will review the relationship with the supplier, potentially leading to termination of engagement. Immediate disengagement will occur in the presence of credible evidence of direct or indirect non-compliance.

## **Protections**

Lee Kee Group, operating as a listed company, enforces a strict prohibition against retaliation towards whistleblowers and participants in investigations. Furthermore, the organization has implemented safeguards to protect vulnerable stakeholders, including workers and community members. These measures are designed to establish a safe and secure environment for all individuals engaged with the platform, fostering transparency and accountability.