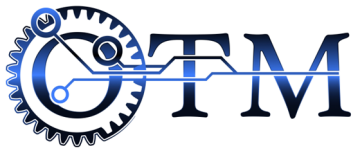


# SQAR - Appendix



DEC 2024 | Issue 01

## Supplier Code of Conduct (SCoC), Conflict Minerals Policy & Declaration

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### 1. AMENDMENTS

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Issue No	Page No	Date	Change Details
01	All	06/12/24	First Issue

## 2. SCOPE

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This document details the IHL Group (Ipeco Holdings Ltd, hereafter referred to as Ipeco) Preferred Supplier Code of Conduct (SCoC) and Conflict Minerals Policy and Declaration required by the IHL Group & subsidiaries which includes OTM Servo Mechanism Limited (hereafter referred to as OTM) from its Suppliers.

## 3. LAWS & ETHICAL STANDARDS

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The supplier shall comply with all laws applicable to its business. The supplier shall, in its business practices and corporate policies, support the principles of the United Nations Global Compact, the UN Universal Declaration of Human Rights, the UN Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises as well as the 1998 International Labour Organisation Declaration on Fundamental Principles and Rights at Work, in accordance with national laws and practice.

## 4. HUMAN RIGHTS & FAIR LABOUR PRACTICES

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### **CHILD LABOUR**

The supplier shall not employ anyone under the legal age of employment in any country or local jurisdiction. The supplier shall apply a minimum working age of 15 years, notwithstanding that local legislation may permit younger children to be employed. Workers under the age of 18 shall only perform work in accordance with the legal requirements of their country of employment (e.g. with regards to working time and working conditions) and subject to any requirement regarding education or training and shall under no circumstances be permitted to contract out of these legal requirements.

### **FORCED LABOUR**

The supplier shall not use any form of forced, bonded, or compulsory labour or any of the modern forms of slavery. All labour must be voluntary (done, given, or acting of one's own free will). Workers must be allowed to maintain control over their identification documents (e.g., passports, work permits and/or any other personal legal documents). The supplier shall ensure that workers do not pay fees or make any payment connected to obtaining employment throughout the hiring process and the employment period. The supplier shall be responsible for the payment of all fees and expenses (e.g., licenses and levies, recruitment charges etc.) relating to workers, where legally required. Punishment, mental and/or physical coercion as well as any other form of human trafficking are prohibited. Disciplinary policies and procedures shall be clearly defined, written, readily accessible to all employees and communicated to the employees.

### **COMPENSATION AND WORKING HOURS**

The supplier shall comply with all applicable local laws and mandatory industry standards regarding working hours, including overtime, rest breaks, compassionate leave and paid vacation. The supplier shall compensate its workers in accordance with local minimum wage legislation and terms of applicable collective bargaining agreements as well as with industry standards. The supplier shall pay workers in a timely manner and clearly convey the basis on which workers are being paid (i.e., receive employment documents in a language they understand). Deductions from wages as a disciplinary measure shall not be allowed, if not expressly legally permitted.

**FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

The employees of the supplier must be free to join or not to join a union/employee representation of their choice, free from threat or intimidation. The supplier recognises and respects the right to collective bargaining in accordance with applicable local laws.

**DIVERSITY AND INCLUSION**

The supplier shall promote an inclusive work environment that values the diversity of its employees. The supplier shall be committed to equal opportunities and not discriminate or tolerate discrimination or harassment with respect to gender, ethnic and national origin, race, colour, religion, age, disability, sexual orientation, political beliefs and identity, as well as any other characteristic protected by local laws.

**5. HEALTH & SAFETY**

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OTM expects its suppliers to strive to implement the standards of occupational health and safety through the implementation of a health and safety management strategy appropriate for the business. The supplier shall comply with applicable occupational health and safety regulations and provide a work environment that is safe and conducive to good health (e.g., the free provision and ready accessibility of drinking water), to preserve the safety and health of employees, safeguard third parties and prevent accidents, injuries and work-related illnesses. This includes regular workplace risk assessments and the implementation of adequate hazard control and precautionary measures, including the provision of appropriate Personal Protective Equipment ("PPE"). Employees are to be adequately educated and trained in health and safety issues in a language they understand.

**6. DATA PROTECTION, INFORMATION SECURITY & DISCLOSURE OF INFORMATION**

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The supplier shall adhere to applicable data protection laws, including those relating to the security of personal data, as well as to respective local regulations (e.g., GDPR), in particular with regard to the personal data of customers, employees and shareholders. The supplier shall comply with all applicable legal requirements when personal data is collected, recorded, hosted, processed, transmitted, used and/or erased. The information security requirements applicable to suppliers with regard to any data entrusted to their control during and after their engagement with OTM are based on international standards, such as the Code of Practice for Information Security Management. Suppliers should take account of the need to protect the confidentiality, integrity and availability of information. At all times, the required level of information security and control to be ensured by suppliers must be commensurate with the sensitivity, value and criticality of the information being processed throughout the lifecycle of the information. The supplier shall safeguard and make only appropriate use of confidential information. The supplier shall comply with any contractual requirements on data protection and information security and shall not disclose any information that is not known to the general public.

**7. TRADE REGULATION**

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The supplier shall comply with all applicable export control, sanctions and customs laws and regulations, including Prohibitions & Restrictions ("Trade Laws"). The supplier in particular ensures that it, its beneficial owner(s), all its agents and any other subcontractors used by it are not listed on any applicable Denied Party or equivalent sanctions lists.

## 8. MONEY LAUNDERING & FINANCIAL RECORDS

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The supplier shall comply with applicable laws and regulations designed to combat money laundering activities. The supplier shall maintain financial records and reports according to applicable laws and regulations.

## 9. FREE COMPETITION

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The supplier shall comply with all applicable competition and anti-trust laws.

## 10. CONFLICTS OF INTEREST

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A conflict of interest arises where an employee has any personal or financial interest, any business or personal activity or relationship, whether relating to their prior or current employment, or any obligation that may interfere with their ability to objectively perform their job duties and responsibilities or impair their independence and objectivity. Such conflict-of-interest situations include critical relationships such as a relationship by blood or marriage, partnership, participation or an investment in business partners or competitors. The supplier shall immediately disclose any actual or potential conflict of interest related to its activities with OTM.

## 11. ENVIRONMENT

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The supplier shall comply with all applicable environmental laws, regulations and standards as well as implement an effective system to identify and eliminate potential hazards to the environment. OTM expects its suppliers to take environmental and climate protection appropriately into account in their own operations, for example, by setting climate protection goals for themselves and achieving them.

## 12. CONFLICT MINERALS

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The supplier shall comply with all applicable laws and resulting due diligence obligations with respect to the sourcing of minerals and materials from conflict affected regions and high-risk areas, which may contribute to human rights abuses, slavery, corruption, the financing of armed groups or similar negative effects. The Conflict Mineral Policy is attached at Appendix A to this document.

## 13. COMMUNITY OUTREACH

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OTM encourages suppliers to give back to their local communities and engage in initiatives and activities that reflect the UN Sustainable Development Goals.

## 14. BUSINESS CONTINUITY PLANNING

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The supplier shall be prepared for any disruptions of its business (e.g., natural disasters, terrorism, supply chain disruptions, communicable disease outbreaks (such as epidemics and pandemics), information security issues, and cyber-attacks). This preparedness includes business continuity plans that protect both employees as well as the business from the effects of possible serious disruptions that may arise within the domain of operations.

## 15. BUSINESS PARTNER DIALOGUE

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The supplier shall implement equivalent standards e.g., ethical standards, to the ones laid out in this SCoC for its own suppliers, and compliance with these shall constitute part of the supplier's own supplier's contractual obligations.

## 16. RESPECT & DUTY OF CARE

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All suppliers are required to act and interact with respect and in good faith with employees of OTM. Suppliers are to exercise due care in the use of property and equipment entrusted to them, as if that property were their own.

## 17. COMPLIANCE WITH THE SUPPLIER CODE OF CONDUCT

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OTM reserves the right to check compliance with the requirements of this SCoC, for example through self-assessments and audits. The supplier shall strive for continuous improvement, such as setting measurable targets on the environment, working conditions or diversity, and reporting on progress for sustainability. In case a breach is identified, the supplier shall create an incident report and present a corrective action plan to OTM. The terms and conditions set forth in this SCoC reflect OTM'S values and commitment to its customers, the communities which we serve and the protection of the environment.

## 18. REPORTING IRREGULARITIES

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OTM encourages anyone who wishes to report any violations from what is outlined in this SCoC and/or in case you wish to report suspected breaches of law, you can contact OTM by sending an email to [enquires@otmservo.com](mailto:enquires@otmservo.com).

## 19. CONTINUOUS IMPROVEMENT

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The supplier shall feel encouraged to proactively approach OTM with innovative ideas which contribute to further social, economic or environmental improvement. OTM values the open exchange of innovative ideas and is willing to explore new opportunities jointly with suppliers.

In the event of any conflict between this document and the Preferred Supplier Agreement or Standard Supplier Agreement, then the Preferred Supplier Agreement or Standard Supplier Agreement (as the case may be) shall take precedence over this document.

## 20. APPENDIX A - Ipeco & subsidiaries Conflict Mineral Policy

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### Background

In recent years there has been increased concern that the exploitation and trade of certain minerals are helping to finance armed conflict characterised by extreme levels of violence, slavery and other human rights abuses. Tin, tantalum, tungsten and gold (also referred to by the acronym “3TG”) are commonly referred to as “conflict minerals” regardless of their country of origin. As many of our suppliers and customers have acknowledged publicly, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the EU Conflict Minerals Regulation (which came into force on 1<sup>st</sup> January 2021 in the EU) and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the “OECD Guidance”) and the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (CCCMC) have created new expectations for product manufacturers, many of which are located at a great distance from the source of the raw minerals included in their products.

We are committed to acting in a socially and environmentally responsible manner, to complying with the law, to meeting its customer commitments, and to supporting its customers’ businesses.

### Policy Statement

Ipeco, together with its subsidiaries, is committed to corporate responsibility and to respecting human rights in its own operations and in its global supply chain. As a UK headquartered company, and in line with His Majesty’s Government encouragement, Ipeco has committed to complying with the OECD Guidance. As part of that commitment, Ipeco is actively seeking to identify, reduce and ultimately eliminate the use in its products of conflict minerals that directly or indirectly finance or benefit armed groups in conflict areas around the world.

All references in this statement to “Ipeco,” “we,” “us,” “our,” or the “Company” refer to Ipeco Holdings Limited (IHL) as well as to all other companies and branches of companies in the Castledon Ltd group of companies. These companies include Ipeco Inc., **OTM Servo Mechanism Ltd.** ( <https://otmservo.com> ) and hs2 Engineering GmbH ( <https://hs2-engineering.de/> ).

To aid in our compliance, Ipeco has implemented this Supplier Code of Conduct based on the five steps in the OECD Guidance, commit to identifying, reducing and ultimately eliminating the use in materials supplied to Ipeco of conflict minerals that directly or indirectly finance or benefit armed groups in conflict areas;

- work with their upstream suppliers and supply chain to determine the source and chain of custody of any products containing conflict minerals supplied to Ipeco;
- establish their own policies, due diligence frameworks and management systems for the traceability of conflict minerals consistent with the OECD Guidance, and communicate an expectation to their suppliers that they do the same; and
- cooperate with Ipeco in its efforts to comply with any applicable reporting requirements of governmental agencies.

### **Grievance Mechanism and Reporting**

Our employees, suppliers and other parties can report concerns and alleged violations of this Policy as follows:

- (i) Email IHL at: [SupplierCompliance@ipeco.com](mailto:SupplierCompliance@ipeco.com)

Reports can be made anonymously and will be kept confidential to the fullest extent practicable and allowed by law.

We will not take any retaliatory action against our employees, suppliers, or other parties who make a report in good faith. Our suppliers are encouraged to contact [SupplierCompliance@ipeco.com](mailto:SupplierCompliance@ipeco.com) if they wish to seek guidance on the application of this Policy.

### **Conclusion**

We fully understand the importance of this issue to its customers and is committed to supply chain initiatives and overall corporate social responsibility and sustainability efforts that work towards a conflict mineral free supply chain. We encourage all of our suppliers to likewise support these efforts.



21. APPENDIX B - Supplier Code of Conduct & Conflict Minerals Declaration

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1. Does your organisation have the policies supporting this Supplier Code of Conduct and Conflict Minerals Policy? If so:
  - Please supply copies.
  - How is this flowed down to employees?
  - How is the policy implemented?
  - How is the effectiveness of the implementation monitored?
  - Where policies do are not implemented, please state and identify a corrective action plan.
2. Has there been any civil or criminal action against you or your suppliers in respect of civil liberties or human rights violations in the past five years?
3. Is it likely that the production of this OTM product or service will violate civil liberties or human rights?
4. Is there any activity in your supply chain that might violate civil liberties or human rights? If not, please advise how this is established.
5. Do any products or materials supplied to IHL contain the following “conflict minerals”?

Tin	YES/NO
Tungsten	YES/NO
Tantalum	YES/NO
Gold	YES/NO

If the answer is yes to any of the above questions (item 5), please complete and return the current version of the Conflict Minerals Reporting Template available from the CFSI website: [CFSI Program Compliant Smelter List](#)

6. Who in your organisation has overall responsibility regarding responsible trading, business ethics and conflict materials?
7. Who in your organisation has overall responsibility for export control?
8. Are any of the products that you supply to OTM subject to export restrictions or licensing? If so, please advise which product and the restrictions / licensing concerned.
9. Survey completed by:  
  
Name:  
  
Position:  
  
Date:  
  
Signature:

(Answers and supporting information may be supplied separately.)

By signing this declaration, the Supplier confirms that it has read, understood and implemented the obligations of this Policy Document. OTM may at its discretion, audit the supplier against this declaration.