# CONFLICT-FREE SOURCING POLICY

## Introduction

**ADVANCED ENGINEERING GROUP** (the "Company"), based in the United Kingdom, is committed to ensuring the responsible sourcing of materials and promoting ethical practices throughout our supply chain. We recognize the significant impact that conflict minerals can have on human rights and environmental sustainability. This policy outlines our commitment to sourcing minerals in a manner that does not contribute to conflict or human rights abuses.

## Policy Scope

This policy applies to all employees, suppliers, vendors, and business partners of Advanced Engineering Group. It covers all materials and products that contain tin, tungsten, tantalum, and gold (3TG), commonly referred to as conflict minerals.

## Company Structure

Headquartered in SILSDEN, UK, ADVANCED ENGINEERING GROUP operates internationally through various legal entities, including:

- **ADVANCED ACTUATORS LIMITED**
- **ADVANCED COMPONENTS LIMITED**
- **ADVANCED DRIVES**

## Policy Statement

### Commitment to Ethical Sourcing:

Advanced Engineering Group is dedicated to sourcing materials responsibly. We are committed to ensuring that our supply chains do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses.

### Compliance with Regulations:

We comply with all applicable UK and international regulations and guidelines regarding the sourcing of conflict minerals, including the EU Conflict Minerals Regulation, the UK Modern Slavery Act 2015, and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

### Supplier Requirements:

We expect our suppliers to source materials responsibly and to conduct due diligence on the origin and chain of custody of conflict minerals in their supply chains. Suppliers are required to:

- Implement and maintain policies to avoid the use of conflict minerals that contribute to human rights abuses.
- Provide accurate information about the origin of conflict minerals in the products supplied to Advanced Engineering Group.
- Cooperate with our efforts to identify and disclose the sources of conflict minerals.


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**Due Diligence Process:**

ADVANCED ENGINEERING GROUP conducts due diligence on the source and chain of custody of conflict minerals in our supply chain. This includes:

- Identifying and assessing risks in the supply chain.
- Implementing a strategy to respond to identified risks.
- Supporting the development and implementation of independent third-party audits of smelters and refiners' due diligence practices.
- Reporting annually on our conflict minerals due diligence efforts.

**Continuous Improvement:**

We are committed to continuously improving our conflict minerals program and working with our suppliers to enhance their due diligence processes. We will provide training and support to our suppliers to help them meet our conflict minerals requirements.

**Transparency and Reporting:**

ADVANCED ENGINEERING GROUP will publish an annual Conflict Minerals Report that describes our due diligence efforts and the measures taken to ensure the responsible sourcing of conflict minerals. This report will be made available on our website and submitted to relevant regulatory bodies as required.

**Implementation and Accountability**

All employees, suppliers, vendors, and business partners of Advanced Engineering Group are expected to comply with this policy. Non-compliance may result in the termination of business relationships. The Company's leadership team is responsible for the implementation and oversight of this policy, and we encourage all stakeholders to report any concerns related to conflict minerals sourcing.

**Training and Awareness**

Training Notes are attached to this Policy and should be read by all employees; anyone requiring any further guidance or external training should notify your line manager or a Director of the company

**Review and Update**

This policy will be reviewed annually and updated as necessary to ensure its continued relevance and effectiveness in promoting responsible sourcing practices.

This policy has been endorsed and approved by:



Andrew Peace
Managing Director

Date: 1st June 2026



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**TRAINING NOTES**

**Introduction**

Conflict-free sourcing is a critical aspect of ethical business practices, especially for companies that source materials globally and export their products. These training notes aim to provide employees of Advanced Engineering Group with a comprehensive understanding of conflict-free sourcing, its importance, and the procedures to ensure compliance with our conflict-free sourcing policy.

**Objectives**

- Understand the concept of conflict-free sourcing.
- Recognize the importance of conflict-free sourcing in global supply chains.
- Identify materials and regions associated with conflict.
- Learn the procedures to ensure conflict-free sourcing.
- Understand the reporting and documentation requirements.

**What is Conflict-Free Sourcing?**

Conflict-free sourcing refers to the procurement of materials that do not contribute to armed conflict, human rights abuses, or environmental degradation. Specifically, it involves avoiding the use of conflict minerals such as tantalum, tin, tungsten, and gold (commonly known as 3TG) sourced from regions experiencing conflict, notably the Democratic Republic of Congo (DRC) and adjoining countries.

**Importance of Conflict-Free Sourcing**

- **Ethical Responsibility**: Ensures that our business practices do not contribute to violence, human rights abuses, or environmental harm.
- **Legal Compliance**: Adheres to international laws and regulations, including the Dodd-Frank Act Section 1502 and the EU Conflict Minerals Regulation.
- **Customer Trust**: Builds and maintains trust with customers and stakeholders who demand ethical sourcing practices.
- **Reputation Management**: Protects and enhances the company's reputation as a responsible and ethical business.

**Identifying Conflict Minerals and Regions**

**Conflict Minerals**

- **Tantalum (Ta)**: Used in capacitors and high-power resistors.
- **Tin (Sn)**: Used in soldering and coating materials.
- **Tungsten (W)**: Used in manufacturing hard metals and alloys.
- **Gold (Au)**: Used in electronics, jewellery, and financial transactions.

**Conflict Regions**

- Primarily the Democratic Republic of Congo (DRC) and adjoining countries (Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia).


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## Procedures to Ensure Conflict-Free Sourcing

### Supplier Due Diligence

- **Supplier Selection**: Choose suppliers who demonstrate a commitment to conflict-free sourcing and have robust due diligence processes.
- **Risk Assessment**: Conduct thorough risk assessments of suppliers to identify potential links to conflict minerals.
- **Supplier Audits**: Perform regular audits of suppliers to verify the origin of materials and ensure compliance with conflict-free sourcing policies.

### Certification and Documentation

- **Certification**: Require suppliers to provide certification that materials are conflict-free, preferably through recognized frameworks such as the Responsible Minerals Assurance Process (RMAP).
- **Traceability**: Implement traceability mechanisms to track the origin of minerals throughout the supply chain.
- **Documentation**: Maintain detailed records of due diligence processes, supplier certifications, and audit reports.

## Reporting and Compliance

- **Internal Reporting**: Regularly report conflict-free sourcing activities and findings to senior management and the board of directors.
- **External Reporting**: Disclose conflict-free sourcing practices and performance in annual sustainability reports and to regulatory bodies as required.
- **Continuous Improvement**: Regularly review and update conflict-free sourcing policies and procedures to ensure ongoing compliance and effectiveness.

## Conclusion

Conflict-free sourcing is integral to maintaining the ethical standards and integrity of Advanced Engineering Group. By understanding and implementing the procedures outlined in this policy, employees can contribute to responsible sourcing practices that promote human rights, environmental sustainability, and legal compliance.



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