



威達絕緣材料製造有限公司
VITAR INSULATION MANUFACTURERS LIMITED

Vitar Insulation Materials Manufacturing Co., Ltd.

Responsible Mineral Supply Chain Due Diligence Report

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Part One Purpose

This report is compiled to comply with the Third Edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereinafter referred to as the "OECD Guidance"). To prevent systematic or widespread human rights violations, conflicts, money laundering and terrorist financing, Vitar Insulation Materials Manufacturing Co., Ltd. has established a robust management system and adopted supply chain due diligence approaches to identify and assess supplier risks, ensuring its supply chain fully complies with the requirements of the OECD Guidance.

Part Two Company Profile of Vitar Insulation Materials Manufacturing Co., Ltd.

Vitar Insulation Materials Manufacturing Co., Ltd. Group is a national high-tech enterprise specializing in the research, development, production and sales of new high-temperature resistant insulating mica composite materials. Headquartered in Hong Kong, the company operates multiple production facilities in Guangdong and other regions, ranking among the global leaders in the mica products market.

Founded in 1978 and headquartered in Hong Kong, the company has long focused on the R&D, production and sales of high-temperature resistant insulating materials. Its main products include rigid mica materials, flexible mica materials, various mica products, silicone products and high-temperature fiber tubes. Our mica products are widely applied in new energy vehicles, rail transit, aerospace, marine engineering, special wires and cables, smart home appliances and other industrial fields. We also provide customers with one-stop systematic solutions for electrical and thermal insulation. Committed to building a benchmark enterprise featuring green production and intelligent high-end manufacturing, the company leverages advanced digital information management tools to realize full-industry-chain green production and systematic traceability across the entire lifecycle of the supply chain, striving to become a model enterprise for green intelligent manufacturing in the mica composite new materials industry. Driven by technological innovation, the company has obtained certifications including ISO9001 and ISO14001. Its products have passed UL, FDA and NSF certifications and meet the EU RoHS and REACH environmental standards.

Part Three Summary of Compliance Activities



Step 1 Establish a Robust Corporate Management System

The company has built a sound internal management system, conducted internal audits and supplier audits, and implemented rectification measures for identified issues.

1) Corporate Policies

Vitar commits to complying with the OECD Due Diligence Guidance for its own operations and mineral supply chain, and carries out supply chain due diligence in accordance with the Guidance. We adopt a **zero-tolerance policy** for the following acts, and will immediately suspend or terminate cooperation with any supplier involved:

1. Any form of torture or cruel, inhuman or degrading treatment;
2. Any form of forced or compulsory labor, referring to labor or services extracted from individuals under threat of punishment and provided involuntarily;
3. The worst forms of child labor;
4. Other serious human rights violations, including widespread sexual violence;
5. War crimes, other serious violations of international humanitarian law, crimes against humanity or genocide;
6. Direct or indirect support to non-state armed groups;
7. Direct or indirect support to public or private security forces engaged in illegal taxation or extortion;
8. Bribery and fraudulent misrepresentation of mineral origins;
9. Participation in, support for or financing of money laundering, conflicts and terrorist activities;
10. Lack of transparency in taxes, fees and other payments to governments with no relevant payment vouchers available;
11. Resource exploitation on land without the consent of local and indigenous communities, failure to respect and protect the culture and heritage of local and indigenous peoples, or mining operations that damage traditional local culture.

If reasonable risks related to land rights or emissions are identified, the company will work with suppliers and other stakeholders to formulate, adopt and implement risk management plans to prevent or mitigate adverse impacts such as land right infringements and major environmental hazards, as well as other risks associated with artisanal and small-scale mining.

We strictly abide by international transportation standards for seven categories of hazardous substances, and ensure the storage, transportation and disposal of hazardous materials comply with relevant laws and regulations. We guarantee no leakage during production and



transportation to avoid adverse impacts on the environment and human health.

During the reporting period, the company conducted supplier due diligence, risk identification and assessment in accordance with the system requirements to control supply chain risks. The above policies have been published on the official website: <https://vitar.com.hk/>

2) Internal Management Structure

A complete internal management system has been established with clear job responsibilities. The company adopts a general manager responsibility system. The Sustainable Development Committee is mainly operated by the Procurement Department, and the Management Representative is concurrently held by the Quality Manager of the Quality Department. The committee consists of three working groups, including the Supply Chain Management Group. A dedicated Mineral Supply Chain Representative is appointed to manage mica-related mineral resources. The system is jointly overseen by the Mineral Supply Chain Representative and the Social Accountability Representative.

During the reporting period, the company strictly implemented the **Responsible Mineral Procurement Policy**, formulated a supplier risk due diligence plan, completed due diligence on key core suppliers, and continued to conduct assessments on remaining suppliers as scheduled.

3) Traceability System and Identification of Other Supply Chain Participants

The company implements full traceability management for raw materials and finished products. Each batch of incoming mica materials is assigned a unique batch number for traceability, forming a complete traceability chain: finished product batch number → semi-finished product batch number → raw material batch number.

4) Engagement with Business Partners and Capacity Building for Due Diligence

All mineral suppliers have signed the **Supplier Standards for Responsible Mica Procurement (Appendix 1)** and completed relevant questionnaires to ensure full understanding of our OECD due diligence requirements, supply chain policies and relevant commitments. In the commitment letter, suppliers undertake in writing that they are not involved in serious human rights violations related to the mining, transportation or trade of high-risk minerals; do not provide direct or indirect support to non-state armed groups or public/private security forces; do not engage in bribery or false declaration of mineral origins; and have no involvement in money laundering. They also confirm no irregular payments of taxes and royalties to governments in connection with mineral mining, trade and export in conflict-affected and high-risk areas.

5) Transaction Monitoring



The Finance Team is responsible for monitoring transactions across suppliers' supply chains. Any transactions suspected of non-compliance will be thoroughly investigated, and written investigation reports will be submitted to the Mineral Supply Chain Representative.

6) Communication and Grievance Mechanism

A formal grievance mechanism has been established and publicized on the official website: <https://vitar.com.hk/>. Relevant information has been communicated to suppliers during the procurement of mineral materials. Internal and external stakeholders may report violations anonymously. No reports were received during the reporting period. Meanwhile, a whistleblower protection policy is in place to prevent retaliation and protect the legitimate rights and interests of whistleblowers.

7) Training

Regular SA8000 training is organized for relevant departments, with complete on-site training records retained.

8) Record-Keeping

In accordance with the **Responsible Mineral Procurement System**, all supplier-related documents, including due diligence files, risk assessment forms, compliance documents, contracts, inspection records and inventory records, are kept for a minimum of five years.

Step 2 Identify and Assess Supply Chain Risks

1) Supply Chain Risk Identification and Assessment

The **Responsible Mineral Procurement System** specifies standardized methods for supplier risk identification and assessment. We have updated the mica-specific due diligence questionnaire and the **Conflict Minerals Commitment Letter**, and distributed relevant documents to suppliers to collect information on compliance status, raw material sources, transportation and responsible procurement practices. We also communicated our corporate social responsibility code of conduct and policies to suppliers, and conducted targeted questionnaire surveys on key suppliers.

The company internally evaluates and analyzes collected information including Know Your Supplier (KYS) data and information from online platforms. A comprehensive procedure for identifying Conflict-Affected and High-Risk Areas (CAHRAs) has been formulated, with reference to the following resources:

- Conflict Barometer
- Dodd-Frank Act
- United Nations Sanctions Lists
- Global Human Development Index and Indicators
- Environmental Human Development Reports



During the reporting period, risk assessments were carried out on core suppliers involved in high-risk mineral materials. All assessed suppliers were classified as low-risk (green) suppliers.

2) Reporting of Risk Assessment Results

The High-Risk Minerals Management Representative submits a quarterly review report to senior management. The top management retains ultimate control and accountability over the high-risk mineral supply chain. If medium or high-risk suppliers are identified, relevant issues must be reported to and approved by top management before risk mitigation measures are implemented.

Step 3 Implement Risk Management Strategies for Identified Risks

A risk mitigation schedule has been established to monitor and control supplier risks. We maintain regular communication with suppliers and track risk dynamics. Cooperation will be suspended or terminated immediately if risks escalate to an unacceptable level.

Based on due diligence results during the reporting period, no suppliers required risk mitigation measures.

- **Regular Reassessment and Continuous Monitoring:** The Procurement Department collects updated supplier information annually, conducts ongoing transaction monitoring and annual supply chain due diligence reassessments to determine the continuity of cooperation.
- **Regular Reporting:** The System Team summarizes the operational performance of the due diligence management system on a quarterly basis, identifies deficiencies and puts forward improvement measures.

During the reporting period, the company adopted a quantitative scoring system for high-risk mineral suppliers. It is planned to complete risk assessment of all high-risk mineral suppliers by the end of 2025.

Step 4 Supplier Management

The company conducts annual evaluations of all suppliers, focusing on the legality and transparency of mica raw material sources as well as compliance with OECD due diligence guidelines. We strengthen supplier access management and give priority to cooperating with suppliers holding SA8000 certification. Actively responding to the requirements of mica supply chain due diligence, the company participates in third-party audits to meet stakeholders' expectations for a compliant and transparent responsible mineral supply chain.

Step 5 Supply Chain Due Diligence Reporting

The company has completed supply chain due diligence reports in accordance with OECD requirements. Comprehensive due diligence work is still in progress and is expected to be fully completed by the end of



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2026. All non-conformities found during audits will be rectified in a timely manner.

Part Four Conclusion

Management Conclusion

For the period ending December 31, 2025, Vitar Insulation Materials Manufacturing Co., Ltd. has implemented effective management systems, procedures and workflows, and is advancing relevant work as scheduled to meet the requirements of the OECD Responsible Mineral Due Diligence Guidance.

The company is committed to continuous improvement and will conduct regular monitoring of all corrective actions to sustain compliance with the OECD Guidance.

Additional Information

For any feedback on this report, please contact us via telephone: (852) 2411 3108 or email: enquiry@vitar.com.hk.

Vitar Insulation Materials Manufacturing Co., Ltd. Date: December 20, 2025