



The Shepherd Color Company
We Brighten Lives

Conflict and Artisanal Minerals Sourcing Policy

Conflict Minerals

The Dodd-Frank Act of 2010 was enacted by Congress because of concerns that the exploitation and trade of conflict minerals by armed groups is helping to finance conflict in the Democratic Republic of the Congo (DRC) region and is contributing to an emergency humanitarian crisis. Conflict Minerals are columbite-tantalite (coltan), cassiterite, wolframite and gold, or their derivatives, which are currently limited to tantalum, tin, and tungsten, regardless of their source. Conflict Minerals originating from the DRC and certain adjoining countries are sometimes mined and sold by armed groups to finance unfair labor practices or human rights violations. Some of these minerals and/or derivatives can make their way into the supply chains of products used around the world.

In 2021 supply chains of cobalt and mica were expected to do their due diligence regarding the mineral country of origin to ensure they were not sourced from conflict-affected and high-risk areas. The Xinjiang Uygur Autonomous Region in China has been identified as another region of concern. It is likely that this list of areas of concern will expand in the future.

The Organization for Economic Co-operation and Development (OECD) defines conflict-affected and high-risk areas as areas that are identified by the presence of armed conflict, widespread violence, or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.

The Shepherd Color Company (Shepherd Color) uses cobalt compounds, tungsten compounds and tin compounds in the manufacture of certain pigments. In keeping with our core values, it is the policy of Shepherd Color to refrain from purchasing Conflict Minerals from the DRC region and other conflict-affected and high-risk areas. In addition, Shepherd Color seeks to ensure that its raw material supply chains are free of minerals sourced from conflict-affected and high-risk areas.

In support of this sourcing policy, Shepherd Color will:

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- i. Exercise due diligence with relevant suppliers to ensure that they, and their supply chains, do not source minerals from conflict-affected and high-risk areas.
- ii. Provide, and expect our suppliers to cooperate in providing, due diligence information to confirm that the products in our supply-chain do not support conflict.
- iii. Seek alternative sources for raw materials whose suppliers cannot or will not comply with this policy.
- iv. Discontinue sourcing from non-compliant suppliers where an alternate source is viable.
- v. Commit to transparency in the implementation of this policy by making information available at the request of our customers and relevant stakeholders.

Artisanal Minerals

Artisanal mining, or small-scale mining, supports a subsistence way of life, particularly for citizens of developing countries. Some artisanal mining is connected to child and forced labor practices, environmental violations, and other human rights infractions for the purpose of extracting valuable minerals (i.e., cobalt-containing ores) and/or their derivatives from the earth – often from the same regions of the DRC. It is Shepherd Color's policy to exercise the same level of due diligence regarding artisanal minerals sourcing as it does with conflict minerals sourcing. To that end, Shepherd Color will obtain assurances from its suppliers that artisanal mined minerals, or derivatives thereof, do not enter our supply chain when involving labor, environmental, or human rights violations.

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