

Step 5 RMI-RMAP Public Due Diligence Report

Dec 8, 2023

1. Company Information

Telex Metals (TM) was established in 2010 as a minor metals company. In 2013, TM was successfully audited and compliant with the EICC-CFS-CFSP standard. The EICC-CFSP is now the Responsible Minerals Initiative (RMI). TM maintains this compliance annually. The TM company RMI Smelter ID number is CID001891. TM processing facility for tantalum products located at 105/115 Phyllis Drive, Croydon, PA. 19021.

2. RMI-RMAP (formerly EICC-CFSP) Assessment Summary

TM completed an RMI assessment on December 17, 2022 and was found to be compliant with the standards and protocols. The assessment is valid for one year. The assessment was conducted by a Responsible Sourcing Audit Firm, in accordance with the RMI-RMAP Standard (Responsible Minerals Assurance Process, For Tantalum, dated June 1, 2018). The summary report is public and can be found on the RMI website: <http://www.responsiblemineralsinitiative.org/tantalum-conformant-smelters/>

3. Company Supply Chain Policy

TM has developed a Supply Chain Policy. This policy addresses the use of conflict minerals, which directly or indirectly finances, or benefits armed groups and/or involves other serious human right abuses in high-risk and conflict-affected regions (CAHRAs), This policy is aligned with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRA-OECD Guidance). The policy covers the risks identified in Annex II of the OECD Guidance and its geographic scope is global. The company is firmly committed to addressing any Annex II risk if any are identified. TM fully supports the Extractive Industry Transparency Initiative (EITI) as well.

The policy is reviewed and approved by Senior Management, which is fully committed to support its implementation. The General Manager (GM) has direct responsibility for the program. The policy has been widely disseminated to customers and vendors alike as part of the Quality Management System (QMS). It appears clearly on all purchase and sales orders. This policy is also located on the TM website: <http://telexmetals.com/conflict-free-policy/>.

4. Company Management System

I. Management Structure & Responsibilities

TM follows through on its commitment by implementing the supply chain policy and has established an internal procedure for due diligence as follows:

- The company's Management Team, as part of the QMS, is responsible to oversee the due diligence program and risk management implementation.
- The company has assigned the GM as the due diligence program manager to coordinate the work of the relevant departments, including Purchasing, Quality, Production, and Warehouse

Management to assure each department follows their roles and responsibilities to implement the due diligence program and report any red flags and potential risks identified.

- The company conducts due diligence management system training once a year for key staff from all relevant departments required. If there are any updates of the program, the company conducts additional training as necessary.

II. Internal Systems of Controls & Transparency

The company has established/updated its due diligence management system to be aligned with the OECD Guidance and RMAP in January 2018. The company communicated the updated supply chain policy and sourcing requirements in February 2022 as part of the AUDIT-CAP Process. The company has incorporated due diligence requirements into legally binding agreements with suppliers using TM purchase and sales orders.

III. Record Keeping System

TM requires that all records relating to the due diligence program are maintained and properly stored for at least five (5) years.

5. Risk Assessment & Management

The company has a robust process to identify risks in the supply chain, which includes a procedure to identify and mitigate risk from any Conflict Affected-High Risk Areas (CAHRA). TM is a Secondary Smelter as defined by the RMAP Standard. All secondary sources of materials meet the definitions established by the RMI-RMAP per Annex V. Any intermediate tantalum containing material, as defined in the RMI-RMAP Tin and Tantalum Standard, are solely sourced from RMI-RMAP compliant smelters. A list of these smelters can be found on the RMI-RMAP website:

<http://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/smelter-refiner-lists/tantalum-smelters-list/conformant-tantalum-smelters/>

In addition, TM has implemented the Know Your Counterpart (KYC) due diligence for all suppliers of secondary raw materials in accordance with the June 2018 RMAP Standard to assess potential risk.

All intermediate and secondary tantalum containing materials are fully compliant and consistent with the definitions listed in Annex V: Tantalum Material Types, located in the RMAP Assurance Process for Tin and Tantalum, dated June 1, 2018. KYC is used to assess and identify risks to assure the supply chain for secondary raw materials is consistent with the standard.

Any risks identified are red flagged per procedure and reviewed by management to assure compliance. Any corrective actions necessary will be made in accordance with the policies & procedures as well.

During the risk assessment due diligence process, CAHRA's were identified. All material from CAHRA's were solely sourced from RMI compliant smelters and no red flags were identified for transit routes or



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suppliers. Therefore, all due diligence is fully consistent with the RMI-RMAP standards and assessment procedures.

6. EU Regulations: European Union Conflict Minerals Regulation 2017/821

On December 17, 2020, pursuant to Article 14.2 of the European Union Conflict Minerals Regulation 2017/821, the European Commission Directorate General for Trade (DG TRADE) published the indicative, non-exhaustive and regularly updated list of conflict-affected and high-risk areas (CAHRA's). That list can be found @ <https://www.cahaslist.net/cahas>. The European Union adopted Regulation (EU) 2017/821. The Regulation defined supply chain due diligence obligations for Union importers of tantalum originating from conflict-affected and high-risk areas in accordance with the 5 steps of the OECD Guidance. Consistent with the EU's findings, these regions are included in this policy. As such, Telex Metals will not source from these regions.

7. Grievance Procedure

Telex Metals has an open-door Grievance Procedure to report any concerns related to the policy. Any concerns either internally or externally can be sent to info@telexmetals.com or the concerned party can visit the website @ www.telexmetals.com and contact any management team member directly @ 215-781-6335 to file a grievance. The concern received will be documented and investigated, and if applicable, corrective actions will be implemented in accordance with the RMI-RMAP standard. The GM has direct responsibility for the Grievance Procedure as well.