



Conflict Minerals Due Diligence Report for 2023

Table of Contents

Establishment of strong company management systems.....	4
Supply Chain Risk Assessment.....	4
Response to Risks	5
Audit of Supply Chain Due Diligence	5
Report on Supply Chain Due Diligence	6

The Traxys Group is a group of companies engaged in the international sourcing and marketing of metals, minerals, ores and concentrates and related financing, logistics and other services. Traxys does not itself manufacture or contract to manufacture products in the Relevant Area (as defined below). Traxys operates out of offices in Luxembourg, the United States, South Africa, Singapore, Hong Kong and a number of other countries around the world.

Traxys is firmly committed to conducting its business with integrity and transparency, in accordance with best practices and in compliance with all applicable laws and regulations. In its sourcing of ore and minerals from conflict-affected and high risk areas (CAHRAs), Traxys strives to be inclusive and to influence the supply chain in a positive manner and follows the OECD due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas (“**OECD Guidance**”) as well as EU regulation 2017/821 of the European Parliament and of the Council of 17 May 2017 on Conflict Minerals supply chain due diligence obligations, itself in line with the OECD Guidance. The OECD Guidance is a government-backed multi-stakeholder initiative to

promote transparent mineral supply chains and avoid contributing to conflict through mineral sourcing practices, while enabling communities to benefit from their mineral resources. Further, and while Traxys is privately-owned and therefore not subject to SEC rules, in the United States we follow Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, HR 4173, (the “**Dodd-Frank Act**”) and the rules promulgated by the Securities and Exchange Commission (“**SEC**”) for SEC-reporting companies that use minerals originating in the Democratic Republic of Congo and adjoining countries. Traxys also reports and certifies its supply chain upon request to customers and other counterparties, some of which are US public companies bound by the Dodd-Frank Act.

This report follows the OECD Guidance’s five-step framework for due diligence reports and covers sourcing and trading by Traxys of tin, tantalum, tungsten and gold (“**Relevant Material**”) from the Great Lakes Region in Africa (“**Relevant Area**”) during calendar year 2023 (the “**Covered Period**”).

Traxys has been at the forefront of efforts to source mineral and metals in an ethical manner and to avoid a *de facto* embargo of producers from conflict-affected and high-risk areas by engaging in

responsible trade with mineral producers and traders who participate in conflict-free, ethical and transparent supply chain initiatives, and with joint efforts to enable such responsible trade. Traxys was an early member and backer of iTSCI, a responsible supply chain initiative of the International Tin Association (ITA – formerly known as ITRI) and a multi stakeholder programme of traceability and due diligence involving local governments, mineral producers, exporters, traders and smelters, designed to address concerns over coltan, cassiterite and wolframite originating from the DRC and adjoining countries, and winner of the prestigious edie Sustainability Leaders Award 2017 for Sustainable Supply Chains for its work in bringing positive change in tin supply chains, including the iTSCI programme. Traxys continues to be engaged in and to cooperate with iTSCI in ongoing efforts to address operational challenges and expand the reach and scope of the conflict-free supply chain initiative.

iTSCI works to maintain trade with responsible supply chain participants in the DRC and adjoining countries including Rwanda, and to meet due diligence expectations of the international community in terms of guidance from the UN, the EU, the OECD Guidance and the Dodd-Frank Act. iTSCI's process aims for traceability by means of (i) due diligence, which includes on-the-ground visits and assessments of mine sites and production from such sites, (ii) a tagging system of mineral from mine-site to smelter, (iii) independent audits, and (iv) training of local exporters and other stakeholders on the ground. The program continues to work to manage challenges and Traxys would like to see improved governance, transparency and continued engagement to achieve RMI recognition for ITSCI as an upstream mechanism.

Responsible Minerals Initiative (RMI) and Responsible Minerals Assurance Process (RMAP): Downstream in the supply chain, the RMI supports an industry program for third-party assessments of

smelters, refiners and downstream companies. When sourcing from smelters and refiners, Traxys will source from those that are RMI conformant (who have successfully completed an assessment against the applicable RMI standard) or RMI active (those that have committed to undergo an RMAP assessment, completed the relevant documents, and scheduled the on-site assessment). The RMAP assessment employs a risk-based approach to validate smelters' company-level management processes and sourcing practices for responsible mineral procurement. The RMAP standards are developed to meet the requirements of the OECD Due Diligence Guidance, the Regulation (EU) 2017/821 of the European Parliament and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.

Traxys was also a founding member and active participant in the *Conflict Free Tin Initiative*, a project spearheaded by the government of The Netherlands, together with PACT, in September 2012 to establish a conflict-free tin sourcing program in South Kivu. The *Conflict Free Tin Initiative* worked to bring conflict-free areas of South Kivu back into responsible international supply chains. This region's economy had collapsed due to internal and cross-border conflicts and a *de facto* embargo resulting from US legislation. The Initiative introduced a tightly controlled conflict-free supply chain using the iTSCI procedures of traceability and due diligence. Committed to the initiative were companies such as Apple, Research In Motion (makers of BlackBerry), Royal Philips Electronics, Tata Steel, Motorola Solutions, Alpha, AIM Metals & Alloys, Malaysia Smelting Corporation and Traxys.

Before these traceability systems were established, Traxys refrained from sourcing minerals from the Great Lakes region during 2009-2010. Since resuming purchases of ores and concentrates from the Relevant Area in 2011, Traxys only purchases material that is certifiable as conflict-free and also undertakes its own cross checks and know-your-

supplier and plausibility assessments and, when warranted due to suppliers' presence on incident alerts or enhanced due diligence lists, demands additional information and mine assessment reports from suppliers to determine that activities observed on the ground correspond to the reported production. In its agreements for purchase of material with suppliers from conflict-affected areas, Traxys requires that suppliers undertake to comply with all applicable laws and regulations and reserves the right to audit and discontinue relationships with suppliers who fail to meet such expectations.

Traxys continues to be open to, and is keen to support additional supply chain due diligence initiatives that can be helpful in establishing a supply chain free of conflict or human rights abuses, including Better Mining. Traxys has also joined, based on customer requests, the iPoint Conflict Minerals reporting platform, used by some manufacturing companies to exchange company-level and smelter data up and down the supply chain.

Establishment of strong company management systems

Traxys' position on conflict minerals is set out in our Conflict Minerals and Responsible Sourcing Policy Statement (the "**Policy**", available on our website at <https://www.traxys.com/esg/conflict-minerals-and-responsible-sourcing-policy-statement>), which sets forth Traxys' firm commitment to comply with the relevant provisions of the Dodd-Frank Act and to further the objectives of the OECD Guidance. The Policy furthers the objectives and guiding principles laid out in Traxys' Code of Conduct to conduct business in an ethical manner and in accordance with best practices and all applicable laws and regulations. Traxys also has an internal due diligence protocol outlining the due diligence process the company undertakes when sourcing Relevant Material.

Traxys has established a conflict minerals due diligence working group ("**Due Diligence Working Group**") with dedicated resources in the Risk, Legal, and Commercial Trading areas.

By making the Policy available on its website as well as by internal discussion and communications and by including relevant provisions in contracts with suppliers and customers, Traxys has appropriate processes to disseminate the Policy to all relevant employees and suppliers.

Further, Traxys' Business Integrity, Whistleblowing and Non-Retaliation Policy also lays out our firm commitment to conduct business ethically, responsibly and with integrity, to encourage reporting of misconduct (including the option to do so anonymously, and to protect from retaliation or adverse consequences any person reporting such misconduct).

Supply Chain Risk Assessment

During the Covered Period, Traxys sourced tantalite, wolframite and cassiterite from the DRC and Rwanda.

The Relevant Area experienced logistics challenges as well as a general deterioration of the security situation during the Covered Period and trading and sourcing from the area remains challenging due to the presence of armed groups, abuses by rogue police and rogue soldiers, bribery and other illegal activity. Risk of smuggling of minerals from surrounding countries into Rwanda remains a concern and requires close monitoring. Challenges are sometimes present and incidents can arise in relation to the chain of custody, due diligence, security or human rights concerns.

Security incidents also occur on the roads between the mine sites and the points of export, with attempts at extortion by the mines police or the FARDC (Congolese army). This is managed between stakeholders at the local level and iTSCi.

Effective due diligence is critical. Traxys undertakes due diligence with respect to proposed new suppliers and, if satisfied, approval is granted by Traxys' Due Diligence Working Group. Due diligence includes know-your-counterparty (KYC) internal assessment and third-party checks, plausibility checks on the material, including material specifications and production quantities and its purported source. To enhance such due diligence, a Traxys representative is based in Rwanda. Due diligence has in the past led to Traxys declining to purchase tagged minerals, for instance due to material specifications giving rise to doubts as to whether the origin of the material could have been misstated. Traxys sources from a small number of well-known suppliers. When incidents have arisen in which any of such suppliers were involved, Traxys followed up with the supplier to a satisfactory conclusion.

When sourcing from the Relevant Area during the Covered Period, Traxys has purchased only tagged material. Traceability compliance provisions are included in all contracts with suppliers and regular contact is maintained with suppliers to ensure traceability providers' requirements are met and all requested information disclosed. Supporting documentation is kept for purchases of Relevant Material, including Form C, records of payments, certificates of origin, customs export declarations, transport documents and evidence that traceability providers' tags are always placed in the container for the Relevant Material.

Traxys does not undertake any cash purchases and pays all suppliers by international bank transfer. No payments have been made to public or private security forces in relation to purchases of Relevant Material during the Covered Period.

Traxys is in regular contact with traceability programs to exchange information, support capacity of suppliers and to discuss issues or concerns.

Response to Risks

Traxys' due diligence protocol includes steps to identify and manage risks. Any identified risk is discussed within the Due Diligence Working Group with a view to determine appropriate measures such as further investigation, suspension or disengagement.

If a red flag or concern is raised in relation to a supplier of Relevant Material, depending on the nature and seriousness of the concern, the Due Diligence Working Group will (i) request an explanation and propose a plan to mitigate or address the concern, (ii) if not satisfactorily resolved, may decide to decline the business or to suspend temporarily the purchase of products of that origin until remediation or corrective action has been implemented; and (iii) if warranted, terminate the contract with the affected supplier.

Contracts for Relevant Material include provisions allowing disengagement with a supplier upon breach by the supplier of undertakings to comply with OECD Guidance as applicable to their operations. If warranted by incidents, alerts or otherwise, Traxys will exercise such rights. During the Covered Period, Traxys has not had to disengage with any supplier.

Traxys has adopted and maintains a whistleblower protection and reporting policy and mechanism that encourages employees to report any suspected breach of applicable law or of Traxys' Code of Conduct or other policies as well as integrity concerns generally.

Audit of Supply Chain Due Diligence

Traxys' operations in respect of sourcing of Relevant Material from the region underwent an audit by iTSCI's appointed auditor in 2023 (and previously also in 2014), to assess implementation

of the OECD Guidance and evaluate adherence to iTSCI's traceability and due diligence procedures. Full access was granted by Traxys to company sites, documents, management and other relevant personnel.

Report on Supply Chain Due Diligence

The present report outlines Traxys' supply chain due diligence with respect to the Relevant Material during the Covered Period.

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