



## **SOURCING OF MINERALS FROM CONFLICT-AFFLICTED AND HIGH RISK AREAS DUE DILIGENCE REPORT FOR 2025**

The Traxys Group is a group of companies dedicated to the global sourcing and marketing of metals, minerals, ores and concentrates and related financing, logistics and other services. Traxys operates out of offices in Luxembourg, the United States, South Africa, Singapore, Hong Kong, China 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 foster responsible mineral supply chains in such areas and to influence the supply chain in a positive manner and, in doing so, 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. The OECD Guidance is explicitly intended to support responsible sourcing from higher risk areas, acknowledging that industry disengagement can have significant adverse impacts on mineral producing communities and regions.

Moreover, while Traxys is privately-owned and therefore not subject to SEC rules, in the United States we observe 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 on various formats (including the CMRT Declaration, a standardized reporting template developed by the Responsible Minerals Initiative) to customers and other counterparties, some of which are US public companies bound by reporting obligations under 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 ("**3T**") and gold ("**Relevant Material**") from the Great Lakes Region in Africa ("**Relevant Area**") during calendar year 2025 (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 CAHRAs 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 iTSCi, a responsible supply chain initiative of the International Tin Association (ITA – formerly known as ITRI) and a multi stakeholder programme of upstream 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 assessed by the OECD as fully aligned with the recommendations of the OECD Guidance on standards across all assessment criteria. Traxys continues to be engaged in and to cooperate with traceability services providers operating in CAHRAs in



ongoing efforts to address operational challenges and expand the reach and scope of the conflict-free supply chain initiative.

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 sources only 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 Guidance, Regulation (EU) 2017/821 of the European Parliament and the Dodd-Frank Act.

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 certifiably conflict-free and also undertakes its own due diligence cross checks, know-your-counterparty (KYC) and plausibility assessments and, when warranted due to red flags, undertakes investigations until satisfactorily resolved. In its agreements for purchase of material with suppliers from the Relevant Area, 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 standards. These rights have been exercised when warranted.

Traxys continues to be open to, and is keen to support, additional supply chain due diligence initiatives that can help to establish a supply chain free of conflict or human rights abuses.

**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 further the objectives of the OECD Guidance and all other applicable laws, regulations and best practices. 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 internal due diligence protocols outlining the due diligence process the company undertakes when sourcing Relevant Material. Traxys' firm commitment to an ethical supply chain is further enshrined in Traxys' Supplier Code of Conduct. While broader in scope, a key element of this Supplier Code of Conduct is the responsible sourcing of minerals and metals.

Traxys has an established conflict minerals due diligence working group with dedicated resources in the legal and commercial trading areas as well as senior management.

By making the Policy available on our website as well as by internal discussion and communications and by including relevant provisions in contracts with suppliers and customers, we have appropriate processes to disseminate the Policy to all relevant employees, suppliers, customers and other stakeholders.



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 freedom from retaliation or adverse consequences for any person reporting such misconduct. In addition to Traxys' own Whistleblowing and Non-Retaliation Policy, mineral traceability services provider ITSCI also offers their own whistleblowing tool and resources, accessible on ITSCI's website.

### **Supply Chain Risk Assessment**

During the Covered Period, Traxys sourced tantalite, wolframite and cassiterite from the Relevant Area. No gold was sourced from the Relevant Area during the Covered Period.

The Relevant Area continued to experience severe unrest in 2025, with M23 rebels capturing areas including the provincial capitals in the Eastern DRC provinces of North and South Kivu that include regions where tin and tantalum mines were operating. In December 2025, the DRC- and Rwanda signed a peace and economic agreement aimed at ending fighting in the DRC. The peace accord remains fragile.

A general deterioration of the security situation during the Covered Period led to the suspension of activities by ITSCI and state mining services in certain mining areas in North and South Kivu. Transport and other logistics as well as sourcing and trading from the area remain challenging due to the presence of armed groups, bribery and other illegal activity. Risk of smuggling of minerals from surrounding countries into Rwanda and Tanzania remains a concern and requires close monitoring.

Security incidents can also occur along transport routes between the mine sites and the points of export, with attempts at extortion and other illegal activity.

Effective and enhanced due diligence is critical. Traxys undertakes exhaustive due diligence with respect to proposed new and existing suppliers. 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. Due diligence documentation includes, for every lot of Relevant Material, records of payments, certificates of origin, customs export declarations, transport documents (bill of lading, forwarding notes) and evidence that tags are always placed in the corresponding container. For mineral flows that are utilizing ITSCI as an independent traceability services mechanism, ITSCI tag numbers are used as reference on shipping documents and invoices. This requires exporters to ensure tags are placed in the corresponding container. Traxys subsequently verifies such tagging through inspection services. For flows that are utilizing Better Mining as an independent traceability services mechanism, a similar tagging method is followed, referencing Better Mining production records tracing minerals to audited mine sites.

Due diligence also includes cross-checking the net weight of minerals on all documents for any significant variation which might constitute a red flag. To enhance effective due diligence, Traxys has representatives on site who regularly attend loadings and monitor the aggregation of minerals to prevent potential contamination of our supply chain with untraced minerals. Beyond monitoring the operations of suppliers, such Traxys representatives as well as our suppliers' due diligence officers conduct dozens of mine visits annually to ascertain the plausibility of output and material specifications every year. Such mine visits are



conducted in accordance with the standards set by the Responsible Minerals Initiative (RMI) that audits the 3T smelters. Traxys has contractual inspection rights that we exercise regularly.

All cargoes of 3T concentrate that Traxys has sourced from the Relevant Area have been delivered to smelters that have successfully passed their RMAP audits and have conformant smelter status with the RMI.

Due diligence has in the past led to Traxys suspending the purchase of tagged minerals, for instance due to material specifications raising doubts as to whether the origin of the material could have been misstated or due to a supplier's ISTCI accreditation being temporarily suspended. When incidents arise in which any of such suppliers are involved, Traxys investigates the matter to a satisfactory conclusion or exercises remedies. Traxys sources from a small number of well-known suppliers.

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 is 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 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, we will (i) request an explanation and propose a plan to mitigate or address the concern, (ii) if not satisfactorily resolved, may decide to cease the business or to suspend 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 in early 2025, Traxys suspended performance under a contract with a supplier, following ITSCI's opening of an incident on several exporters, including the concerned supplier.



These actions led to the temporary suspension of several exporters from the ITSCI Programme in March 2025, due to insufficient evidence of implementation of due diligence. ITSCI issued a Corrective Action Plan for these exporters to follow in order to be reinstated and, by mid-2025, the Traxys supplier had been reinstated into the ITSCI Programme after successfully passing a due diligence audit.

To further mitigate supply chain risks, Traxys during the Covered Period is re-evaluating working with intermediaries in Rwanda as, by definition, this involves a more extensive supply chain.

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.

In early 2025, in an environment of deteriorating security due to the advances of M23 in the Eastern DRC, Traxys was wrongly associated with the sourcing of mineral allegedly smuggled out of the DRC into Rwanda. Such allegations were without merit and unsubstantiated. We categorically refuted such allegations and will continue to undertake rigorous due diligence and work only with demonstrably conflict-free minerals and responsible and conflict-free suppliers.

#### **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 independent 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, which was satisfactorily concluded. Full access was granted by Traxys to company sites, documents, management and other relevant personnel.

Traxys also undertakes periodic internal audits of our supply chain due diligence.

#### **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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