



March 1, 2023

Global Tungsten & Powders LLC.

Public Due Diligence Report FY 2022-23 (March 1, 2022 – February 28, 2023)

1) Company Information:

Company Name: Global Tungsten & Powders Corp.
RMI Smelter ID Number: CID000568
Company Location: 1 Hawes Street, Towanda, PA 18848, USA
3TG Material Processed: Tungsten
Webpage: [GTP | Global Tungsten & Powders Corp.](#)
Reporting Period: FY 2022-23 (March 1, 2022 – February 28, 2023)

Global Tungsten and Powders Corp. (GTP) located in Towanda, PA, is a leading manufacturer of tungsten powders (APT, Oxides, Carbides, Tungsten Metal Powders) and semi-finished tungsten products. GTP is a wholly owned subsidiary of Austrian based Plansee Group, a privately held company located in Reutte, Austria.

GTP supports its customers to comply with SEC Conflict Mineral rule concerning Section 1502 of the Dodd-Frank Act in the United States of America and the European Regulation (EU) 2017/821 of the European Parliament and the Council of May 2017 expressing supply chain due diligence obligations for Union importers of tin, tantalum, tungsten and gold originating from conflict-affected and high-risk areas (EU Regulation).

2) RMAP Assessment Summary:

The RMAP assessment firm SGS Global Services thoroughly reviewed GTP's Responsible Sourcing Procedures and declared GTP is a conformant tungsten smelter. The status and the results of the previous assessment and the above listed assessment can be found at: [RMAP Conformant Tungsten Smelters \(responsiblemineralsinitiative.org\)](#) and (d) [Responsible Sourcing and Supply Chain Transparency | Global Tungsten & Powders Corp.](#)

Date of last RMAP assessment	May 21-22, 2019
b. Assessment period	March 1, 2018 – February 28, 2019
c. Assessment firm	SGS Global Services



3. Company Supply Chain Policy

GTP avoid the use of conflict minerals, which directly or indirectly finance or benefit armed groups and or involve other serious human right in high-risk and conflict-affected regions, company has developed a supply chain policy. The supply chain policy is fully aligned with the OECD Due Diligence Guidance for Responsible Supply Chains and Minerals from Conflict-Affected and High-Risk Areas. The policy has reviewed and approved and implemented by Raw Materials and Supply Chain Management.

www.globaltungsten.com/fileadmin/user_upload/2022-Raw_Material_Supply_Chain_Policy-March-1-2022.pdf

4. Company Management Systems

Management Structure

GTP follows through on its commitments in the supply chain policy and has developed an internal procedure for due diligence with following aspect:

- Manager Strategic Raw Materials, reporting directly to the Strategic Raw Materials Director, who act as Compliance Officer responsible for implementation and oversight of the supply chain due diligence.
- GTP has an approved responsible supply chain management system procedure. The procedure supports sourcing from suppliers that acts in accordance and in agreement to follow the GTP code of ethics as well as the Supply Chain Policy.
- A comprehensive due diligence checklist for primary and secondary materials is used to ensure that all shipments are sourced according to the Supply Chain Policy and to respond to any potential risks or red flags identified.
- GTP have incorporated via the Know Your Counterparty (KYC) inquiry and via agreements with direct suppliers.
- GTP joined iTSCi to extend the due diligence program.
- The Director and Purchasing Managers for GTP are extensively involved in conflict minerals issues prior to and during the implementation of the Dodd-Frank Act, OECD Guidance and have served as a board member of the TI-CMC since its initiation.
- In the past year, GTP has implemented several improvements to the management and control of relevant purchasing documents by developing a secure department drive and giving access to key personnel. Additionally, GTP provides Conflict Mineral Training to Purchasing Dept personnel (via the Learning Management System, or LMS) to provide communication and update practices.

Internal Systems of Control

GTP has established/updated its due diligence management system to be aligned with the OECD Guidance and Dodd-Frank Act / SEC Conflict Mineral Rule in 2013/14.

- GTP has a grievance mechanism available to the public via their website and has a procedure and system in place to follow-up on grievances. Any issues or concerns related to GTP's raw material supply including responsible sourcing concerns are to be reported directly to the Raw Material Purchasing Managers. In addition, GTP employees and other stakeholders can anonymously communicate their concerns related to GTP's sourcing though the GTP ethics hotline: [EthicsPoint - Global Tungsten & Powders Corp.](#) Any grievance communications received are taken very seriously



and are investigated and handled directly by a member of the GTP management team. Any concerns related to GTP's sourcing can also be reported to Responsible Minerals Initiative's public grievance site: [Grievance Mechanism \(responsiblemineralsinitiative.org\)](https://responsiblemineralsinitiative.org)

- All new and existing suppliers of tungsten raw materials are required to declare that they are committed to adhering to GTP's Supplier Policy, Code of Conduct and Raw Materials Supply Chain Policy. GTP's sourcing from Conflict Regions is conducted exclusively via one company with long-term presence and experience in the region. GTP only sources material that is fully documented and traced using the iTSCi traceability program (bagged and tagged). If red flags are identified, GTP ceases to do business with those counterparties within the supply chain.

Record Keeping

GTP uses SAP, all records relating to the supply chain like contracts and the due diligence program are maintained for at least 5 years and stored in the company database as stated in the management systems.

All purchases and receipts of material are recorded in our material resource planning system which retains records for a minimum of 5 years.

5. Risk Assessment & Identification

GTP's main sources of raw material for includes tungsten concentrates and tungsten containing secondary raw material (scrap).

All GTP suppliers undergo the **Know Your Counterpart** process aiming to prevent or mitigate any risk identified in Annex II of the OECD Guidance as first step of the qualification (Yearly due diligence) to avoid and mitigate any Red Flags. If the process is satisfied, approval is granted by Strategic Raw Materials Manager.

Due diligence includes checks on the material and its source. For material and supply chains determined to be "high-risk", the company conducted enhanced due diligence. This included:

- Assessing the context of CAHRAs; (CAHRA List)
- Material chain of custody
- Assessing the activities and relationships of upstream suppliers.
- Identifying locations and conditions of the extraction, trade, handling, and export of minerals.
- Conducting on-the ground assessments if necessary. (Not possible during Covid-19 Period)

In accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, GTP strongly condemns all activities, and will refuse any material, which we assessed benefitted or supported armed rebels/terrorist groups through illegal finance or other activities or involved serious human rights violations associated with the extraction, handling, transport, or trade of minerals, including:



- Serious abuses (i.e., torture, cruel, inhuman, and degrading treatment; forced for compulsory labor; worst forms of child labor; human rights violations and abuses such as widespread sexual violence; war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide).
- Direct or indirect support to non-state armed groups.
- Direct or indirect support to public or private security forces.
- Bribery and fraudulent misrepresentation of the origin of minerals.
- Money laundering.
- Non-payment of taxes, fees, and royalties to governments.

GTP also uses minor amounts of tungsten intermediates including sodium tungstate (ST), ammonium paratungstate (APT) and tungsten containing oxides (BTO/YTO).

From 2021 to 2022

GTP sourced Concentrates from Non-Risk areas as well from the DLA. Intermediates and downstream materials containing tungsten products (ST, APT, oxide) solely from smelters that are validated under the Responsible Minerals Assurances Process (RMAP): [RMAP Conformant Tungsten Smelters \(responsiblemineralsinitiative.org\)](https://www.responsiblemineralsinitiative.org) GTP requires the CMRT's from all suppliers.

Procedure for Identification of Conflict-Affected and High-Risk Areas (CAHRA):

CAHRA's are identified by using different sources in the internet and are checked for links to the supplier. The sources are listed in the company guidance for CAHRA's check.

Furthermore, the indicative EU CAHRAS list is used for assessment. If a potential risk is found, an onsite visit and audit at the supplier will deem mandatory. The process based on the EU Regulation and the COMMISSION RECOMMENDATION (EU) 2018/1149 of 10 August 2018

In 2021, sourcing out of CAHRAs was only done within RMI and OECD approved due diligence systems.

Audits at suppliers were not possible in 2020 and 2021 due to the Covid pandemic travel restrictions.

The procedure includes the resources used, the criteria to define a CAHRA as well as the frequency with which our determination is reviewed.

The company uses the following resources to determine CAHRAs:

Check the countries of origin, transit, and incorporation of its suppliers:

- (I) If listed under "Covered Countries" under Dodd-Frank Act, section 1502, it is a CAHRA
- (II) If included in the most up-to-date version of the EU CAHRA list, it is a CAHRA
- (III) whether there are other factual circumstances that indicate that the area in question needs to be considered as CAHRA



6. Risk Mitigation

GTP has several risk mitigation strategies as they apply to the Supply Chain

- Annual review of Reasonable Country Inquiry of Origin.
- The company requires suppliers to comply to the Conflict Mineral Statement and Supplier Code of Conduct.
- A procedure to assess high-risk sources of supply is in place.
- Application of supplier monitoring via software to monitor based on sanction lists.
- Supplier visits performed by a dedicated Team to manage sources of supply.
- GTP requires current and prospective suppliers to maintain a responsibly sourced supply chain.
- Suppliers must annually provide information on their company and sign GTP's declaration that they will adhere to the GTP Supplier Policy, code of conduct, and Raw Material Supply chain Policy.
- As an active member of ITSCI, the Strategic Raw Material Purchasing Manager uses ITSCI reports and alerts, as well as feedback from reliable traders to monitor the effectiveness of GTP's risk mitigation efforts. This includes identifying gaps in due diligence management systems, verifying traceability, and responding to identified risk potentials.

GTP will respond to assessed risks by:

- Temporarily suspending trade while pursuing ongoing mitigation efforts until supplier meets expectations.
- Discontinuing business immediately with vendors who are unsuccessful at meeting expectations in a timely manner but will remain in communication to monitor improvements.
- Disengaging with a supplier in cases where mitigation appears not feasible or unacceptable.

7. Concluding Comments

In the period reported in this Step-5 Report (also known as Due Diligence Report), GTP's review of Conflict-Affected and High-Risk Areas (CAHRA) of source and transit countries shows that the only CAHRA's identified were countries that were also identified under the OECD guidelines and Dodd-Frank Act as the Conflict Region. All material sourced from the Conflict Region (~1%) are 100% traceable from sources via the iTSCi upstream traceability scheme and fully documented through the transportation from the region to GTP.

A handwritten signature in black ink, appearing to read "Cristian Kommer", is written over a horizontal line.

Cristian Kommer
Strategic Raw Material Purchasing Manager