

MERSEN Deutschland Linsengericht GmbH - Public Due Diligence Report for 2021/2022

Note: This report is structured in line with the “Public Due Diligence Report writing guidance” of the Responsible Minerals Assurance Process (RMAP) published by the Responsible Minerals Initiative (RMI, <http://www.responsiblemineralsinitiative.org/rmap/documents-and-tools/>)

1. Company Information

Our company is called MERSEN Deutschland Linsengericht.

The company has no smelting facility.

The company does not have a CID number, as it is only using machined Ta/W components.

2. RMAP Assessment Summary/ regulation EU 2017/821

The company is not participating in the RMAP assessment so far, as there are no smelting activities.

An assessment to evaluate compliance with RMAP and EU 2017/821 regulation was conducted on November 11th, 2022, by Arche Advisors an RMI appointed Sourcing Audit Firm. The assessment summary report is public and available on our homepage <https://www.mersen.com/group/corporate-social-responsibility>

3. Company Supply Chain Policy

We are committed to responsible sourcing of all our raw materials’ and we require that all suppliers are committed to equally high standards.

To ensure that our sourcing does not support or benefit directly or indirectly armed groups and/or involve other serious human right abuses in high-risk and conflict-affected regions, the company’s headquarter located in MERSEN S.A., Tour Trinity – 1 bis place de la Défense, 92400 Courbevoie has developed a supply chain policy which also applies for their subsidiary MERSEN Deutschland Linsengericht GmbH.

It covers all the risks identified in Annex II of the OECD Guidance (3rd edition of the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”) and the “Regulation (EU) 2017/821” of the European Parliament and of the Council of May 17th, 2017. The company is committed to addressing any OECD Annex II risks if identified. The policy was reviewed and approved by senior management, which committed to support its implementation. The policy will be widely disseminated to relevant stakeholders (suppliers, customers, employees etc.) and is available on the company website at www.mersen.com.

4. Company Management Systems

4.1. Management Structure

Besides the RMAP/EU 2017/821 assessments MERSEN Deutschland Linsengericht is audited against ISO 9001. In addition to the HSEQ aspects the company follows through on its commitments in the supply chain policy and has developed an internal procedure for due diligence with the following aspects:

- The company’s VP Risks & Compliance is responsible to oversee the due diligence program and risk management design and implementation.
- The company has assigned VP Purchasing AM with the help of VP Risk and compliance to coordinate the work of the relevant departments (incl. Supply Chain Management, Procurement, Quality Management, Customer Service) to ensure each department follows up on their roles and responsibilities to implement the due diligence program and report any red flags and potential risks identified and seek out opportunities to improve the program.
- The company conducts due diligence management system training once a year or if changings or risk identified for key staff from all relevant departments required in due diligence program.

4.2. Internal Systems of Control

The company has established/updated its due diligence management system to be aligned with the OECD Guidance and RMAP. The company communicated the updated supply chain policy and sourcing requirements to all identified upstream suppliers via our Terms and Conditions stated on our purchase orders and its

Purchasing Charter. In this way the company has incorporated due diligence requirements into legally binding agreements with direct suppliers.

Before starting new business with a supplier, a detailed check is being introduced by the Responsible Minerals Sourcing Program Manager together with the Procurement to confirm that this potential supplier fulfils all requirements of the RMAP process and to identify risks in the supply chain. This check shall be repeated on a regularly basis during the whole time of the business relationship.

4.3. Record Keeping System

All material receipts are entered into our ERP system. As part of our annual financial audit these transactions are audited by a third party and an inventory balance analysis is completed to ensure all inventory is accounted for.

The company requires that all records relating to the processing of the raw materials (due diligence program) are maintained at least for five years and that they be properly used and safely stored in our online company database.

5. Risk Identification (all sources)

MERSEN Deutschland Linsengericht GmbH does not purchase primary materials/ore, but only machined parts. Those are only purchased from certified conformant smelters. The certification is checked once per year using the RMI conformant-smelter-refiner-list or CMRTs (Conflict Mineral Reporting Template) given by our suppliers mentioned the certified conformant smelters. Referring to the risks in the company's supply chain policy, the company established a procedure to identify CAHRAs. The procedure includes the resources used, the criteria to define a "conflict affected and high-risk" area as well as the frequency with which our determination is reviewed. In addition, we will annually survey our suppliers through our Know your counterparty (KYC) process as well as confirm annually that each supplier remains on the conformant smelters list. We will evaluate the information provided in our supplier's responses to our KYC survey in order to identify any possible Red Flags and we will address any such findings with our supplier immediately. In addition, we will screen each supplier annually for any financial wrongdoings, or government sanctions.

Should a supplier cease to be listed on the conformant Smelters list, have any unmitigated Red Flags identified or be listed on our screened government sanction lists we would not engage in additional purchases until the matter is resolved, and we would further engage with its suppliers to clarify and improve the documents as needed. During this reporting period, no red flags were identified related to submitted KYC forms. During this reporting period, no CAHRAS and red flags were identified.