

Supply Chain Due Diligence Policy for Tungsten

Effective Date: 29 June 2026

Aligned with RMI Responsible Minerals Assurance Process (RMAP) Tungsten Standard and OECD Guidance

Approved by: Managing Director (MD)

1. Purpose and Scope

This Policy sets out SPT's management systems, due diligence procedures, and governance for sourcing tungsten-containing materials responsibly, in line with the **Responsible Minerals Initiative (RMI) Responsible Minerals Assurance Process (RMAP) Tungsten Standard (current version: v1.3, 2017 with minor revisions in 2023)**, and the **OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance, Third Edition)**.

This Policy applies to **all tungsten-bearing inputs** (including secondary waste materials and scrap) that SPT purchases, processes, or trades, regardless of origin. Note: while **EU Regulation (EU) 2017/821** imposes due diligence obligations on EU importers of 3TG above certain thresholds and **excludes scrap/recycled metals from scope**, SPT **voluntarily applies** the OECD Guidance and RMAP requirements to **all** tungsten sources to maintain best practice.

2. Our Commitment

SPT is committed to responsible mineral sourcing and will **not tolerate, profit from, contribute to, assist with, or be associated with** any risks set out in **OECD Annex II** (e.g., serious human rights abuses; direct or indirect support to non-state armed groups; abuses associated with public/private security forces; bribery/fraudulent misrepresentation; money laundering; and non-payment of taxes, fees, and royalties).

SPT participates in the RMI ecosystem and will pursue and maintain **RMAP conformance** through independent third-party audits, public due diligence reporting, and continuous improvement.

SPT seeks to develop long-term supplier relationships to improve transparency, due diligence performance and the effectiveness of risk mitigation.

3. Governance and Responsibilities

- **Board/Senior Management Oversight:** Senior management retains ultimate accountability for responsible sourcing and approves this Policy and its annual updates.
- **MD:** Owns the due diligence program; ensures resources, training, and corrective actions; authorizes the acceptance/rejection of higher-risk suppliers.
- **RMA Compliance Manager (RCM):** Leads implementation, maintains the management system, coordinates audits, prepares public reporting (OECD Step 5), and manages the grievance mechanism.
- **Procurement:** Conducts KYC, supply chain mapping, CAHRA screening, supplier onboarding, contractual controls, and ongoing monitoring.
- **Compliance & Legal:** Ensures alignment with EU 2017/821 and OECD Guidance; embeds contract clauses and audit rights.

4. Alignment to the OECD Five-Step Framework

SPT's program explicitly implements the OECD five-step, risk-based due diligence process:

Step 1 — Establish strong company management systems

- Adopt and publish this Policy on SPT's website and make it available to stakeholders.
- Implement internal procedures covering supply chain mapping, traceability/chain-of-custody (proportionate to scrap/recycled flows), document control, and grievance intake.
- Maintain a **Supplier Code of Conduct** aligned to OECD Annex II risks; require suppliers to cascade these standards to their sub-suppliers and maintain evidence.
- Provide role-specific training (procurement, logistics, compliance) annually.

Step 2 — Identify and assess risks in the supply chain

- Map supply chains to the **origin, transit, and processing locations**; identify red flags (location, supplier, and circumstance).
- Apply SPT's **CAHRA Identification Procedure** (Section 5) to determine whether supplies originate from or transit through CAHRAs.
- Assess risks against **OECD Annex II** categories and prioritize by severity and likelihood.

Step 3 — Design and implement a strategy to respond to identified risks

- Report risk assessment results to senior management; decide on acceptance, conditional acceptance (with a **Corrective Action Plan**), or disengagement in cases involving the most severe Annex II harms.
- Utilize leverage (contractual clauses, enhanced monitoring, collaborative remediation) and document progress against CAP milestones; escalate unresolved or severe issues to the grievance platform as appropriate.

Step 4 — Carry out independent third-party audits

- Undergo **RMAP audits** of SPT's management systems and sourcing practices by RMI-approved audit firms (annual frequency per RMAP protocol). Note: RMAP validates company-level systems; it is **not a material certification**.
- Where relevant (e.g., if SPT acts as an EU importer above thresholds), ensure conformance with **EU 2017/821 Article 6** independent audit obligations.

Step 5 — Report annually on supply chain due diligence

- Publish an **Annual Due Diligence Report (Step 5)** on SPT's website, covering policy, systems, identified risks, mitigation actions, audit results, and grievance outcomes—respecting legitimate confidentiality. Note: RMAP maintains the **public conformant list**; audit reports themselves are typically not public.

5. CAHRA Identification Procedure

SPT defines Conflict-Affected and High-Risk Areas (CAHRAs) per **OECD** and **EU** definitions and implements a documented, repeatable process:

5.1 Definitions

- **OECD:** Areas with armed conflict, widespread violence, or other risks of harm; may be national, regional, or local in scope.
- **EU:** Armed conflict, fragile post-conflict, weak or non-existent governance/security, widespread/systematic violations of international law (including human rights).

5.2 Procedure

1. **Screen** countries of origin, transit, and SPT's operational locations using public sources listed by RMI (e.g., RMI guidance, reputable indices) and, where applicable, RMI member tools.

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2. **Flag** supplies as CAHRA when indicators match OECD/EU definitions; document rationale and sources.
3. **Apply enhanced due diligence** (on-the-ground information where feasible, additional KYC, security force involvement checks, tax/royalty verification) before accepting.
4. **Review and update** CAHRA screening at least annually and when red-flag triggers occur (new supplier, new route, political change).

6. Supplier Requirements and Onboarding

- **Pre-Onboarding:** Perform KYC; obtain ownership and operational disclosures; collect declarations against **OECD Annex II** risks; request chain-of-custody/traceability evidence proportionate to material type (including scrap).
- **Contractual Controls:** Include clauses requiring compliance with this Policy and OECD Annex II, right to audit/inspect, timely provision of data, cooperation with third-party audits, corrective actions, and the right to suspend/terminate for reasonable risk of severe Annex II abuses.
- **Ongoing Monitoring:** Risk-proportionate questionnaires, data checks (origin/transit, payments of taxes/fees/royalties), adverse-media screening, and site visits for higher-risk suppliers.

7. Grievance Mechanism

SPT maintains an **open, confidential grievance channel** for internal and external stakeholders and references the **RMI Minerals Grievance Platform (MGP)** for smelter/refiner-linked concerns. Grievances are logged, investigated, and closed with corrective actions and transparency commensurate with risk.

8. Independent Audit and Cross-Recognition

- SPT will schedule **independent RMAP audits** at least annually (or per RMI guidance), conducted by **RMI-approved auditing firms**.
- Audit scope covers management systems and sourcing practices against the **RMAP Tungsten Standard**; assessment evidence includes documentation, interviews, and observations.

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- Where applicable, SPT will leverage recognized upstream assurance mechanisms to support due diligence, noting that **RMAP does not certify materials as “conflict-free”** and focuses on systems conformance.

9. Public Disclosure and Reporting

- SPT will **publish this Policy** and the **Annual Due Diligence (Step 5) Report** on its website and make it available to stakeholders.
- Once conformant, SPT’s facility details will appear on the **RMI public conformant list**; audit reports themselves are generally not public.

10. Records and Data Retention

SPT retains due diligence records, audit and grievance documentation, supplier data, and chain-of-custody information for a period consistent with OECD Guidance and **EU 2017/821** expectations for importers subject to the regulation (including documentation sufficient to demonstrate implementation of Steps 1–5 and, where applicable, third-party audit evidence).

11. Training and Awareness

All relevant staff receive induction and annual refresher training on this Policy, OECD Annex II risks, CAHRA screening, and grievance handling. Training content is updated to reflect regulatory and RMI standard changes.

12. Continuous Improvement and Policy Review

This Policy and the underlying management system are reviewed **at least annually** and after significant incidents, audit findings, or regulatory updates (e.g., RMAP revisions).

13. Enforcement

Violations of this Policy may result in disciplinary action for employees and **suspension or termination** of suppliers, especially where there is a reasonable risk of involvement in **Annex II** abuses or failure to remediate within agreed timelines.

Appendix A — OECD Annex II Risks (Summary)

- **Serious human rights abuses** (e.g., forced labour, worst forms of child labour, widespread sexual violence).
- **Direct/indirect support to non-state armed groups** (payments, procurement, logistical support).
- **Abuses by public or private security forces.**
- **Bribery and fraudulent misrepresentation of origin.**
- **Money laundering.**
- **Non-payment of taxes, fees, and royalties to governments.**

Sign-Off

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Date: 29 June 2026

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