

TUNGSTEN VIETNAM JOINT STOCK COMPANY ANNUAL RMAP DUE DILIGENCE REPORT 2022

1. Company Information

The company is called Tungsten Vietnam Joint Stock Company. The company was established in 2019 with CID number is CID003993. The company has 1 facility, located at Area B - Song Cong 1 Industrial Park, Bach Quang Ward, Song Cong City, Thai Nguyen Province, Vietnam. It is currently joint venture between Korean investor (71%) and Vietnamese investors (29%). The facility is processing Sodium Tungstate and calcium tungstate.

This report covers the period of 1st Jan 2022 until 31st Dec 2022.

2. RMAP Assessment Summary

The company conducted RMAP assessment in 20-21st September 2022 by RMI appointed 3rd party audit firm (Arche Advisor) covering the period of review of the last audit 30th Jun 2021 until 6th August 2022. The assessment summary report is publicized and available at: <https://www.responsiblemineralsinitiative.org/media/docs/Public%20Reports/Tungsten%20Vietnam%20Public%20Report.pdf>

3. Company Supply Chain Policy

To avoid the use of conflict minerals, which directly or indirectly finance or benefit armed groups and/or involve other serious human right abuses in high-risk and conflict-affected regions, the company has developed a supply chain policy. The supply chain policy is fully aligned with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). It covers all of the risks identified in Annex II of the OECD Guidance and its geographic scope is global. The company is committed to addressing any Annex II risks if identified. The policy was reviewed and approved by senior management, which committed to support its implementation. The policy has been widely disseminated to relevant stakeholders (suppliers, customers, employees etc.) and is available on the company website at www.tungstenvietnam.com

4. Company Management Systems

Management Structure

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 general manager is responsible to oversee the due diligence program and risk management design and implementation.
- The company has assigned a due diligence program manager to coordinate the work of the relevant departments (including the Purchasing Department, Quality Department, Production Department, and Warehouse Management Department) 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.

- The company conducts due diligence management system training and review once a year for key staffs from all relevant departments required in due diligence program. If there is an update of the program, the company conducts additional training as necessary.
- There is no issues reporting in the stated period.

Internal Systems of Control

Tungsten Vietnam JSC has established its due diligence management system to be aligned with the OECD Guidance and RMAP.

- The management of the Company takes responsibility for the informing of potential mineral suppliers of the Company's Supply Chain Policy Statement with mineral suppliers being asked to sign a Supplier Training and Commitment to follow Tungsten Vietnam JSC Supply Chain Policy.
- Tungsten Vietnam JSC has set up and follow the due diligence management system from beginning of 2022 and updated the procedures to identify CAHRAs (Document number M-04) and include the new resources used ("EU list of CAHRAs").
- The company refers to [grievance mechanism](#) to collect information on grievances from interested parties. Various channels for external stakeholders to voice their grievances include:
 - Telephone: Stakeholders can contact officers as follow:
RMI Compliance Manager at +84382729821 or Business Manager at +84888777744
 - Email: info@tungstenvietnam.com

Record Keeping System

The company requires that all records relating to the 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

The company has a robust process to identify risks in the supply chain.

Firstly, 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. The company uses the following resources to determine CAHRAs:

The Compliance Officer will review the above-mentioned criteria against the following threshold:

1. **Dodd-Frank Act (DFA 1502):** The Democratic Republic of the Congo (DRC) and its nine adjoining countries as outlined in Section 1502 of the Dodd-Frank Act (DFA 1502), namely Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia. If the source of material is came from these listed countries, it will be identified as CAHRAs, and no further step is taken, purchasing is not allowed.

2. **EU CAHRAs list:** A country that not listed on the EU CAHRAs list is considered as low risk and will be further assessed on B1.iii, B1.iv and B1.v.
A country that listed on the EU CAHRAs list shall be assessed further as per the process outlined in Sections B.2 of this procedure to identify if the sub-nation falls into CAHRAs or not. If the sub-nation identification in Section B.2 does not fall into CAHRAs, then it is required to be further assessed on B1.iii, B1.iv and B1.v. If the sub-nation identification in Section B.2 falls into high risk, then it is considered as CAHRAs and purchasing is not allowed. <https://www.cahraslist.net/cahras>
3. **Heidelberg Conflict Barometer**
A country attaining a score of higher than 2 on the Heidelberg Conflict Barometer shall be assessed further to see the sub-national level. If the sub-national level is higher than 2, it will be considered as high risk.
4. **UNDP Human Development Indicators:**
Country reports authored by UN bodies will be assessed further as per the process outlined in Sections B.. of this procedure. The risk of human rights abuses will be measured according to reports of UNDP Human Development Indicators that countries with low indicator (<0.55) will be considered as high risk.
5. **Transparency International**
A country that has a score below global average for the perceived level of public-level corruption by Transparency International shall be assessed as high risk. <https://www.transparency.org/>

If any of the above steps meet the threshold, further assessment on sub-nation level is required. If sub-nation level does not meet the threshold, then it is not considered as CAHRAs. If sub-nation level meets the threshold, then it is considered as CAHRAs.

Conclusion: Reviewer goes through above steps and identify high risk base on above parameters. If 2 out of 3 parameters are high risk, it should be considered as CAHRAs, and no sourcing is allowed.

The company reviewed all the existing suppliers and non falls into the CAHRAs.

The company designed a Know Your Counterparties (KYC) to include information concerning supplier legal status and identity, supplier mapping and potential risks. The majority of our suppliers have completed and returned a KYC form. During this reporting period, no red flags were identified related to submitted KYS forms.

The company requested origin information for each material transaction and ensured that it was able to understand the transaction origin, transportation route, as well as direct suppliers' names and locations.

All information collected was reviewed by the company against CAHRAs, sanction lists, local laws and internal sourcing requirements.

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The company follow grievance mechanism and the policy/procedure/process which states the grievance mechanism is available to internal and external stakeholders.

No discrepancies and no red-flag were found during the year.

Risk assessment

For material determined to be “CAHRAs”, we avoid and reject to purchase from this source unless the supplier is proven to be iTSCi member companies with full iTSCi tagged shipments. Currently no purchasing coming from “CAHRAs” areas so far.

No discrepancies and no red-flag were found during the year.