



**DUE DILIGENCE REPORT ON
CONFLICT MINERALS**

TREIBACHER INDUSTRIE AG

2024

Legal information

Responsible for content:

Conflict Minerals Team

Treibacher Industrie AG

Auer-von-Welsbach-Strasse 1

9330 Althofen

Austria

Tel.: +43 4262 505

E-mail: Conflict_Minerals@treibacher.com

Link to website: <https://treibacher.com/en/company/sustainability/>

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Equality:

The masculine form of address is used in this report for ease of reading. However, all genders are, of course, always referred to and addressed.

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FOREWORD

The Conflict Minerals Report (“CMR”) of Treibacher Industrie AG (hereafter referred to as “TIAG”, “we” or “our”) is prepared in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the “CSHRA-OECD Guidance” or “OECD Guidance”) and the Responsible Minerals Initiative (RMI) Guidance for Public Due Diligence.

SECTION 1: INTRODUCTION AND COMPANY OVERVIEW

Treibacher Industrie AG is a privately-owned Austrian corporation that operates successfully worldwide in the fields of metallurgy and chemistry. Since its foundation by Dr. Carl Auer von Welsbach in 1898, the company has been headquartered in Althofen, Austria.

TIAG develops, produces and distributes materials for technologically demanding applications worldwide. In addition to special hard materials for the hard metal industry, the spectrum ranges from hydrogen storage alloys to coating components for the aircraft and catalyst industries, to high-quality alloy additives for the steel and foundry industries. In addition, TIAG is the market and technology leader in the recycling of spent catalysts, e.g. from the petroleum industry, which saves thousands of tons of primary resources such as vanadium, nickel and molybdenum every year. For further details see: <https://www.treibacher.com>

As one of the largest industrial companies in Carinthia, we have made it our business not only to play an important role in the economy of this country, but also to fulfill our responsibility in the supply chain of conflict minerals.

We act as a Union importer of the materials tantalum and tungsten in accordance with the criteria of EU Regulation 2017/821 (Regulation laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas). These materials are used in one of our four strategic business segments, the “Hardmetals and Energy Storage” segment, for the production of high-quality precursors for cutting, drilling and milling tools.

In 2021, a cross-departmental Conflict Minerals team was defined and a corresponding set of specifications on the subject of due diligence was created to implement the process for ensuring due diligence in the existing integrated management system. In 2022, these documents were updated and introduced to a wide range of employees as part of an internal training campaign. Section 4 “Due diligence carried out” provides details of all measures taken in the reporting year 2024.

SECTION 2: APPROPRIATE INVESTIGATION OF THE COUNTRY OF ORIGIN

The following measures and regulations have been defined to establish an appropriate internal system for continuous examination of the country of origin:

Corporate supply chain policy:

TIAG has developed a supply chain policy to avoid the use of conflict minerals that directly or indirectly finance or benefit armed groups and/or are associated with other serious human rights violations in high-risk and conflict regions. This policy is aligned with the third edition of the CAHRA-OECD Guidance and covers all risks identified in Appendix II of the OECD Guidance. The Conflict Minerals Supply Chain Policy has a global scope and has been reviewed and approved in accordance with internal guidelines and is available to interested parties on the TIAG homepage.

Code of Conduct for Suppliers:

In order to establish our ethical and behavioral requirements in our supply chain in addition to the quality requirements for our suppliers, we have created our own Code of Conduct for Suppliers. This is intended to support us in our efforts to further develop our suppliers.

Corporate strategy for the procurement of conflict minerals:

As part of the integration of the conflict minerals issue into our existing management system, the corporate strategy in this regard was defined. It was determined that material will only be procured from raw material suppliers that are listed with RMI or can provide a valid CMRT.

Establishing criteria for supplier selection and internal control systems:

The aforementioned corporate strategy is anchored in the corresponding specification documents of the management system and, in addition to the material procurement process, also regulates the criteria for recruiting new suppliers. Before entering into a business relationship with a new supplier, we thoroughly check whether this potential supplier meets all legal requirements and our internal requirements (such as quality requirements, ethical and behavioral requirements, etc.). We communicate our supply chain policy to all our suppliers and are in active dialog with them. As part of the regular incoming raw materials inspection, the completeness of the delivery documents is also carefully checked.

Annual supplier status review:

The national requirement under the applicable Mineral Resources Act requires that Union importers communicate the imported quantities and sources (origin and source of the minerals and metals) to the Federal Ministry once a year using a template called "Reporting Import Figures". When this report is created, the sources used and their status (RMI listed) and the timeliness of the CMRT are checked.

SECTION 3: DESIGN OF THE DUE DILIGENCE FRAMEWORK

In accordance with our own Code of Ethics and Conduct, we do not see our obligation in the supply chain of the materials we produce as a one-sided responsibility. Over the past few years, many measures have been taken to ensure that this responsibility is not limited to our relationships with our customers and suppliers. We also see our duty of care as a social responsibility to secure our location. In 2021, the scope of our corporate due diligence was expanded to include the issue of conflict minerals in our Code of Ethics and Conduct as well as in our integrated management system.

In 2022, the integrated management system was audited and assessed by an internationally recognized company (EcoVadis) with regard to the environment, labor and human rights, ethics and sustainable procurement. Further information on sustainability and due diligence is available to interested parties at <https://treibacher.com/en/company/sustainability/>.

In 2023, the area of conflict mineral management was reviewed for effectiveness by external auditors as part of the LRQA surveillance audit. The Conflict Mineral Management System implemented by TIAG was successfully reviewed by the Federal Ministry of Finance, Section VI – Telecommunications, Post and Mining, Department VI/5 – Mineral Resources Policy, with regard to the requirements of the applicable national Mineral Resources Act.

Furthermore, in 2023, Treibacher Industrie AG was confirmed as having a positive result in the second study conducted by ÖFSE on the status of implementation of EU Regulation 2017/821.

In the first half of 2024, our company was again evaluated by EcoVadis. Despite the modified scoring system and the expansion of the question pool, we were able to maintain our silver rating.

SECTION 4: DUE DILIGENCE PERFORMED

The annual measures to ensure due diligence in the handling of conflict minerals were also continued in 2024.

For example, an internal risk assessment of the effects of the current situation in the conflict minerals supply chain was carried out in the first quarter of 2024 (for details, see section 7). The medium-term and long-term measures derived from this are monitored by the strategic raw materials purchaser and adjusted if necessary. The measures taken ensured a stable supply of raw materials for conflict minerals.

The positive impact of the measures taken was also communicated within the company and established measures were incorporated into general raw materials procurement. This strengthened the security of supply across the company.

As a result of the measure recommended by the Federal Ministry, namely to carry out an external audit to ensure compliance with due diligence, contact was made with RCS Global Group (partner of the Responsible Minerals Initiative - "RMI") in the fall of 2024 and the external audit was contractually agreed to be carried out in Q1/2025. This ensures that the time frame to be audited corresponds to the company's fiscal year and is set from January 1 to December 31.

SECTION 5: RESULTS OF THE DUE DILIGENCE

The results of the internal due diligence review are part of our management review system and are reported to the board by the responsible persons. In summary, this CMR is prepared annually in accordance with the applicable international and national regulations and made available to interested parties via the homepage.

SECTION 6: EFFORTS TO DETERMINE ORIGIN

As already described in Section 2, under the heading "Internal control systems", the delivery documents are checked during the incoming raw materials inspection. The documents are attached to the purchasing record in accordance with internal guidelines.

Raw material deliveries without a clear origin are not accepted and are therefore not used in our production.

SECTION 7: STEPS TO MINIMIZE RISK

TIAG intends to take the following steps to continuously improve our due diligence process:

Creating awareness of responsibilities among all parties in the supply chain. The first step will be to communicate our defined Code of Conduct for Suppliers.

Furthermore, measures will be taken within the group of companies to support the establishment of due diligence in the individual companies and to facilitate cooperation on this issue. This includes sharing experiences and mutual internal auditing.

Although TIAG does not directly source minerals from conflict-affected and high-risk areas (CAHRA), we have an open channel (Conflict_Minerals@treibacher.com) to communicate possible abuses. In accordance with internal quality standards, a team is dedicated to solving any problems that may arise.

Since the end of 2023, increased attacks by Yemeni Houthi rebels in the Red Sea have disrupted international shipping. This has also disrupted the supply of raw materials containing conflict minerals to Treibacher Industrie AG. Therefore, a risk assessment was carried out by the Conflict Minerals team at the beginning of 2024 to evaluate the impact on the supply of raw materials in terms of tantalum and tungsten and to identify appropriate short-term and long-term measures to minimize risk. For example, after consulting with our freight forwarders, a corresponding route change was planned and implemented. In order to avoid possible production stoppages, the quantities of raw materials ordered were adjusted. This ensured security of supply despite longer transport routes and times.

CONCLUSION

Of course, we are also prepared to support our customers in their due diligence efforts and to provide them with the relevant documents at any time upon request. By publishing this report, we also want to emphasize to our suppliers the importance of sourcing materials from conflict-free sources.