

St Martin i.S., Austria, 15 April 2025

**OECD Due Diligence Guidance for Responsible Supply Chains
of Minerals from Conflict-Affected and High-Risk Areas ^[1]**

**Wolfram Bergbau & Hütten AG Due Diligence Report
for Mineral Supplies in Year 2024 ("OECD Step-5 Report")**

Wolfram Bergbau & Hütten AG's OECD Step-5 Due Diligence report for the year 2024 follows wherever appropriate the *Public Due Diligence Report Writing Guidance* of the Responsible Minerals Assurance Process of the Responsible Minerals Initiative (RMI) from 2018 and Annex IV of the *Responsible Minerals Assurance Process – Tungsten Smelter Standard* as revised on 7 February 2020. WBH also takes ITSCI's e-mail on "OECD Guidance recommendation - Annual Due Diligence Report" from 2 March 2023 into account as well as the GRI^[2]-RMI Toolkit *Advancing Reporting on Responsible Mineral Sourcing* from 2019. Where appropriate, the current report follows closely the reports for the preceding years.

1.) Company Information

Company name: Wolfram Bergbau & Hütten AG
RMI smelter ID: CID002044
Registered address: Bergla 33, A-8543 St. Martin i.S., Austria
Refinery location: Bergla 33, A-8543 St. Martin i.S., Austria
Processed material: Tungsten
Report period: Calendar year 2024 (1 January 2024 – 31 December 2024)
Webpage: [Home - wolfram](https://www.wolfram.at)

Founded in 1975 in connection with the newly discovered Mittersill tungsten deposit, Wolfram Bergbau & Hütten AG (WBH) is a world-leading vertically integrated manufacturer of tungsten carbide and tungsten metal powders. The company operates two facilities in Austria:

- a modern underground scheelite mine at Mittersill, Salzburg, and
- a state-of-the-art recycling, refining and powder manufacturing facility at St. Martin im Sulmtal, Styria, listed by the Responsible Minerals Initiative (RMI, formerly known as Conflict Free Sourcing Initiative, CFSI) under smelter ID CID002044.

Since 2009, the company belongs to the global Sandvik group, headquartered in Sweden, where it is part of the Business Unit (BU) Wolfram within Division Powder Solutions. Besides the WBH facilities in Austria, BU Wolfram comprises a tungsten recycling facility in Chiplun, India (zinc reclaim process) and Buffalo Tungsten, Inc., a US-based manufacturer of tungsten metal and carbide powders located at Depew, NY. The current report concerns exclusively Wolfram Bergbau & Hütten AG's refinery in Austria.

^[1] OECD (2016), OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Third Edition, OECD Publishing. In this report referred to as the OECD Guidance.

^[2] Global Reporting Initiative



The company is not affiliated with any other companies using the name “Wolfram”, as this is simply the name for the chemical element tungsten in many languages, e.g., in German, Russian or Portuguese.

In line with its Mission Statement, the company is committed to ensure best practice with respect to safety, health, environment and ethics at all stages of its supply and production chain. A sustained success of the company can only be built upon a sound foundation, which includes that governmental, industry and environmental standards are continuously met or surpassed.

WBH condemns all activities in the raw material sector connected to illegal or unlawful exploitation of ores, that directly or indirectly finances or benefits armed groups in conflict areas, or that contribute to serious human rights violations. The company fully supports the activities of the Organization for Economic Co-operation and Development (OECD) addressing these risks and has implemented the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas (OECD Guidance). In this connection, the company reviews and mitigates risks listed in the OECD Guidance, such as relating to security forces or money laundering, often referred to as the Annex-II risks.

WBH is supporting its customers to comply with the 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 of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum, tungsten, their ores and gold originating from conflict-affected and high-risk areas (EU Regulation).

WBH is a founding member of the Tungsten Industry – Conflict Mineral Council (TI-CMC) and, based on annual independent 3rd party assessments, is listed as conformant to the Responsible Minerals Assurance Process (RMAP) assessment protocol (often still referred to as “Conflict Free Smelter”) since 2015. WBH is also full member of ITSCI (International Tin Supply Chain Initiative). Sandvik itself is a member of the Responsible Minerals Initiative (RMI).

WBH’s products are tungsten metal powder (100% W) and tungsten carbide powder (94% W, 6% C). The company sources its tungsten raw material from

- its own mining operation,
- tungsten ore concentrates from mines worldwide,
- secondary raw materials (scrap), and
- if required, additionally from crude and refined intermediate products such as sodium tungstate, ammonium paratungstate (APT) and tungsten oxide (BTO, YTO).

Besides tungsten-bearing raw materials, carbon black is required for most of WBH’s products as well as a few tonnes of dopant metals annually. Certain quantities of cobalt, tantalum and molybdenum-bearing by-products are generated in WBH’s recycling and refining activities.

All suppliers are gauged against the Wolfram Supplier Code of Conduct, which sets standards ensuring labor rights, environmental protection, business ethics and conflict-free origin. It follows the Sandvik Supplier Code of Conduct, the latest version 3.1 of which was issued in 2024. As the Wolfram and Sandvik Codes are essentially identical, in the following, the acronym SSCoC is used for both, whichever is used in a certain context.

2. RMAP Assessment

The most recent 3rd party assessment against the Responsible Minerals Assurance Process (RMAP) – Tungsten Smelter Standard from 1 December 2017, revision 7 February 2020 was undertaken

- from 12 to 14 August 2024
- for the twelve-month audit period from 1 July 2023 to 30 June 2024
- by ARCHE Advisors, USA
- summary report: [Wolfram Public Report.pdf](#)

The audit was concluded without findings although one area (quantifiable risk mitigation and tracking of performance) needs to be addressed prior to the coming audit (“conform with continual improvement”). Other improvement opportunities were informally discussed between WBH and the assessment team.

3. Company Supply Chain Policy

Overview and History

The company’s Supply Chain Policy is part of the overall company management system. WBH is audited against ISO 9001, 14001 and 45001 industry standards since 1994, 1999 and 2020^[3], respectively. The ISO 9001 management system of WBH (“QSGU system”, in German) prescribes, besides others, the supply and productions processes within the company, using a comprehensive set of policies, instructions and procedure documents. The most recent re-certification audit was undertaken by Intertek Certification GmbH, Germany, in July 2024 and the certificates are valid until 19 September 2027.

The first specific Conflict Mineral-related instructions (in line with the original CFSP tungsten protocol) had been introduced in mid-2014. Following revision of the RMAP Tungsten Smelter Standard (version issued 1 December 2017), a new comprehensive instruction entitled **WBH Management System for Responsible Supply of Tungsten Raw Materials (WBH-RSTM)** was issued in January 2019. Following internal review, changes in the company’s internal organization and based on recommendations of the auditors during the 2020-assessment, an updated version came into effect on 1 March 2021 (Instruction IMC/02). Taking continuous improvements into account, revision 4 of instruction IMC/02 as of 1 July 2024 is the currently valid version. This revision reflects changes in the company’s organization and the end of RMI recognition of ITSCI as upstream (assurance) system.

The instruction is considered fully aligned with the spirit of OECD Guidance and RMAP Tungsten Smelter Standard and includes processes to identify conflict-affected and high-risk areas (CAHRAs) and supply chain risks worldwide and describes relevant risk mitigation strategies. Effectiveness of the instruction is reviewed annually.

WBH has been sourcing from what is now known as the Covered Countries in Central Africa since the mid-2000s; and supply chain due diligence, especially with respect to CSR issues like child labor and OHSE has been undertaken from the onset, although in a less formalized way than since 2014. WBH has participated in the OECD Multi-stakeholder Forums on Responsible Supply Chains from the beginning, and on the ground, has taken part in early 3rd party efforts such as the Certified Trading Chain (CTC) program of the German geological survey (BGR). This included the very first CTC audit that was completed at one of WBH's cooperation partners in Rwanda already in 2010.

WBH was instrumental to reopening the tungsten supply chain from the area after the de-facto boycott experienced as unintended consequences of the Dodd-Frank Act / SEC Conflict Mineral Rule in 2013/14.

^[3] Prior to ISO 45001, the company was accredited to OHSAS 18001 from 2010 onwards.

Supply Chain Policy

WBH publishes on its web page a Responsible Sourcing Statement, which is adapted from time to time to reflect the developments in the area of responsible sourcing of minerals:

[WBH-statement-of-responsible-raw-material-sourcing-26-jul-2024-.pdf](#)

WBH considers the short crisp Responsible Sourcing Statement as a more effective tool to promote compliance with the expected standards than copying the generic lengthy Model Supply Chain Policy in Annex II of the OECD Guidance. All Annex-II risks and WBHs response and mitigation of risks as provided by WBH-RSTM are summarized in the statement.

WBH believes Responsible Sourcing is an integral part of general CSR considerations. Obligations concerning responsible sourcing are also covered in the Wolfram and Sandvik Supplier Code of Conduct (SSCoC), which all suppliers must abide to, and which forms a part of all raw material supply agreements. The latest version of this code was published in 2024:

[english-supplier-code-3.1.pdf](#)

In the framework of supplier assessments, the suppliers are gauged against a list of “Rejection Criteria” as originally proposed by Sandvik Sustainable Supplier Management against the 2014-version of the SSCoC but only adopted by Wolfram for the raw material supply evaluation. This approach was adapted following the publication of the new Sandvik Supplier Sustainability Evaluation Procedure in January 2022, which contains a list of zero tolerance criteria.

4. Company Management System concerning Responsible Raw Material Supplies

Management Structure and Responsibilities

WBH is a part of the global Sandvik Group and belongs to the Division Powder Solutions within the Business Area Sandvik Manufacturing and Machining Solutions. The Manager International Mining & Raw Material Compliance (in the following Raw Material Compliance Manager) is responsible for implementation and oversight of the raw material supply chain due diligence for WBH. As part of the Powder Solution common function Governance & Regulations, in the specific function of Raw Material Compliance Manager, he reports to the Chief Financial Officer of the division. This function is independent of but closely collaborating with the direct purchasing unit of WBH. The Raw Material Compliance Manager is also collaborating directly with logistics, quality control, production and the sales department.

The Raw Material Compliance Manager has 35 years of experience in the mineral industry, 17 years of which have been in the tungsten industry, with a wide range of expertise in artisanal to industrial mining, mineral processing, metal accounting and the geology of ore deposits. Currently, he serves as chairman of the board of TI-CMC.

The WBH-RSTM calls for annual feedback concerning the performance of the management system to the president of the company. The management team is being kept abreast with developments in the area of responsible minerals supplies. A training schedule of concerned staff is included in the WBH-RSTM while presentations at townhall meetings and articles in the company’s newsletter are intended to raise awareness of the entire workforce.

Over the past years, the responsible minerals supply policy has become a lived routine for the involved staff, especially in purchasing and logistics (material reception & sampling). New employees of relevant departments are informed about the subject during their routine induction. Being a comparatively small organization, many issues in this area are dealt with in informal day-to-day cross-functional discussions.

In 2024, a comprehensive introduction training for the new Head of Purchasing and a refresher training for the management team were provided by the Raw Material Compliance Manager.

Internal System of Controls

WBH-RSTM instruction IMC/02 forms the basis of responsible sourcing since four years and the company's processes continue to be fully aligned with the OECD Guidance.

Together with the SSCoC, the WBH-RSTM specifies supplier selection criteria, minimum documentation needs, and raw material reception procedures. There are specific (stricter) requirements for supplies from CAHRAs, including mine site visits prior to the first delivery, annual re-visits, plausibility assessments and/or participation in an acceptable traceability program if available. WBH prefers direct interaction with the mine owners, even where purchasing is through traders and does only accept supplies from specific pre-approved mines. WBH does normally not purchase consolidated material, especially from CAHRAs, even if it is tagged by traceability providers. Reliance on upstream (assurance) programs such as ITSCI or Better Mining has been reduced over the years in favor of direct control.

As the only integrated tungsten producer outside of Asia, WBH has extensive knowledge of mining and beneficiation of tungsten ores, and undertakes technical cooperation with numerous suppliers, which as a side-effect provides detailed insight into the operations, assuring the origin of the concentrates is well understood.

All supply agreements, purchase orders and/or pre-contract negotiations for mined material include relevant language assuring that

- minerals are exclusively mined at specific mines,
- WBH receives all required documentation, and
- WBH has the right to visit.

WBH reserves the right to return concentrates that do not conform to these requirements or where ITSCI reporting on tags or other information indicates a different origin than the agreed one.

Company procedures include a clearance procedure prior to utilization of the concentrates and internal "red flag" procedures.

WBH is a full member of ITSCI and all supplies from CAHRAs shipped in 2024 were covered by either the ITSCI or Better Mining traceability programs ("bag & tag") and associated due diligence, mine site baseline studies and shipment reports. With the expansion of the concept of CAHRAs beyond Central Africa, and since existing upstream mechanisms are not anymore readily recognized by RMI, a broader range of Due diligence approaches is required. WBH is using its own assessments, plausibility checks and chemical fingerprinting to assure correct performance of its supply chains. WBH strives for continuous improvement of working conditions and performance at the supplying mines although leverage might be limited where competition by "easier-going" offtakers exists.

Intermediates are exclusively sourced from smelters/refiners that are listed by the RMI as RMAP conformant tungsten smelters:

[RMAP Conformant Tungsten Smelters](#)

In line with the company's purchasing policy, all supply agreements for raw material include mandatory acceptance with the SSCoC, which sets out minimum requirements concerning legal compliance and various CSR issues such as environmental and EHS performance, child labor and similar. Where relevant, additional language is added to purchase contracts or purchase orders.

WBH had first been audited by the Conflict Free Smelter Program (CFSP; now RMAP) in March 2015 and confirmed as Conflict Free Smelter. Successful re-assessments against first CFSP and later RMAP standards were undertaken annually since the first audit.

Finally, the current report and the description of Conflict Mineral handling on the company's webpage ([Conflict-free, ethical supply of raw materials - wolfram](#)) provide additional transparency concerning the company's procedures and policies.

Grievance Procedure

Stakeholders are invited to lodge grievances concerning WBH's supplies of raw materials either directly per e-mail to office@wolfram.at, respectively, for anonymous submissions, on

- Sandvik's confidential grievance mechanism under [EthicsPoint - Sandvik](#), or
- the grievance mechanism of the RMI: [Grievance Mechanism \(responsiblemineralsinitiative.org\)](#)

Stakeholders may also use the grievance platforms of upstream assurance mechanisms, but WBH would have to rely on timely information sharing by the relevant organisation.

As the company is in constant contact with many of its suppliers, especially with the ones located in CAHRAs, concerns can also be discussed directly.

Record Keeping System

Since late 2015, all incoming shipments, inventory and feed of the plant with the various raw materials were documented in the MB Control system with quality parameter linked in from the laboratory and connected to the SAP system used for the financial accounting. In April 2023, handling of incoming shipments and raw material inventories was moved to SAP.

As previously in MB Control, after migration to SAP, all tungsten raw materials are given unique batch numbers upon contract award, shipment notice or latest upon arrival on the premises. Once assays are available and if there are no compliance or technical "red flags", the material, possibly split into different sub-lots, is released for use in the operation. All relevant paper documents are scanned and together with relevant electronic documents stored within the SAP database. The IT department is responsible for reliable and safe operation of the company's IT systems, which are integrated into the overall Sandvik IT.

For material from Central Africa, all tags are kept on site, and small back-up samples would allow forensic fingerprinting tests should there be doubt of the material's listed origin. Information from the traceability providers ITSCI and Better Mining or other 3rd party auditors, such as baseline studies or shipment-specific data, is kept on file on the company's server.

All direct suppliers are registered in a master data file. Information about the individual mines, field visits and so on is available in hardcopy (field books), reports and e-mail notes; pertinent data is included in a formal register of all "permitted sources". This does also comprise supply chain mapping that is used to check against possible CAHRA affiliation.

All relevant documentation has a retention time of at least five years. The MB Control database is kept functional so that all existing data for shipments prior to the SAP migration remain accessible.

5. Risk Assessment

With respect to the responsible sourcing of raw materials, principal focus is on primary raw materials (tungsten concentrates). Intermediates are solely sourced from RMAP compliant facilities, and unless the company comes across any red flags, it will rely on the assessments of RMI. However, the RMI is currently

not recognized by the EU commission as supply chain due diligence scheme under article 8 of the regulation (EU) 2017/821. WBH argues through own experience that RMAP is currently the most coherent and qualified way to demonstrate OECD compliance. Material determined to be of secondary nature (recycling) is deemed to be outside of the scope of responsible sourcing of minerals.

When it comes to responsible sourcing of primary raw materials (tungsten concentrates) from areas considered to have an elevated risk profile, including but not limited to CAHRAs, the principal guideline for the company are the first two sentences of the introduction chapter of the OECD Guidance:

In conflict-affected and high-risk areas, companies involved in mining and trade in minerals have the potential to generate income, growth and prosperity, sustain livelihoods and foster local development. In such situations, companies may also be at risk of contributing to or being associated with significant adverse impacts, including serious human rights abuses and conflict.

This means that the company will apply reasonable criteria to assure adequate risk management while avoiding a broad boycott, which would deprive local population in these areas from livelihood and development opportunities. The focus of the OECD guidance is mainly on violent conflict and serious human rights abuses (including child labor) but extends also to the other so-called Annex-II risks (involvement of public or private security forces, bribery, fraudulent misrepresentation of minerals and money laundering, as well as adverse impact of non-payment of taxes, fees and royalties). The company is well aware of additional risks in the supply chain, for example, in relation to labor rights and environmental performance and covers these with general purchasing rules (like SSCoC and associated rejection criteria).

Identification of CAHRAs

While there are many sources that provide country scores for a wide range of CSR risks, the definition of what actually does constitute a CAHRA remains a matter of debate. According to the Regulation (EU) 2017/821, CAHRAs mean “*Areas in a state of armed conflict or fragile post-conflict as well as areas witnessing weak or non-existing governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses.*” As the EU regulation is considered consistent with the OECD Guidance, WBH prefers this definition over the original definition by OECD as the latter includes the poorly constraint condition of “or other risk of harm to people”.

WBH does not maintain a global list of CAHRAs but assesses locations of mines and production facilities, transit routes and business addresses of its actual supply chains against CAHRA status. This assures comparability and that definitions are up to date. For each new supplier and each new source (producer), affiliation to CAHRAs is verified, and all existing supply chains will be re-checked based on the supply chain mapping whenever new pertinent information is available (quarterly EU list updates (see below), reports on emerging conflicts) and at least annually.

For each country and where relevant, subnational unit identified as per the above, WBH will verify possible CAHRA-affiliation as follows:

- Check countries against list of “Covered Countries” under Dodd-Frank Act, section 1502;
- Check whether the area in question is included in the up-to-date version of the indicative, non-exhaustive and regularly updated list of CAHRAs published by the European Commission’s DG Trade (www.cahraslist.net) (EU list, established by RAND Europe); and
- Whether there are other factual circumstances that indicate that the area in question needs to be considered as CAHRA in relation to WBH’s supply chain.

The last provision assures a swift reaction on emerging trends such as Russia's declaration of war on the Ukraine and to include issues like impact of smuggling across national borders.

RAND Europe's well-documented approach, which has been reviewed during an extensive public consultation, uses appropriate sources of information for the indicative, non-exhaustive list of CAHRAs. This is similar to WBH's original method and WBH considers it unnecessary to replicate such an approach in addition to RAND. While the EU list contain the term "non-exhaustive", WBH considers that this pertains to truly specific issues and to the fact that the list is updated only in certain intervals. We would expect that the RAND list covers all significant areas and countries in an appropriate manner unless there are very recent developments. This is then addressed by WBH under "additional circumstances" as mentioned above.

WBH used to cross-check the CAHRA evaluation also against information of commercial risk management provider International SOS. However, the scope of their country reports became more restrictive, and WBH started to review the country profiles of the Human Rights Watch and the US State Department instead.

WBH is aware of possible weaknesses of public tools when taking scores at "face value". As the company visits all supplying mines by itself, it has, together with review of data provided by IPIS, ITSCI and the press in general, additional insight into the overall politics of the various countries in its supply chain.

The company does not consider the CAHRA affiliation to provide a simply black/white decision on further steps, and therefore evaluates the risks for all its supply chains on an individual basis and applies individual rules to its supplies in line with these assessments. In contrast to the simplistic view of various stakeholders, origin from a CAHRA does not mean per se that the material has supported conflict or human rights abuses. On the contrary, responsible sourcing from CAHRAs provides development opportunities that can be critical building blocks to overcome the status of being a CAHRA. The company therefore supports responsible sourcing from these areas and through own site visits and direct collaboration with suppliers encourage continuous improvement of the conditions in the field.

As result of the above process, for supplies shipped in 2024, WBH classified one country of origin as CAHRA, namely Rwanda. Rwanda is not listed on RAND Europe's list of CAHRAs compiled for the EU Commission DG Trade, but it is included in the Covered Countries relating to the Dodd-Frank Act and there is an elevated risk of smuggling of concentrates from the neighboring DRC. WBH does currently not source from the Democratic Republic of Congo (DRC).

Know Your Counterpart (Supplier)

New suppliers will only be approved upon a formal KYC assessment, including verification against sanction lists via E2open (Amber Road / Trade Express / SAP-GTS) software. Existing suppliers are continuously monitored by E2open and documents are reviewed at least every three years. For private companies, WBH has to rely on collaboration with the supplier and observation of red flags. This said, many existing suppliers are either public mining companies, known trading houses and/or have been assessed by ITSCI or through third party audits. With RMI ending recognition of ITSCI as upstream (assurance) mechanism, own KYC was extended to CAHRA exporters even if covered by ITSCI and to CAHRA mines. WBH is vigilant with respect to transport companies where risks are identified.

Scope of Risk Assessment

The company is particularly concerned about the possible link between the extraction and trade of minerals with serious human rights abuses, possible support of armed groups and illegal interaction of security forces and follows the recommendations of Annex II of the OECD guidance.

Sandvik has strict anti-corruption guidelines and under no circumstances, the company will accept and offer bribes. The company notes that it might be difficult to identify corruption by upstream supply chain actors, and hence is vigilant to any signs of illegal activities, which comprises also money laundering.

With respect to payment of fees, taxes and royalties, the company has to rely largely on the effectiveness of government services: If a company is duly incorporated and obtains valid export papers from revenue authorities, WBH assumes that all relevant taxes are paid. In case of Rwanda, the introduction of the new mandatory INKOMANE software at the producing mines further enhances the control over official payments.

WBH supports the efforts of the Extractive Industries Transparency Initiative (EITI). In 2024, only two active supply chains are from EITI-implementing countries, both with minor tonnages, one from a country with moderate implementation status, the other country suspended for inadequate stakeholder engagement. Less than 3% of the imported tonnage came from EITI-implementing countries.

EITI is largely focused on LSM and hydrocarbon production, i.e., material contributors to state revenue. However, in the 2022 reconciliation EITI exercise of the country with “moderate” status, WBH’s supplier was included as one of around 100 reporting resource companies despite contributing only about 0.01% of reconciled key revenue streams. In the EITI reconciliation for 2023, published in November 2024, this supplier is listed, together with a number of others, as unresponsive. WBH has currently no commercial relation, but should purchasing resume, will highlight the importance of EITI.

In general, with the supplying sources individually visited and approved as non-conflict-supporting by the company (which in CAHRAs is confirmed by third parties as well), the principal risk is that material from a non-approved site is mis-represented as approved material. To minimize this risk, in addition to traceability data supplied by upstream (assurance) mechanisms, the company undertakes plausibility assessments at the individual mine sites and uses chemical fingerprinting to compare incoming shipments with past deliveries.

On-the-ground Assessments

The company aims to establish, respectively in most cases has already established long-term relation with its suppliers. The company is interested in assessing additional opportunities, on which the successful approach of “help & check” could be applied. Supply chains are often exclusive, i.e., the entire production goes to WBH. On-the-ground assessments, whether in CAHRAs or not, follow a guidance document that combines zero tolerance criteria of the SScCoC, OECD Annex-II risks as well as OHSE and technical / capacity parameter, including but not limited to:

- adherence to a strict “no child labor” approach,
- review how security is provided on site,
- ongoing plausibility of supplies (beyond tagging),
- continuous improvement with respect to OHSE, and
- technical cooperation to improve productivity.

Given the often many years of repeating visits, this is largely an informal process, which in CAHRAs is augmented by the third-party reviews by ITSCI, Better Mining or other consultants. Planned frequency of visits is guided by perceived risk and in CAHRAs, is at least once yearly.

The company has semi-permanent presence in Central Africa through an experienced consulting geologist/engineer, undertaking exploration, providing training and supervising beneficiation and mining projects for various suppliers in the area. He works since 2009 on behalf of WBH and undertakes also

baseline studies for new potential suppliers. His presence provides additional oversight with respect to plausibility of the supplies.

WBH aims to visit all suppliers of mined products, regardless of the classification of the country of origin. Outside of CAHRAs, the company accepts trial deliveries before the initial visit from countries with known resources. Re-visit frequency depends on the perceived risk and location. Industrial mines in western countries are visited for further engagement with the supplier and to assess the supply risk itself or CSR risks outside the immediate “conflict mineral” agenda.

Identified Risks

Supplies from CAHRAs

Escalation of the Conflict in the Eastern DRC

Throughout 2024, the conflict in the Eastern DRC further escalated, with the non-state armed group M23 (Tutsi-dominated), said to be supported by Rwanda, on one side and the Congolese army (FARDC), said to be supported by mercenaries and the non-state armed groups Wazalendo and FDLR (Hutu-dominated) on the other. M23 occupied significant stretches of North Kivu, including the tantalum mining hub of Rubaya. In early 2025, advance of M23 gained momentum, leading first to the occupation of Goma, the capital of North Kivu, and then also to parts of South Kivu, including the capital Bukavu.

There is no impact of the conflict on the DRC side of the border on day-to-day activity in Rwanda. The situation at the mine sites in Rwanda remains calm. However, the risk of inflow from smuggling activity of concentrates produced in the Eastern DRC to Rwanda, where smuggled concentrates might be tagged as to be of Rwandan origin, has likely increased, especially in 2025. This applies mainly to coltan from the Rubaya area but likely also tin and tungsten concentrates.

WBH’s policy to accept only concentrates from pre-approved mines, with own visits and plausibility assessments and verification of the shipments with help of chemical fingerprinting reasonably excludes the contamination by smuggled material. WBH considers there is no need for hasted changes to the policy, but strict adherence to our measures was re-affirmed and communicated to supply chain and own staff.

Incidents Listed by Upstream Mechanisms

All active supply chains from CAHRAs (in 2024 exclusively Rwanda) were covered by either the ITSCI or Better Mining upstream schemes. A last shipment was received each from two supply chains that were halted in 2023, while between the seven active chains there are two mines, where the first shipment was only received in 2025.

ITSCI reported a total of 499 incidents in Rwanda for 2024, but only 14 related to mines or traders in WBH active supply chains. Another 11 incidents were reported by Better Mining in relation to WBH supplies.

Of these 25 incidents,

- two are issues that had been closed out to the program’s satisfaction before WBH started supplies from the given mines,
- two were issued for delayed OECD reports,
- two relate to a tin mine owned by the same operator, and
- five pertain to exporter issues like missing tags for non-WBH shipments.

Of the remaining 14 incidents that relate directly to WBH supply chains

- three pertain to work accidents including one fatality,

- one to mineral theft (<20 kg),
- two to OHSE issues (dumping of rubbish and lack of hearing protection in noisy work environment), and
- one concerns a minuscule weight discrepancy (40kg for a 13-tonne shipment; see below).

WBH addresses OHSE issues in the framework of site assessments against the zero tolerance criteria in relation to the Sandvik Supplier Code of Conduct, and aims for continuous improvement in this area, partly through collaboration with the suppliers, but does not consider the above-mentioned incidents as Annex-II risks in the sense of the OECD Guidance.

The remaining seven incidents relate to illegal mining within or near mining areas operated by two of WBH's suppliers, including theft and violent intercalations between security staff and groups of illegal miners that are often armed with traditional weapons. In some cases, security staff was injured, and in the most severe incident, security shot in self-defense one person out of a large group of the attackers. The case was thoroughly investigated by the police, the Rwanda Investigation Bureau and by the management of the concerned company, and it was concluded that the incident did not exceed UN Basic Principles of Use of Force and Firearms. No charges were pressed against the involved security guard and there was no impact on the company's social license to operate. Nevertheless, the company strengthened its policies and provided additional compulsory training in the Voluntary Principles on Security and Human Rights to own and contracted asset protection staff. Already prior to the incident, it had started a program to integrate selected illegal miners into the regular workforce.

Only two of the Rwandan mines in WBH's supply chain have (a small number of) armed guards on the premises, both using the same professional licensed security contractor for these services. All other rely solely on own unarmed asset protection.

The government is aware of the problem of illegal mining and urges local authorities and mining companies to address the issue. Several of the companies in our supply chain have started to engage illegal miners and integrate them into their production teams, respectively, open separate legal operation avenues for these miners.

Comments about incident-reporting by the upstream mechanisms

WBH is in contact with the upstream mechanisms regarding reporting of incidents, be it about timeliness or completeness of information or the respective risk classification. In public reporting, both systems tend to highlight minor incidents to show the attention to detail, but we would expect rather complete reporting of disturbing truth such as violent intercalations between illegal miners and security or misrepresentation of origin, especially when significant amount of material is involved. For significant incidents, description is often cryptic.

An example of immaterial incident reporting in 2024 is a 40 kg-weight difference for a monthly shipment of 13.4 t that occurred in Aug-23 and was received at WBH in Nov-23, and that was realized by the upstream mechanism only when the shipment report was prepared for WBH in early 2024. The incident was closed after six months, when it was discovered that two tags were recorded with a slightly wrong weight.

Results of Fingerprinting

With respect to Rwandan supplies, fingerprinting results provide good identification of mine and beneficiation route despite spatial proximity of the deposits. Only one supplier (with very low tonnage; around 1 – 1.5 tonnes / month) showed larger deviations from delivery to delivery, but the different

elements show good correlation, indicating that this pattern relates to the variable ratios between the two different deposit areas they mine: lateritic ore in one area and deeper unaltered ore in the other.

Supplies from non-CAHRAs

For the roughly 130 lots of external non-CAHRA concentrates, only one deviation from expected praxis was recorded: WBH obtained a delivery of South American concentrate from the stock of the US subsidiary acquired in late 2023. This is a fully legitimate shipment obtained from an international trader, but at the time of the transaction, the now acquired subsidiary did not have the same documentation requirements as WBH. Only half of the concerned tonnage is from the expected mine of origin while the remainder came from another cooperative. There is no risk of repetition of the issue as this was a stock-cleaning issue not related to active purchasing of WBH.

Other OECD “Red Flags”

Beside the obvious Red Flag of origin from a CAHRA covered above, OECD has also, besides others, Red Flag conditions for:

- Origin from countries through which minerals from CAHRAs transit. This would apply to the Mittersill mine if we would consider the transport of concentrates from Rwanda to the St. Martin smelter as transit. WBH excludes any risk of misrepresentation for the Mittersill supply chain.
- Suppliers that have interests in CAHRA suppliers. This applies to two of our direct suppliers; however, as these are actually supplying concentrates from their affiliates, the risks are covered directly by the known CAHRA supply chains of the company.
- Suppliers that also source from CAHRAs. In 2024, WBH has received shipments from five direct suppliers that source from CAHRAs. One case pertains to the last arrival of a supply chain terminated in 2023. WBH has received exclusively CAHRA shipments from the two of the other four suppliers. From two suppliers, WBH has obtained both, CAHRA and non-CAHRA shipments. In both cases, the direct supplier was used for the non-CAHRA shipments solely to provide bridge financing or inventory management, and the concentrates were shipped directly from the producing sites (western industrial mines in both cases) to WBH. Also due to the nature and composition of the concentrates, there is no risk of misrepresentation.

6. Risk Management

Risk Mitigation Strategy

A balanced approach is required in order to not apply de-facto boycotts on less developed mining areas, which would actually benefit from inclusion into the supply chain of an advanced Western offtaker, and the risk management of the company.

Principal risk mitigation of WBH is to accept only material from designated mines through selected suppliers. With respect to sourcing from CAHRAs (currently only Rwanda), WBH does not rely on third party baseline reviews alone but insists on direct mine visits. This precludes the use of material consolidated from various sources based on “bag & tag” alone. In Rwanda, WBH has full transparency over the individual production sites and working methods of our suppliers, beyond just total production numbers. At the same time, ITSCI and Better Mining provide important information to assess the performance of the supply chains and of the situation and production figures in the area in whole. The company reviews incident reports and statistics and interacts with the traceability providers as required.

With all decisions, WBH must take the company’s position as a respected world-class supplier into account, as well as the possible impact on other supplies from CAHRAs: any contraventions that

compromises directly WBH's RMAP-compliant status and its understanding of Responsible Sourcing would lead to an immediate suspension of the supplies at least until the problems have been solved.

As the challenges are diverse and unpredictable, and the overall number of concerned suppliers limited, it appears unreasonable and unrealistic to have pre-defined risk management plans in place that would allow to answer on any imaginable risk in possibly not yet identified CAHRAs. The company has to rely on its ability to undertake risk management ad-hoc, upon very short notice, taking the guidance of the OECD into account.

In case that problems are identified, or red flags raised, depending on the magnitude of the case, either the President of the company or the Raw Material Compliance Manager will take the required decisions in coordination with other affected parties.

With the location of the current suppliers in mind, WBH does not expect to see direct support of warring factions or serious human rights violations on the mine sites (except child labor) as "likely risks" but is aware of the potential that one of the following might occur:

- (1) Identification of child labor,
- (2) Issues involving on-site security personnel,
- (3) Deterioration of company policies with respect to OHSE or record-keeping, and
- (4) Non-approved supplies entering the supply chain (misrepresentation of origin).

Issue (1) cannot be accepted and would require immediate rectification and consequences on site of the supplier to allow continuing offtake; issue (2) requires attention depending on factual circumstances; for issue (3), a solution would be sought through collaboration with the supplier (and it is generally not to be classified as an Annex-II risk). Issue (4), the misrepresentation of origin involves the risk that material that indeed supports conflict or is related to serious human rights abuses is entering the WBH supply chain. However, it could also relate to far more benign issues like delayed issuing of a mining license.

Based on its due diligence practices, WBH is reasonably assured that

- there is no involvement of child labor in our supply chains, and especially no cases of worst forms of child labor,
- while we highlight certain safety risks during the site visits, none of the supplying mines has OHSE issues that would fall under the zero tolerance criteria of the SSCoC, and
- WBH knows the origin of all incoming shipments in adequate detail, i.e., no cases of fraudulent misrepresentation have been identified. Only exception, where material was supplied that was not approved before, is above-mentioned one-time batch from a Bolivian cooperative that was obtained from the stock of a newly acquired US subsidiary and was sourced under different policies than WBH's standard procedures.

With respect to the incidents involving violent intercalations between illegal miners and security guards, and especially the shooting in self-defense of an illegal miner after security guards were pursued by a group of illegal miners with traditional weapons and being outnumbered with no way to safely retract, WBH discussed the matter in detail with the operator, who provided detailed insight into the risk mitigation already undertaken and planned. The review was completed during the following site visit, when the updated training program for asset protection staff was shown and attendance lists shared.

In summary, once the incident was brought to WBH's attention through the upstream mechanisms regular incident reporting, reaction of the company on WBH's requests was excellent, very comprehensive and

very swift; we had full information within less than two days and agreed subsequently on a way to communicate any significant incident directly between the companies instead of relying on the formal, basic and slow incident reporting by the upstream mechanism.

As the professional reaction of operator and involved security contractor was evident, the main issue was the delay before this issue was brought to WBH's attention, which has been mitigated by the procedures agreed with the operator.

Involvement of Affected Stakeholders

Aim of "Conflict Mineral" / Responsible Sourcing regulations is to protect the most vulnerable groups at or near the upstream end of the mineral supply chains: local miners, their families, and the population of the mining countries at large, from violence, human rights violation and child labor. With its purchasing policy, WBH tries to provide a positive impact:

- no general boycott of minerals from CAHRAs or artisanal and small-scale mining (ASM) as this would deprive the communities from income and the chance of development. Instead, the company allows for active sourcing when the supply chain fulfils ethical standards and does not support conflict.
- For approved supply chains, providing incentives to continuously improve the conditions on the mine site and to give a helping hand with respect to technical development.

This approach can only work with the help of all actors along the supply chain:

- Mine operators (companies or cooperatives) need to be loyal and not look for the "last penny" at each individual sale of concentrates. A reliable longer-term offtake relation is required to make collaboration and technical help worthwhile. It also aligns with the OECD recommendation to establish long-term relationships with suppliers.
- The same applies to intermediaries, especially the exporting traders. In addition, they need to be open (e.g., provide adequate information and documents that might exceed what is asked for by other offtakers), play to the rules of WBH and the upstream mechanisms, even if they consider them excessive, and demonstrate diligence and precision when it comes to tagging systems and reporting.
- Where they are part of the supply chain, the upstream mechanisms (ITSCI, Better Mining, others, if they become available) have to do their best to maintain credibility although recognition by RMI has been halted. As explained above, shortcomings in the programs are noted and brought to the attention of the providers.
- RMI's RMAP is still the preferred program to demonstrate compliance with the OECD DD Guidance. It needs to maintain high standards and credibility without losing the balance between feasibility of audits that need to accept a risk-based approach and expectations of the downstream. RMI has to provide adequate resources specifically to the tantalum, tin and tungsten (3T) programs to assure timely completion of the assessments that are based on legal requirements. Most importantly, assessment results need to be recognized by its own member base.
- Downstream companies cannot expect 100% material assurance. Calls for risk-avoidance instead of risk mitigation would have a detrimental influence on the development and formalization of ASM production areas and the concerned communities. The call for a complete re-set of responsible sourcing practices due to individual failures of tagging programs could harm the most vulnerable groups along the supply chains and have also a detrimental impact on supply security.

Direct customers have been supportive when WBH discussed resumption of sourcing from Central Africa in 2014. It is important that the entire downstream supply chain accepts material responsibly sourced from CAHRAs and ASM, which means a strong focus on the credibility of all involved actors is required.

WBH feels that the nicely balanced compliance system operated over the past 6 to 8 years is under threat of falling apart. RMI unilaterally deviating from the common understanding with TI-CMC and extending reporting requirements beyond what is legally required; independent audit results overwritten by the RMI; stakeholders promoting transparency as value by itself without taking competitive concerns into consideration; risk avoidance by EU and therefore not recognizing industry schemes; NCAs that consider RMAP audits as unacceptable without having credible alternatives at hand; pushing responsibility across choke points; ITSCI and RMI in constant “misunderstanding” and much more.

It is an absolute prerequisite for responsible sourcing to work that strict audits of the smelter choke point carried out by qualified auditors are subsequently accepted and respected by all stakeholders, and in case of RMAP audits, definitely by RMI members. WBH has called upon RMI to provide meaningful audit reports that can be shared along the supply chain, which at the same time take due regard for business confidentiality and other competitive concerns, as highlighted in regulation (EU) 2017/821.

While regulators might have complete insight (complete audit report and sourcing details), customers, other supply chain actors and industry organizations need to rely on the auditor’s conclusion (which therefore needs to be beyond reasonable doubt with respect to qualification). This is a very small and competitive market, where customers are often also competitors, which needs to remain at a level playing field. Transparency cannot be a goal by itself, it would need to provide a measurable advantage for the conditions on the ground. The choke point has been identified for a reason.

Access to the RMAP program must remain unhindered for all entities meeting the smelter/refiner criteria and must not be made conditional to fulfilling unrelated ESG parameter that are certainly worthwhile to consider but for which alternatives to RMI exist.

There is a fine line between monopoly and fragmentation of the compliance sector. Alternatives to RMI would be the Chinese CCCMC standard (at least for Chinese smelters) and a forthcoming ISO standard, which is under consideration, but early stage and very broad.

Efforts to Track and Monitor Progress

Given the rather limited number of direct suppliers and underlying mines, tracking progress is largely an informal activity. The company maintains a register of permitted (compliance) and approved (technical) supply sources of non-secondary raw material for WBH’s APT plant together with information about all mines with near-past and active supplying relation.

Suppliers (or underlying mines) that are found to compromise WBH’s conflict free status, that fail the test against “Rejection Criteria” (related to the SSCoC), or that refuse to cooperate with respect to continuous improvement of the OHSE conditions in supply chains, will be removed from the approved supplier base.

One regular supply chain was terminated at the beginning of 2024 due to decreasing production and lack of funding that was deemed necessary to maintain responsible and sustainable mining of the CAHRA site. Furthermore, supplies from two very small producers in Rwanda were not pursued anymore, with a very small batch (<1 t) shipped from one of them in late 2023 still arriving in 2024. These sites have been taken out of the list of approved suppliers in the meantime.

Observations concerning shortcomings and positive developments at the mine sites are included in site visit reports and other correspondence, which is backed up on the company’s server.

7. Specific Information for 2024

Using an SAP-based platform, WBH keeps a register of all incoming tungsten-bearing material (concentrates, intermediates, scrap and production waste), with unique lot numbers generated for all discernible quantities of raw material. In 2024, just over 400 lots of concentrates, with highly variable lot size (about 0.5 – 25 t) were received. WBH operates its own tungsten mine in Austria and purchases concentrates world-wide. Just over 200 lots came from external mines with slightly over one third of these from CAHRAs (all Rwanda except one shipment from a supply chain that was terminated in 2023).

Two incoming lots in 2024 were last deliveries of supply chains that were halted after the last shipment occurred in 2023. All other concentrate supplies came from active (recurring) supply chains. However, some chains moved to different traders, or some shipments occurred by alternative direct suppliers. Following due diligence visits, it was decided to re-open two additional supply chains from Rwanda. By the end of the year, the inaugural shipments were still en route.

Update due diligence visits were undertaken by WBH to all active suppliers in Rwanda in July 2024 and then again in February/March 2025. In addition, due diligence visits to South America and Asia were undertaken in 2024. Site visits in 2024 covered 48% of the intake of external concentrates (including all active CAHRA supplies); most of the balance (37%) came from western industrial mines. Visits 2022 to 2024 covered 94% of the intake, with almost the entire balance coming from a western industrial mine.

All active supply chains from CAHRAs are covered by upstream (assurance) mechanisms ITSCI or Better Mining, in addition to WBH's own assessment and plausibility visits, which address the Annex-II risks plus EHS "zero tolerance" risks based on the companies Supplier Code of Conduct. The company employs chemical fingerprinting of all incoming concentrate batches, which also allows to discriminate the various sources in Central Africa despite the very close spatial relation.

The company undertakes annually a detailed material balance calculation for the refinery at St. Martin, looking into physical material movement (tungsten units) across the fence-line: all raw material inflow (raw material and return shipments) is balanced with outflow (products, waste streams, material for pre-treatment, return of off-spec raw material) and internal stock movements. The balance for 2024 shows again an excellent fit, with a discrepancy of just 0.15%.

Incidents that lead to possible deviations from accepted practice and company expectations have been detailed under point 5. Risk Assessment / Identified Risks and 6.) Risk Management.

8. Legal Compliance with Regulation (EU) 2017/821

Regulation (EU) 2017/821 of the European Parliament and of the Council from 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum, tungsten, their ores, and gold originating from conflict-affected and high-risk areas entered in full effect on 1 January 2021, and in Austria is implemented by paragraph § 222c of the *Mineralrohstoffgesetz* (law on mineral raw materials; MinroG), as published in the *Bundesgesetzblatt für die Republik Österreich* (Publication Organ for Federal Laws of the Republic of Austria) on 7 January 2021.

In Austria, for the 2024-reporting period, 12 companies fall under the regulation as Union Importers. No ex-post check was carried out on WBH imports by the NCA in 2024. WBH import figures for 2024 were reported on 10 February 2025 and subsequently successfully validated against the data of the customs authorities by the NCA.

An integral component of the EU regulation is the recognition of supply chain due diligence systems (article 8) and provision of a list of global responsible smelters and refiners (article 9). So far, the EU Commission has neither recognized any due diligence systems nor published a "whitelist" of responsible

smelters. Especially for Union importers of metals, this makes the application of the Regulation (EU) 2017/821 very difficult and in its outcome unpredictable.

WBH is affected by these delays insofar as the RMAP audit is not automatically accepted as proof of compliance with the OECD Guidance. However, as WBH can freely exchange all documentation for its own RMAP audit with the NCA in case of ex-post checks, and WBH considers RMAP audits as thorough and undertaken by qualified auditors, we consider that the conditions of Article 6 of the Regulation are fulfilled. A drawback remains that RMAP-compliant refineries cannot be assumed to be conformant with the EU regulation without further Due Diligence, and it is necessary to obtain audit reports for the RMAP audits that are likely to be seen as confidential by the audited entity. The question whether re-imports of Austrian-made tungsten powders are exempt from the regulation has not been posed again; we consider that our products do not require due diligence by customers as WBH is the Union importer.

On 24-Sep-24, as required by Article 17 (2) of regulation, the EU commission provided to EU parliament and council a review of the functioning and effectiveness of Regulation (EU) 2017/821, together with a comprehensive research report compiled by three consultancies. The review states that supply chain due diligence schemes and the whitelist would be tools to facilitate the compliance by Union importers but blames the delay in recognizing these on COVID and the required stringent review. The report by the consultants lists completely erroneous import data for tungsten concentrates (which would be far below the threshold of the regulation, i.e., there is no “place” for any tungsten refinery in the EU to fall under the regulation). Interestingly, it honestly describes that the regulation is essentially unheard of in the CAHRAs and if at all, miners are rather afraid of losing market access (thinking about the reaction on the Dodd-Frank Act, section 1502) than expecting positive results.

9. Comments on Acceptance of supply chains from CAHRAs and Artisanal and Small-scale Mining (ASM) in general

The OECD Guidance highlights that mining of raw materials has the potential to generate income and provide development perspectives to the involved communities. At the same time, mining involves risks, from OHSE and to ethical issues. These risks must be mitigated. In contrast, pure risk-avoidance deprives also responsible miners, companies, communities and states from creating value. After more than ten years of advancing the journey to responsible sourcing through risk mitigation, 2024 seems to have marked a turning point, where risk-avoidance seems to gain momentum. This has been fueled by the failure of industry schemes to be transparent about weaknesses, and by increasing conflict in the Eastern DRC. But it is still not an ethical approach.

Audits of the pinch point, i.e., the smelter-level, aim to provide reasonable assurance to the downstream companies that the upstream part of the supply chain works responsible. Where these audits are undertaken by qualified auditors based on widely accepted protocols, and overseen by a respected organization like RMI, the smelters undergoing these audits should expect that the audit results are accepted, especially by the members of RMI itself. Given the small size of the tungsten industry, information-sharing has to take due regard for business confidentiality and other competitive concerns. Transparency is not a value by itself: If the pinch point facility has shares all information with the auditor, the audit determination should serve as firewall with respect to confidential sourcing information.

The company started sourcing from Central Africa in the mid-2000s and has undertaken due diligence from the onset, notably with respect to issues around Child Labor and OHSE, although in a less formalized way than during the last ten years. One driver was to provide secure offtake for local suppliers against their commitment to continuous improvements, so that the local workforce benefits from the supply chain.

Over the years, WBH has obtained a good understanding of the specific conditions on the ground, and through technical cooperation, provided “help to self-help” – teaching simple solutions to improve productivity and safety without creating undue dependency on expensive first-world solutions.

WBH operates a modern underground tungsten mine in Austria and as the only vertically integrated producer of tungsten powders outside of Asia, and through numerous collaboration projects, has accumulated a wealth of experience in geology, mining and beneficiation of tungsten deposits, which we share with our suppliers, small and big alike. This also leads to a more efficient utilization of the natural resource endowment in the producing countries.

CAHRAs exist worldwide, but the rules of the current assessment programs are very much tailored around the 3T supply chains from the Great Lakes Region in Central Africa. These might not be relevant or difficult to apply in other CAHRAs. In the Great Lakes Region, the sector has adapted to Due Diligence expectation over a period of more than ten years, supported by tens of millions USD of private and public funding.

WBH calls upon all stakeholders to apply flexible yet meaningful conditions for supplies from CAHRAs worldwide without blind reliance on the experience from the Great Lakes. There is also a drive for broad CAHRA definitions to include more area as CAHRAs, but it is important to understand the relation of risks to mining activities: A CAHRA is only then a CAHRA in the sense of the OECD Guidance, if there is indeed a direct link between mineral extraction and Annex-II risks, not for example, if a country is high-risk because of criminal violence in big cities unrelated to mining.

While a boycott cannot be a solution, all involved stakeholders including local miners must understand that supply chains have to be economic. Supplies from CAHRAs stand in competition with supplies from non-CAHRAs including industrial mines in western countries. As long as there are no other contributions to finance upstream traceability and due diligence systems, costs for these have to be assumed by local operators and exporters. One unit of responsibly sourced tungsten has (and should have) the same value, regardless of its origin, as long as it is acceptable for the entire downstream supply chain.

WBH sees various opportunities to improve the performance of the ASM sector in areas of elevated risk, including

- baseline studies that are truly informative including meaningful plausibility assessments instead of over-reliance on bag & tag,
- more attention to capacity building of artisanal miners and formalization of the sector,
- more consideration of the meaning of due diligence, taking into account the specifics of the individual supply chain,
- a level playing field, without unreasonably high thresholds and exceptions for downstream products,
- a fairer share in costs between up- and downstream for due diligence costs, and
- provision of a conducive environment by the individual governments, with harmonization of taxes and duties, adequate support functions for miners including training opportunities and knowledge centers, and elimination of bureaucratic hurdles that might hamper due diligence.

Longer-term reliable arrangements are indispensable when it comes to development. If mine operators, cooperatives or traders look mainly for short-term gains, no downstream actor is willing to invest beyond the “next container” – and no positive development can be reached. It also contradicts the call of the OECD to aim establishing long-term relationships with suppliers. Supply chains should be as short as possible, to provide the smelter with leverage over the mining conditions on the ground.

Finally, it is of utmost importance that well-established and worldwide accepted supply chain due diligence schemes remain on one side recognized and on the other, continue to provide robust and reliable guidance and seek continual improvement of their procedures. Rules need to be predictable. Where responsible sourcing is governed by legal frameworks, such as in case of the Regulation (EU) 2017/821, it is essential that politics recognizes the expertise built by responsible companies, auditors and independent industry schemes over more than a decade. This applies also to downstream companies. WBH notes that Due Diligence does not mean material certification.

Throughout the year, WBH was in close contact with various organizations to discuss and promote responsible sourcing guidance. WBH will continue to work with all stakeholders to support robust and practical traceability while avoiding application of advanced technologies for their own sake, a level playing field to avoid boycott of ASM miners in In the Global South, reasonable expectations of downstream and adequate cost sharing across the supply chain.

In Rwanda alone, over 4000 miners are involved in the production of concentrates for WBH. Since APT production is a continuous process and downstream value chains interwoven, risk avoidance and the call for Great Lakes Region-free supply chains by individual downstream members might require suspending these supply chains altogether. The same applies to implementation of unreasonable audit hurdles beyond reasonable risk-based requirements. Ultimately, the overall process should benefit the miner on the ground and the local communities.



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