

# 2023 Due Diligence Report for Responsible Minerals Sourcing

## Taki Chemical Co., Ltd.

Reporting Date : December 6, 2023

Reporting Period : September-1, 2022 - August -31, 2023

### 1. Company information

Taki Chemical Co., Ltd. is a smelter manufacturing high-purity Tantalum oxide. The company has one smelting facility: Head Factory at 346 Miyanishi, Harima-cho, Kako-gun, Hyogo-ken, Japan (CID:001869). During the reporting period, the tantalum supply chain had been controlled under the Responsible Minerals Management System (RMMS) conform to the Responsible Mineral Assurance Process (RMAP).

### 2. Last audit information

The smelting facility (head factory) has undergone a RBA-RMI assessment on October -12, 13 2023, conducted by Intertek Certification Japan Ltd. The assessment period was from September -1, 2022 - August -31, 2023. It was confirmed that the company's RMMS is conformant with the RMAP standard.

\*Assessment report is on Appendix.

### 3. The Policy

The company has established the Tantalum Supply Chain Policy aligning with the OECD Due Diligence Guidance (OECD-DDG) on July 2018 (Partial revision in December 2019). The policy was assessed and confirmed to be conformant with the Responsible Minerals Assurance Process (RMAP) standard. The policy has been widely disseminated to relevant stakeholders (suppliers, customers, employees etc.) and is available on the company website.

\*Taki Chemical Co., Ltd. Tantalum Supply Chain Policy:

<https://www.takichem.co.jp/eng/products/functional/pdf/tantalum.pdf>

### 4. Company Management System

Senior Managing Director in charge of Quality Assurance Department has whole responsibility and rights for RMAP and has addressed the measures to achieve the related corporate social responsibility. General Manager of Quality Assurance Department is in charge of Chief Administrator of RMMS and controlled the comprehensive management system. Under this Chief Administrator, each of departments: procurement, manufacturing, business, management planning and quality assurance have implemented the management system.

The Chief Administrator implemented the annual education for related persons including new members. The main topic of the training program in this period was the overview of RMMS and the key points of day to day operation.

The company maintains and improves the conformity and efficiency of the management system by implementing the internal audits and management review.

The documents and records related to the management system are maintained at least 5 years in accordance with the documents/records control procedure.

The company has the grievance mechanism. We also refer to RMI and iTSCi grievance systems. Under this mechanism, the complaints and reports are noticed to the Chief Administrator and this triggers the risk (including the risks listed on

OECD-DDG Annex2) assessment followed by risk reducing process if necessary. The whistleblowers' privacy information is protected from using outside of purpose.

The company identifies the country of origin and transit points by reviewing the country of origin certificates issued by government, the customs records, and transportation receipts etc.

The company has made written agreements with all direct suppliers about the related due diligence requirements to accelerate their due diligence performance.

## 5. Risk Assessment

The company has established the process to identify Conflict-Affected and High-Risk Areas (CAHRA). The reports: Heidelberg Conflict Barometer, INFORM Global Risk Index, Control Risk Map, WGI, Regulation(EU)2017/821 etc. are reviewed per the criteria set by the company to identify CAHRAs.

The company identifies its all direct suppliers and the upstream suppliers (if necessary), and implements the Know Your Counterparty (KYC) aligning with the RMAP. No red flag was identified for our suppliers through the reporting period.

If the red flag (defined in OECD-DDG) is triggered on the company's supply chain, the company assesses the risks listed on OECD-DDG Annex2. The chain of custody is maintained by iTSCi (ITA (International Tin Association) Tin Supply Chain Initiative) bagging & tagging system and container sealing when the company procures the primary materials from Democratic Republic of the Congo and adjoining countries.

The company has maintained iTSCi full member status through this reporting period. iTSCi would conduct on-the-ground assessment and company audit for each mines and local traders and provides smelters with the information as Company Audit Report and Mine Baseline Report. The company utilizes these reports for its KYC process such as identification of upstream suppliers and related risks assessments.

iTSCi also issues the Incident Summaries or Summaries of Work in the Field about their on-site monitoring. The company checks the incidents and assessed the risks for each minerals transactions by reviewing these reports.

No incidents related to OECD-DDG Annex2 risk are found in the company's supply chain through the reporting period.

## 6. Risk mitigation

If the incident related to OECD-DDG Annex2 risk is recognized:

- iTSCi would implement the risk mitigation (e.g. reporting to the related authorities etc.) and monitor the progress.
- the company would stop the transaction with the related suppliers, and encourage the implementation of risk mitigation major in accordance with the Tantalum Supply Chain Policy.



# RESPONSIBLE MINERALS ASSURANCE PROCESS ASSESSMENT REPORT

The flagship program of the RMI, the Responsible Minerals Assurance Process (RMAP), formerly the Conflict-Free Site Program (CFSP), takes a unique approach to helping companies make informed choices about responsibly sourced minerals in their supply chains. Focusing on a “pinch point” (a point with relatively few actors) in the global metals supply chain, the RMAP uses an independent third-party assessment of facility/refiner management systems and sourcing practices to validate conformance with RMAP protocols and current global standards. The assessment employs a risk-based approach to validate facilities' company level management processes for responsible mineral procurement. Companies can then use this information to inform their sourcing choices. For more information, please visit: [www.responsiblemineralsinitiative.org](http://www.responsiblemineralsinitiative.org).

## I.ASSESSMENT SCOPE

|  |   |
|--|---|
| <b>Facility Name</b>                         | Taki Chemical Co., Ltd.   |
| <b>CID Number</b>                            | CID001869   |
| <b>Facility Address</b>                      | 346, Miyanishi, Harima-Cho<br>Kako-gun, Hyogo 675-0145<br>Japan |
| <b>Assessment Date(s)</b>                    | 10/12/2023 - 10/13/2023   |
| <b>Assessment Type</b>                       | Re-assessment   |
| <b>Assessed Material</b>                     | Tantalum  |
| <b>Sourcing from High-Risk Supply Chains</b> | No  |
| <b>Assessment Cycle</b>                      | 1 year  |
| <b>Assessment Period</b>                     | 09/01/2022 - 08/31/2023   |
| <b>Assessment Company</b>                    | Intertek  |

## II.ASSESSMENT OBJECTIVES

The objective of the assessment is to assess the facility's level of conformance with the Responsible Minerals Assurance Process Tantalum Standard of Tantalum 2017.

| Indicate which operations take place at the site and are under the same management control |                                       |
|--|---------------------------------------|
| <input type="checkbox"/>   | Mining                                |
| <input type="checkbox"/>   | Blending                              |
| <input type="checkbox"/>   | Solvent Extraction and electrowinning |
| <input type="checkbox"/>   | Smelting                              |
| <input checked="" type="checkbox"/>  | Refining                              |



|                          |                        |
|--------------------------|------------------------|
| <input type="checkbox"/> | Other (please specify) |
|--------------------------|------------------------|

### III.ASSESSMENT METHODOLOGY

The assessment consisted of collecting and reviewing objective evidence including documentation, management and employee interviews, facility walk-through, and other observations demonstrating that the facility/refiner's due diligence management system conforms, in all material aspects, to the requirements of the applicable Standard.

### IV.CONCLUSION

| Assessment Results:                 |  |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | The assessment was conducted in accordance with ISO19001:2011 Standard, taking into account the guidance provided by the Responsible Minerals Assurance Process. The assessor verified the scope, selected samples, and gathered objective evidence through documentation review, interviews, and visual observations.   |
| <input checked="" type="checkbox"/> | The assessor found that the facility's due diligence system are in conformance, in all material aspects, with the requirements of the Responsible Minerals Assurance Process Tin and Tantalum / Tungsten / Gold Standard of 2017, Cobalt Standard of 2021, Mica Standard of 2021, Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc of 2021, Global Responsible Sourcing Due Diligence Standard for Mineral Supply Chains All Minerals of 2021, and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. |
| <input type="checkbox"/>            | The assessor identified material non-conformance(s) between the facility's systems, processes and practices and the requirements of the Responsible Minerals Assurance Process Tin and Tantalum / Tungsten / Gold Standard of 2017, Cobalt Standard of 2021, or Global Responsible Sourcing Due Diligence Standard for Mineral Supply Chains All Minerals of 2021 and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.<br><br>Material non-conformance(s) relate to:  |
| Assessor Statements:                |  |
| <input checked="" type="checkbox"/> | The information provided by the facility is true and accurate to the best knowledge of the Assessor(s) preparing the report.   |
| <input checked="" type="checkbox"/> | The findings are based on verified objective evidence relevant to the time period for the assessment.  |
| <input checked="" type="checkbox"/> | The Assessor(s) have acted in a manner deemed ethical, truthful, accurate, professional, independent and objective.  |
| <input checked="" type="checkbox"/> | The Assessor(s) are properly qualified to carry out the assessment.  |
| <input checked="" type="checkbox"/> | There were no limitations to this assessment.  |