

# Masan Tungsten Limited Liability Company Due Diligence Report for Mineral Supplies in 2025 ('OECD Step 5 Report')

February 3<sup>rd</sup>, 2026

## 1. Company Introduction

- Company Name: Masan Tungsten Limited Liability Company (MTC)
- RMI Smelter ID Number: CID002543
- Company Location: Suoi Cat Hamlet, An Khanh commune, Thai Nguyen province, Vietnam
- 3TG Material Processed: Tungsten
- Reporting period: Calendar year 2025
- Webpage: [www.masanhightechmaterials.com](http://www.masanhightechmaterials.com)

Masan Tungsten Limited Liability Company (MTC) is one of the leading global manufacturers of midstream tungsten products. The company operates a hydrometallurgical facility ('smelter') located at Suoi Cat Hamlet, Ha Thuong commune, Dai Tu district, Thai Nguyen province. Since August 2018 Masan Tungsten LLC has been a wholly owned subsidiary of Masan High Tech Materials, headquartered in Hanoi, Vietnam. MHT owns one of the world's largest tungsten mines outside of China - Nui Phao Mining Company (NPMC) in Northern Vietnam.

In line with its corporate policy, MTC is committed to ensure best practice with respect to safety, health, environment and ethics at all stages of its supply and production chain. MTC fully supports the activities of the Organization for Economic Co-operation and Development (OECD) to avoid any use of raw materials which finance armed groups in Democratic Republic of Congo (DRC) and its neighboring countries as well as other Conflict-Affected and High-Risk areas (CAHRAs).

## 2. RMAP Assessment Summary

MTC is a member of the Responsible Minerals Initiative (RMI) and is certified to the Responsible Minerals Assurance Process (RMAP) standard. MTC is also a full member of the ITRI Tin Supply Initiative (iTSCi), which has developed and implemented a supply chain due diligence system for transparent raw material sourcing with a focus on Burundi, DRC, Rwanda and Uganda ("Great Lakes Region").

MTC is supporting its customers with their due diligence and disclosure requirements defined in section 1502 of the Dodd-Frank Wall Street Reform and Customer Protection Act pertaining to "Conflict Minerals" and the regulations promulgated thereunder by the U.S Securities and Exchange Commission, and the European Regulation (EU) 2017/821 of the European Parliament and of the Council of 17<sup>th</sup> May 2017.

The most recent RMAP assessment of MTC was conducted from 24<sup>th</sup> to 27<sup>th</sup> March 2025 by Arche Advisors, covering the assessment period from 1<sup>st</sup> February 2024 to 10<sup>th</sup> February 2025. The facility underwent a Corrective Action Period (CAP1), and its conformant status was fully recognized on 3 November 2025. The status and the results of the above listed assessment can be found at <https://www.responsiblemineralsinitiative.org/conformant-tungsten-smelters/>. It is anticipated that the next RMAP assessment will be conducted in May 2026. MTC is committed to implementing the recommendations made during the RMAP assessment in a timely manner.

MTC's products are Ammonium Paratungstate (APT), Blue Tungsten Oxide (BTO), Yellow Tungsten Oxide (YTO) and Sodium Tungstate (ST). The company sources its raw material from:

- Tungsten concentrates from Nui Phao Mining Company Limited (NPMC), a wholly owned subsidiary of Masan High Tech Materials.
- Secondary raw materials (produced from scraps).
- Tungsten ore concentrates from mines worldwide.

### **3. Company Supply Chain Policy**

MTC's supply chain policy is fully aligned with the spirit of guidance in the OECD Due Diligence Guidance for Responsible Supply Chains and Minerals from Conflict-Affected and High-Risk Areas. The policy has been reviewed and approved by senior management, which is committed to support its implementation. The policy is available on the parent company website at: <https://masanhightechmaterials.com/our-products/tungsten-raw-materials-procurement/>.

### **4. Company Management System**

#### **Management structure**

The ISO9001 management system is implemented at MTC which amongst other things establishes the criteria for successful quality management by way of a comprehensive set of policies, instructions, and procedures. This management system is supplemented by Conflict Mineral specific documentation developed and continuously revised to reflect the RMAP Tungsten Smelter Standard. In addition to ISO 9001 MTC is also audited against ISO 14001 and ISO 50001.

Senior management has appointed a representative to be responsible for implementation and oversight of the raw material due diligence and supply chain process (Responsible Supply Chain Management - RSCM). The compliance representative will collaborate directly with logistics, quality control, production and the sales department. The Management representative reports directly to the CEO of Masan High Tech Materials and coordinates the work of relevant internal departments to ensure adherence to the Conflict Mineral specific procedures and due diligence

processes. This function is independent to but is closely collaborating with the direct purchasing group. The company conducts due diligence training at least once a year for relevant staff and during the onboarding process of any new key employees, but most of the topics are promoted and discussed informally as part of daily cross-functional interaction. During 2025, seven (6) annual training courses on the OECD Guidance and EITI are conducted to ensure awareness and continuous improvement in the implementation process. The compliance team also regularly took part in training courses organized by the Responsible Business Alliance (RBA). The RSCM is reported on and reviewed annually as part of the management review.

### **Internal Systems of Control**

MTC updates the due diligence management system to be aligned with the OECD Guidance and RMI-RMAP standard. MTC communicates its supply chain policy and sourcing requirements to all potential raw material suppliers and incorporates these due diligence requirements into all legally binding contracts. MTC meets or communicates with all direct suppliers to discuss matters of supply security and responsible sourcing on a regular basis and includes due diligence requirements on the meeting agenda. MTC reserves the right to refuse to accept delivery of materials that do not conform to these requirements and actively reviews the supplier's adherence to these requirements throughout the execution of each contract. In accordance with the requirements of "Know Your Counterparty" (KYC) relevant data are requested from potential suppliers before a business relationship is established. These data are cross checked against independent sources of corporate information (Dun & Bradstreet database), and applicable sanctions lists. The material type and source are then ascertained and cross-checked where possible using analytical fingerprinting, global trade data review, and plausibility assessments including documentary review. The MTC RSCM specifies supplier selection criteria, and minimum due diligence requirements for sourcing dependent on origin, with stricter requirements for supply originating from or transiting through CAHRA's.

As the only company outside of China to successfully bring into production a greenfield Tungsten Mine in the past decade, Masan High Tech Materials has extensive knowledge of mining and beneficiation of tungsten ores and undertakes technical cooperation and project reviews with many of the worlds existing and developing tungsten projects. This internal expertise is leveraged to map global materials flows, validate the geology to support the chemical and physical characteristics of supplied ore, and conduct mine site visits where necessary.

MTC communicates its supply chain policy and sourcing requirements to all potential raw material suppliers and incorporates these due diligence requirements into all legally binding contracts. MTC reserves the right to refuse to accept delivery of materials that do not conform to these requirements.

### **Site Visits**

The MTC RSCM specifies on-the-ground site visits to upstream producers of primary raw materials where supply originates from 'High-Risk' regions as identified by the CAHRA procedure. Furthermore, on-the-ground site visits of secondary material producers are undertaken where discrepancies or abnormalities are identified through risk assessment. These measures are implemented in line with a risk-based approach to ensure effective due diligence and risk mitigation.

In most cases MTC aims to establish long-term relationships with its suppliers and therefore aims to visit all suppliers regardless of the classification of the country of origin.

The objectives of an on-the-ground site visit are set out in the procedure but include:

- Evaluating and identifying risks in accordance with OECD Annex II across the mining operations, supply chain and transportation routes, location of any intermediary storage locations (warehouses, aggregated facilities) for primary materials.
- Identifying and assessing any additional supply chain risks for primary materials.
- Conducting supplier engagement activities to enhance due diligence processes and drive continuous improvement in responsible sourcing practices for all materials.

In 2025, 17 on-the-ground site visits were conducted by MTC, of which (4) for secondary material, (1) for low risk primary material, (4) for non-itsci high-risk primary material, (3) for local exporters of high risk primary material and (5) for ITSCI material, and there were no annex II risks identified detected during the reporting period, only some minor recommendations were proposed for the implementation improvement in long-term relationship mentioned in each on-the-ground assessments. As part of enhancing management system and ongoing engagement with external stakeholders, MTC conducted visits to representatives of the ITSCI Programme and Better Mining initiative in region also.

These visits were undertaken to facilitate information exchange, strengthen collaboration, and gain further insight into upstream supply chain conditions, particularly in high-risk areas. The engagements provided an opportunity for MTC to better understand the operational practices, risk management approaches, and monitoring mechanisms implemented by these initiatives.

In addition, the visits supported the verification of information obtained through desk-based due diligence and contributed to the continuous improvement of MTC's responsible sourcing practices. Outcomes from these engagements are incorporated

into the company's risk assessment and mitigation processes, in alignment with OECD Due Diligence Guidance and RMI RMAP requirements. On-the-ground site visits are conducted by specific competent representatives from Masan High Tech Materials, and are augmented by third party assessments from iTSCi/Better Mining, experienced assessment organizations, other local partners, or consultants. The MTC Site visit and Audit procedure sets out a scope of work, questionnaires, and indicators to be assessed by the competent persons during the visit and is aligned with the guidance given in the Appendix of the OECD Supplement on Tin, Tantalum and Tungsten.

### **Grievance Mechanisms**

In accordance with the OECD due diligence directive and the EU regulation on conflict minerals, MTC investigates complaints involving the procurement of raw materials. These can be sent directly to our grievance mechanism, including the reporting portal platform "M-Trust", operated by the company as instruction in our published Grievance Mechanism procedure here: <https://masanhightechmaterials.com/our-products/tungsten-raw-materials-procurement/>

In 2025, no direct or indirect complaints were received regarding our raw material procurement.

### **Record Keeping System**

All relevant data related to raw material receipt, inventory and feed to the smelter are captured in the Masan Tungsten control system, which is linked to the SAP system used for financial accounting. Additionally, soft copies of shipping documents, compliance documents, tags/receipts, internal procedures etc. are all kept on the company's cloud server which is backed up in accordance with internal IT disaster recovery policy.

All records relating to the due diligence program and relevant information are maintained for at least five years in accordance with the OECD Guidelines.

### **EITI supporting**

Vietnam is not an EITI implementing country; however, MTC confirms its awareness of and support for the principles and criteria of the Extractive Industries Transparency Initiative, in line with Section VIII.A.6 of the Standard. As a publicly listed entity (MSR, UpCOM), the company annually discloses audited financial statements, taxes and payments to governments, and beneficial ownership information, consistent with EITI transparency expectations, including public disclosure of payments and revenues. The company also ensures transparency in import transactions by reporting volumes and payments to the General Department of Vietnam Customs. Beneficial ownership information is incorporated into due diligence processes to identify politically exposed persons and corruption risks, with business relationships declined where ownership transparency is insufficient.

Furthermore, when sourcing from EITI implementing countries, the company supports EITI principles by encouraging suppliers, through contractual due diligence and reporting clauses, to voluntarily disclose information in line with EITI guidelines. During the 2025 reporting period, one supplier within the supply chain was located in an EITI implementing country, and MTC engaged with the in-country supplier to promote alignment with EITI requirements and disclosure practices.

## **5. Risk Identification and Assessment**

### **Scope of Risk Assessment**

MTC procedures distinguish supplies based on differentiation of country of origin and between mined materials and secondary raw materials.

In 2025:

- The majority of primary raw materials for production were supplied by the parent company (Nui Phao Mining Company Limited – NPMC), the mine is co-located and integrated opposite to the MTC Plant and is considered out of scope when MTC handled and controlled 100% the supply chain.
- For secondary materials, majority volume was supplied from the RMI conformant smelter. Furthermore, MTC has established a process to confirm that the material being consumed is genuinely secondary, review the plausibility supply and we check all suppliers regularly according to our KYC process. When in doubt we confirm this with technical site visits.
- For primary raw materials from low-risk origins, the origin of approved mine site is assured using adequate chain of custody and plausibility assessments.
- For primary raw materials from CAHRAs, the vast majority of consumed material is covered by the iTSCi and Better Mining upstream assurance mechanism. We source material from the Great Lakes region exclusively through long-term partners who we assess to have reliable internal controls and strong responsible policy alignment with the OECD Guidelines. MTC is in regular contact with the iTSCi and Better Mining teams, or own suppliers, and other operators in the region to exchange information on supply chains, discuss emerging issues or concerns. MTC regularly reviews monthly production reports, incident reports, and alerts against our own sourcing. MTC supports responsible sourcing from CAHRAs and where origin is not covered by 3<sup>rd</sup> party assurance mechanisms is active in conducting sufficient ongoing due diligence to satisfy internal stakeholders that Annex II risks do not exist in the supply chain; such efforts are detailed in the annual Procurement review for presentation to management and are reviewed during the annual RMAP assessment.
- As demonstrated above, MTC sourced raw primary materials from Conflict-Affected and High-Risk Areas in 2025, with approximately 18.97% and 71.19% from non-Conflict-Affected and High-Risk Areas within the supply chain.

### **Identification of CAHRAs**

MTC identifies the following regions as high-risk without further determination:

- The Democratic Republic of 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 Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia (the ‘Covered Countries’),
- The indicative and non-exhaustive list of CAHRAs provided by the European Commission pursuant to Article 14.2 of the EU Regulation 2017/821.
- Further steps for CAHRA’s identification are outlined in an internal procedure which is derived in accordance with OECD guidelines and is reviewed at least annually or each resource becomes updated and available.

### **Know Your Counterparty (KYC)**

MTC designed a Know Your Counterparty (KYC) process to include information concerning supplier legal status and identity, supplier chain map and potential risks. These data are cross-checked against independent sources of corporate information (Dun & Bradstreet database) and applicable sanctions lists, local laws and internal sourcing requirements. Existing suppliers are continuously monitored, and documents are reviewed at least annually. As part of the Know Your Counterparty (KYC) process, due diligence is mandatory for Tier 1 suppliers and, in high-risk supply chains, should be extended to all upstream actors or, at a minimum, to in-country exporters.

The company performed sanction checks on all suppliers (including companies, their representatives, and beneficial owners). The sanction review must include the following lists: U.S. sanction, EU sanction, UN sanction and further for national sanction lists through Dilisense or Castellum platform.

MTC also requests original information for each material transaction to understand the transaction origin and transportation route, reviews and compares all information against its CAHRA list, relevant sanctions list, local laws and internal sourcing requirements. Whenever discrepancies are identified or clarification is needed, MTC communicates with suppliers and requests an update.

During the reporting period, a supplier is identified under OFAC sanctions through KYC and sanctions screening.

### **Risk Assessment**

MTC applies a structured and risk-based methodology to identify and assess actual and potential adverse impacts across its operations and supply chain, aligned with the OECD Due Diligence Guidance.

Risk identification is conducted through a systematic and multi-source approach, including:

1. Supply chain mapping and scoping: Identification of all actors in the supply chain, sourcing regions, and business relationships, with particular focus on Conflict-Affected and High-Risk Areas (CAHRAs)
2. Data collection and information gathering: Collection of risk-related information from:
  - Internal systems (incident reports, audits, compliance records)
  - Upstream mechanisms (e.g., ITSCI reports, traceability data)
  - External sources (NGOs, regulatory bodies, industry initiatives, stakeholder feedback)
  - On the ground assessment
3. Screening against risk indicators: Evaluation of risks based on internationally recognized criteria, including OECD Annex II risks (e.g., human rights abuses, corruption, conflict financing).
4. Transaction and supplier-level review: Enhanced scrutiny applied to high-risk transactions, red flags, or suppliers operating in high-risk regions.

When utilizing upstream mechanisms (e.g., ITSCI, Better Mining), MTC does not rely solely on such mechanisms but integrates their output into its internal risk assessment framework in alignment with the OECD Due Diligence Guidance.

For upstream mechanisms that are not formally recognized, such as the ITSCI Programme (an upstream due diligence scheme operating in the Democratic Republic of Congo, Rwanda, and Burundi), MTC has conducted a gap assessment to evaluate alignment with OECD requirements. Based on the identified gaps, MTC has implemented additional enhanced due diligence measures to address these gaps and strengthen risk identification and assessment for in-region sourcing.

Based on the implementation of the above approach, no material or high-risk (OECD Annex II) risks were identified in the supply chain during the reporting period.

Separately, upon identification of a counterparty listed under OFAC sanctions through KYC screening, the alert is reviewed and validated by the Compliance representative. A risk assessment is conducted to evaluate the nature, severity, and potential impact of the sanction's exposure. Immediate risk mitigation measures, including suspension of transactions, are implemented. The case is escalated to senior management for decision-making, and all actions are documented.

## **6. Risk Mitigation**

If material and supply chains are determined to be “high-risk”, MTC will conduct enhanced due diligence.

This will include:

- Assessing the context of CAHRAs.
- Clarifying the chain of custody.
- Assessing the activities and relationships of up-to-date suppliers.
- Identifying locations and qualitative conditions of the extraction, trade, handling, and export of minerals; and,
- Conducting on-the-ground assessments.

Measures to minimize identified risks and respond appropriately to ‘red flags’ are described in detail in the MTC RSCM Risk Management procedure. These are aligned to the requirements of Annex III of the OECD Guidelines and include the temporary or complete suspension of the business relationship.

Any identified risk is communicated to the Management Representative who together determines appropriate measures to be implemented, such as further investigation, suspension or disengagement. MTC will apply reasonable criteria to ensure adequate risk management whilst avoiding a broad boycott of geographic regions, which could negatively impact direct and indirect employees of the suppliers and surrounding communities.

If a red flag or concern is raised concerning a supplier of mineral, depending on the nature and seriousness of the concern, MTC may:

- Request an explanation for the non-conformance,
- Conduct immediate on the ground assessment,
- Decide not to enter into or suspend temporarily the purchase of that origin product until corrective action has been implemented,
- Or, if warranted, terminate the contract with the affected supplier.

Contracts for purchasing raw material include provisions allowing disengagement with a supplier upon breach by the supplier of undertakings to comply with OECD Guidance as applicable to their operations. During 2025, 100% of MTC’s suppliers have been accepted.

Where high-risk sources are not covered by 3rd party assurance mechanisms, MTC compliance is active in conducting sufficient ongoing due diligence including reviewing the supply chain risks, conducting desktop review of NGO and media reports, collecting KYC on local exporters, transporters with full beneficiary ownership, sanctions screening, D&B report or on-the-ground assessment if required. These risks are

considered manageable and acceptable after enhanced due diligence. No incident is recorded for material from non-ITSCI high-risk sources.

Among ITSCI sources, there have been 17 incidents related to exporters and miners in MTC's supply chain, of which 10 have been closed. Of the 7 cases that have not yet been resolved or are under monitoring, all were classified in the low-risk category (Level 3), at company level and most of them are related to tags & bags procedure; statistically negligible numbers of missing tags, mixed tags, admin errors etc.

As an active member of ITSCI, MTC uses ITSCI reports and alerts, as well as feedback from reliable traders to monitor the effectiveness of the risk mitigation efforts. MTC also follows up regularly with ITSCI's risk mitigation actions, has applied an enhanced due diligence mechanism, and only sources from long-term suppliers with a strong due diligence system.

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