

Avon Specialty Metals

Communication on Progress

To our Stakeholders,

I am pleased to confirm that Avon Specialty Metals (ASM) reaffirms its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption. ASM also reiterates its commitment to the Responsible Minerals Initiative (RMI) and its updated global approach to eliminating Conflict Minerals and other high-risk materials from our supply chains.

As expectations for responsible sourcing continue to evolve—driven by new regulatory requirements, increased global transparency, and growing customer and civil-society demand—ASM recognises the importance of aligning our practices with the most current international standards. Today, responsible mineral sourcing extends beyond 3TG (Tin, Tantalum, Tungsten and Gold) to include minerals associated with emerging technologies, such as Cobalt, Lithium, and Rare Earth elements. ASM continues to strengthen its due-diligence systems to address these broader material risks.

We remain committed to working with the RMI's globally recognised tools and frameworks, including the Risk Readiness Assessment (RRA) and the Responsible Mineral Assurance Process (RMAP), to ensure rigorous, up-to-date assessments of our suppliers. By doing so, we aim to protect human rights, prevent corruption, support ethical labour practices, and respect the environment across all tiers of our supply chain.

In this annual Communication on Progress, we describe the actions we are taking to continually deepen the integration of the Global Compact principles and responsible-sourcing expectations into our business strategy, culture, and daily operations. These efforts include enhanced supplier engagement, improved traceability, and greater alignment with international due-diligence frameworks such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

We also commit to sharing this information with our stakeholders through our primary communication channels, reinforcing our dedication to transparency and continuous improvement.



Steven Munnoch

Chief Executive Officer

Updated Communication on Progress (COP)

Herein, ASM provides an update on the company's annual achievements, developments, and continued commitments in the areas of Human Rights, Labour Policy, Environmental Protection, Anti-Corruption, and the responsible sourcing of minerals, including the ongoing removal of Conflict Minerals from our supply chain. These updates reflect both our long-standing commitments and our continued efforts to align with today's evolving regulatory and stakeholder expectations.

Human Rights

This year ASM continued to strengthen its approach to Human Rights protection across all business activities. We have maintained and enhanced the following measures:

- Continued alignment with the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance.
- Ongoing monitoring of human rights risks within our supply chain, particularly in relation to high-risk minerals and high-risk jurisdictions.
- Reinforcement of grievance and reporting mechanisms to ensure employees, contractors, and suppliers have clear, confidential pathways to raise concerns.
- Annual review of our Modern Slavery and Human Trafficking Statement, which remains publicly available on our website:

<https://www.avonspecialtymetals.com/modern-slavery>

Labour

ASM remains committed to ensuring a safe, fair, and supportive workplace environment. Over the last 12 months we have:

- Continued to provide a safe and sanitary workplace, adapting our approach as operations have fully normalised post-COVID.
- Strengthened initiatives addressing workplace harassment, mental health, and social inequalities, reflecting the growing importance of wellbeing in modern labour practices.
- Implemented additional measures to prevent employees from exposure to hazardous materials or chemicals wherever possible.
- Reiterated our stance against any form of bonded or forced labour in line with the UK Modern Slavery Act.
- Conducted regular salary reviews to ensure compliance with—and where possible, improvement upon—minimum wage and fair-pay expectations.
- Ensured that all management hiring and HR decisions continue to be based solely on objective, non-discriminatory criteria.

Environment

ASM has significantly enhanced its environmental management and sustainability practices. Key achievements include:

- ISO 14001 EMS accreditation following a successful external audit.
- Initiation of an annual carbon-emissions assessment, with a defined reduction pathway for 2025–2026.
- Completion of regulatory compliance work with the UK Environment Agency, ensuring all required operating permits are now in place.
- Achievement of WAMITAB Silver accreditation, with work underway to reach Gold level.
- Comprehensive updates to standard operating procedures to improve incident prevention, expand emergency readiness, and reduce environmental risk.
- Investment in process improvements to reduce the need for harmful chemicals onsite, improving both environmental performance and operator safety.

Anti-Corruption

ASM continues to uphold a zero-tolerance approach to bribery, fraud, and all forms of corruption. Over the reporting period we have:

- Conducted ongoing assessments of suppliers, customers, and internal business practices to ensure compliance with ASM's Anti-Corruption Policy.
- Reinforced internal reporting channels for suspected unethical behaviour.
- Ensured that all relevant employees receive updated training on anti-corruption expectations and international best practice.

Conflict Minerals & Responsible Minerals Sourcing

ASM has broadened its due-diligence framework to reflect the increasing scrutiny on minerals associated with modern technologies, including cobalt and battery materials, alongside the traditional 3TG (tin, tungsten, tantalum, gold). Key developments include:

Policies & Governance

- Continued full adherence to ASM's annually updated Responsible Minerals and Due-Diligence Policies, aligned with OECD and RMI requirements.

Policy available at:

<https://www.avonspecialtymetals.com/responsible-minerals>

OECD Five-Step Due-Diligence Framework

ASM has maintained conformance with its five-step due-diligence policy:

1. Strong company management systems
2. Risk identification and assessment across all mineral supply chains
3. Implementation of risk-mitigation strategies
4. Observation of third-party audits of all smelters and refiners
5. Annual reporting via this COP and related disclosures

RMI Alignment & Supplier Assurance

- Continued use of the RMI's Responsible Minerals Assurance Process (RMAP) to verify due-diligence of ASM's Tantalum and Tungsten suppliers.
- Internal audits confirm that ASM sourced all primary Tantalum and Tungsten exclusively from RMI Active or Conformant Facilities this year.
- 100% of primary suppliers returned Conformant CMRTs, validating their responsible sourcing practices.
- Risk Assessment Tools Utilised
- ASM uses multiple internationally recognised resources to identify Conflict-Affected and High-Risk Areas (CAHRAs), including:
 - Heidelberg Conflict Barometer
 - Fragile States Index – Human Rights category
 - Rule of Law indicators for assessing governance quality
 - European Commission CAHRAs list (<https://www.cahraslist.net/cahras>) — stored internally for staff reference

These combined assessments identified no unmitigated risks of materials entering our supply chain from CAHRA-listed locations.

Supplier Audits

ASM intends to resume international supplier site visits in 2025–2026 to strengthen verification activities.

Stakeholder Engagement

- ASM has taken a more proactive role in educating stakeholders on responsible minerals sourcing and the importance of OECD and RMI frameworks.

Responsible Sourcing – Priorities for 2025/2026

ASM will:

- Extend its existing due-diligence procedures to the Cobalt supply chain