

## Avon Specialty Metals – Communication On Progress

To our stakeholders, I am pleased to confirm that Avon Specialty Metals (ASM) reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, Anti-Corruption and the Responsible Materials Initiative’s approach to ridding ASM, its Customer’s and Supplier’s supply chains of Conflict Minerals.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the principles of the Global Compact into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Kind regards

**Dan Bowman**  
**Director**

## Communication On Progress

Herein ASM seeks to provide an update to the company's annual achievements and developments in areas including the protection of Human Rights, Labour Policy, reducing its impact on the Environment, Anti-Corruption and removing Conflict Minerals from its supply chain.

### Human Rights

This year ASM has continued to update and monitor its approach to human rights and have maintained the following:

- On-going commitment to providing our workers with a safe, sanitary work place, which throughout the last 12 months has been a constant challenge due to the COVID-19 pandemic
- A constructive approach to address any workplace harassment, mental health impacts of work and social inequalities
- Measures have been put into place to ensure that where possible our employees are protected from or not working with materials or liquids that may otherwise put them at risk in the execution of their daily duties

### Labour

This year ASM has continued to:

- Ensure that the company does not partake in any bonded labour as is reflected in the company's adherence to the UK's Modern Slavery Act which can be found on the company's website (<https://www.avonspecialtymetals.com/blank-page-1>)
- ASM undertakes constant review our employee's salaries to ensure that minimum wage standards are being met
- Ensure that Management's employment related decisions continue to be based upon objective criteria

### Environment

This year ASM has enhanced its approach to protection of the environment

- ASM has undergone a feasibility study to incorporate a biomass heating system at its works
- ASM has invested heavily in clean extraction systems for its plant to ensure that any harmful emissions are kept to a bare minimum, with a goal to neutralise all harmful emissions in the next 12 months
- ASM has reviewed and updated its standard operating procedures to prevent and address accidents in its chemical plant, whilst investing in the refurbishment of a large part of the facility to ensure no future environmental damage

### Anti-Corruption

ASM has continued to take the strongest stance on anti-corruption

- Continual assessment of our own suppliers, customers and ASM's own business practices

### Conflict Minerals

ASM has broadened and focused its approach to monitoring and reacting to Conflict Minerals that may appear in its supply chain

- ASM adheres strictly to an annually updated Conflict Minerals and Due-Diligence policies, in-line with OECD and RMAP requirements, ASM's Conflict Minerals Policy can be found on the company's website (<https://www.avonspecialtymetals.com/social-responsibility>)
- ASM has conformed with its 5 step Due-Diligence policy maintaining:
  1. Strong company management systems
  2. Risk identification and assessment procedures in the company's supply chain
  3. Implementation of designed strategy to respond to identified risks
  4. Observation of third-party audits of smelters and refiners present in its supply chain

5. Reporting annually on its progress via this COP

- ASM has taken a more pro-active approach to encourage and inform suppliers and customers of the resources and tools available to ensure that their supply chain remains conflict-free, referring them to OECD and RMI initiatives where applicable
- This year ASM has started the process of becoming an RMI approved supplier of Cobalt adding to its existing accreditations as an RMI approved supplier of Tantalum and Tungsten, ASM will apply its existing Due-Diligence policies and procedures in the coming year to its Cobalt supply chain in an attempt to gain RMI compliance for Cobalt.

### Measurement Of Outcomes

As a small company ASM is using appropriate resources to ensure that key elements of the Ten Principles of United Nations Global Compact are upheld and are using some of the following metrics for tracking the company's progress:

- Monthly consultation and testing from external HR professional in regards to ASM's approach to the company's Human Rights and Labour Policy – this year that led to a review and renewal of employee contracts
- ASM has undergone regular spot checks from Government bodies including the HSE (Health and Safety Executive) ensuring that ASM is keeping up to date with its approach to Human Rights and the environment our employees work in, ASM has passed all spot-checks in the last 12 months
- After an investment in its chemical plant ASM has begun working with the Environment Agency in the UK, to ensure that the company has the correct permits to operate, this should be completed within the coming twelve months and will be a measurable improvement once approved
- ASM has been re-audited by the RMI and holds a 100% Conflict Minerals Reporting Template return from its suppliers confirming all sourcing has been conducted in line with the RMI's guidelines, whilst also taking a more pro-active approaching to due-diligence in the coming 12 months ASM will look to direct as many suppliers/customers towards the RMI for their own training and understanding of their raw material supply chain which can be easily measured
- ASM has looked to apply the same due-diligence principles to its Cobalt procurement and is working with its suppliers and the RMI to receive full RMAP compliance and complete full on-site risk assessments when possible
- ASM will employ in the next 12 months a zero-tolerance approach to Corruption in its own workplace and with its customers and suppliers, taking action to report any evidence of corruption or reprimandable business ethics to the relevant authorities

For any questions in regards to ASM's Communication On Progress, please send an email to [enquiries@avonspecialtymetals.com](mailto:enquiries@avonspecialtymetals.com)