



Supply Chain Policy of Philippine Chuangxin Industrial Co., Inc.

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We, Philippine Chuangxin Industrial Co., Inc, (hereinafter “PCX”) is committed to purchase raw materials from conflict free area only, avoid the sources of raw materials from conflict area, which may directly and indirectly support or benefit illegal armed groups from conflict-affected and high-risk area (CAHRA) identified. PCX has strictly monitored the supply chain to forbid any potential purchasing activities that will do harm to the global peace.

Supply Chain Policy of PCX includes the following:

1. Monitoring and investigating the suppliers.

All the suppliers of our company are well known and monitored by us. Tungsten soft scrap are mainly used as the raw materials in our smelter, we usually receive these materials from traders and tungsten related products factories, for every deal, we will well investigate the sources of these materials. At present, we have reliable and long-term suppliers, they sell tungsten soft scrap to us mostly sourcing from USA, European countries, Japan, and when we add new supplier, we will well make an investigation to monitor their potential possibilities of sources of raw materials from conflict area, to avoid the relative activities from beginning.

2. Well studying the Supply Chain policy

The relative personnel in our company will train the relative staff regularly, make the supply chain policy well known and studied by all the relative staff, so that they will do the right things to control the possibilities of raw materials from conflict area in the whole operation of company.



3. Participating in RMAP

We have participated in an independent third-party audit under the Responsible Mineral Assurance Process (RMAP) jointly developed with the TI-CMC and the Responsible Business Alliance (RBA), the while audit preparation and the following maintaining of qualification for the program after joining as a member will be an effective lesson to the implementation of supply chain policy. Meanwhile, PCX supports the implementation of the principles and criteria of the Extractive Industry Transparency Initiative (EITI). PCX commits to prevent and eliminate any risks mentioned on the Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance).

4. Daily operation management

In the daily operation, we will monitor all the relative procedures and documents, such as the original documents/certificates, import documentation, etc. Carrying on standard management to meet supply chain policy requirements.

5. Respecting legislations, respecting human right

PCX has respected and will always respect legislations and human right, contribute to the global peace with the hardest endeavor, well manage ourselves, and condemn all the activities that will do harm to the world peace.

This file can be found on the website of www.cxtungsten.com.