

Step 5 Due Diligence Report

1. Company Information

a. Company name: CTIA GROUP LTD

b. CID number: CID004061

c. Company location: Unit 05, 8th Floor, Building D, Xiamen International Shipping Center, No. 97, Xiangyu Road, Xiamen, Fujian

d. Material processed: Tungsten

CTIA GROUP LTD is committed to the research and development and global e-commerce trade expansion of tungsten products. High-end customization of tungsten products based on professional, authoritative and comprehensive tungsten industry information is the characteristic of CTIA and the foundation of its survival and development. For many years, CTIA has adhered to the field of tungsten industry and the path of specialization, customization and intelligence; it has cultivated a technical and sales team with tungsten product design and professional sales services; based on its own design and joint with excellent design and equipment capacity in the industry, CTIA has become a unique and well-known enterprise. It will base itself on the tungsten industry, expand product breadth and service depth, and strive to make breakthroughs in the field of customized tungsten products.

2. DAP Assessment Summary

a. Date of DAP assessment per facility : MAR.31,2023

b. Assessment period: 03/13/2023 - 03/13/2023

c. Assessment firm: UL Responsible Sourcing

d. Assessment ID: G-DAP-10000062

This is the initial audit that will be processed at CTIA GROUP LTD.

3. Company Supply Chain Policy

CTIA's supply chain policy is fully aligned with the spirit of the 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 company website at: <https://en.ctia.group/wp-content/uploads/2023/03/00164cdee06e.pdf>

4. Company Management System

Management Structure

a. CTIA follows through on its commitments in the supply chain policy and has developed an internal procedure for due diligence with the following aspects:

b. CTIA's general manager is responsible to oversee the due diligence program and risk management design and implementation.

c. CTIA has assigned a due diligence program manager to coordinate the work of the relevant departments (including the Purchasing Department, Financial Department) to ensure each department follows up on their roles and responsibilities to implement the due diligence program and report any red flags and potential risks identified.

d. CTIA conducts due diligence management system training once a year for key staff from all relevant departments required in due diligence program. If there is an update of the program, CTIA conducts additional training as necessary.

Internal Systems of Control

- a. CTIA has established/updated its due diligence management system to be aligned with the OECD Guidance and RMAP.
- b. CTIA communicated the updated supply chain policy and sourcing requirements to all identified upstream suppliers.
- c. CTIA has incorporated due diligence requirements into legally binding agreements with direct suppliers.

Record Keeping System

CTIA requires that all records relating to the due diligence program are maintained at least for five years and that they be properly used and safely stored in our computer database.

5. Risk Identification

CTIA has a robust process to identify risks in the supply chain.

Firstly, referring to the risks in the company's supply chain policy, our company established a procedure to identify CAHRAs. The procedure includes the resources used, the criteria to define a "conflict-affected and high-risk area as well as the frequency with which our determination is reviewed. The company uses the following resources to determine CAHRAs: The Heidelberg Conflict Barometer provides conflict maps, representing an annual snapshot of the presence of armed conflict.

Secondly, our company designed a Know Your Supplier (KYS) to include information concerning supplier legal status and identity, supplier mapping and potential risks. Whenever inconsistencies, errors or incomplete information were identified in the KYS form, our company communicated the improvement areas to suppliers and requested an updated form. If red flags were identified, our company would further engage with its suppliers to clarify and improve the documents as needed. During this reporting period, no red flags were identified related to submitted KYS forms. Thirdly, our company requested origin information and ensured that it was able to understand the transaction origin, as well as direct suppliers' names and locations.

Fourthly, all information collected was reviewed by our company against CAHRAs, local laws and internal sourcing requirements.

CTIA GROUP LTD

JAN.5, 2023