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Quality document
for
Policy, Purchasing - Conflict Materials

Purpose

To provide policy direction regarding specific “conflict materials” that may be used by TX RX

Scope

Limited to conflict materials: tantalum, tin, tungsten and gold.

Responsibility

It is the Purchasing department’s responsibility to enforce our conflict materials policy on our suppliers.

References

[1] QA030125 – Purchasing Process

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Revision history

Rev.	Date/Sign	Description
1	2021-01-20/JW	Initial Release



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1 Statement of Compliance for DRC Conflict-Free Sourcing

TX RX Systems supports worldwide concerns that minerals mined in conflict areas of the Democratic Republic of the Congo (DRC) may be making their way into the electronics supply chain. The TX RX Systems policy requires our supply chain partners to certify in writing that they do not knowingly procure Gold, Columbite-Tantalum, Wolframite or Cassiterite from conflict areas of the DRC. We are continually surveying our supply chain regarding sourcing and procurement of Gold, Columbite-Tantalum, Wolframite and Cassiterite, as well as their derivatives – Tin Tungsten, and Tantalum. Due to traceability issues and the lack of mines or smelters effectively participating in the regulation, TX RX Systems cannot certify with 100% certainty that our supply chain is Conflict Free until supply chain transparency is more discernible.

We strive to manufacture in a clean and safe environment. We are committed to supporting our customers' requirements with reference to the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all other programs concerned with protecting both users of our products and the environment.

2 Policy

2.1 Background

The electronics supply chain is deep and wide, with multiple layers of supplies located in multiple countries. This supply chain model has led to incredible efficiency and the ability to produce high quality electronic products at an exceptional price point. However, this same highly decentralized, ultra-efficient supply chain makes it extremely difficult to trace back the source of metals used in products or parts.

According to the federal legislation, columbite-tantalite, wolframite, and gold ores- which are refined into tantalum, tin, tungsten, and gold, respectively – are conflict minerals.

The term conflict minerals generally refer to those minerals originating from the DRC and neighboring countries that may have directly or indirectly contributed to the financing of armed groups. Such armed groups may be responsible for violence – often toward women and children – and human rights violations in the DRC. Armed groups may directly manage a given mine or tax the mine and/or the transport routes for the minerals. The minerals then typically change hands six to ten times before they are incorporated into end products. The metals ultimately derived from conflict minerals may be used in a variety of electronics applications.

2.2 Process

- Step 1: Establish our goal.
- Step 2: Set expectation within our supply chain.
- Step 3: Identify and assess risk in our supply Chain.
- Step 4: Design and implement a strategy to respond to identified risks.



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2.2.1 *Our Goal*

Remove conflict minerals from the supply chain by continuing to focus our energy and efforts on implementing the systems and processes that will enable us to achieve a conflict-free supply chain.

2.2.2 *Supply Chain Expectation*

Suppliers must have a policy to reasonably assure that the tantalum, tin, tungsten, and gold in the products they manufacture are conflict-free. We expect suppliers to establish their own due diligence program to ensure conflict-free supply chains. Suppliers must ensure that all parts used to manufacture products supplied to TX RX Systems originate from certified conflict-free smelters.

2.2.3 *Identifying and Assessing Risk in the Supply Chain*

It is our policy to ask our global production supply base to identify the use of tantalum, tin, tungsten, gold and certify that these minerals were not extracted from the DRC.

2.2.4 *Responding to Identified Risks*

Given the scope and complexity of the issue, it is also a balanced strategy that relies on both TX RX Systems and collective industry action to maximize the impact.

In the engagement with our global supply chain, TX RX Systems is pursuing two-way communication with suppliers in face-to-face meetings, direct dialogue, and surveys. We anticipate our communication with suppliers to be part of an iterative information-gathering process in which we collect information and evaluate its validity. This will contribute to our effort to ensure responsible mineral sourcing throughout our supply chain.