

**Responsible Minerals Sourcing Report of Materion Corporation  
for Materion Advanced Materials Germany GmbH during the Reporting Period  
from January 1, 2021 to December 31, 2021  
Issued June 29, 2022**

## Overview

This Responsible Minerals Sourcing Report (this “**Report**”) of Materion Corporation (including its consolidated subsidiaries, “**we**”, “**Materion**” or the “**Company**”) has been prepared pursuant to Regulation (EU) 2017/821 of the European Parliament and the Council of the European Union (“the **Regulation**”) for the Materion Advanced Materials Germany GmbH located at Borsigstrasse 10, 63755 Alzenau, Germany during the reporting period from January 1, 2021 to December 31, 2021 (the “**Reporting Period**”). The contact at this facility is Carl Stahr, Plant Manager, and the phone number is +49 6023.91820.

Regulation (EU) 2017/821 of the European Parliament and the Council of the European Union requires Union importers of minerals or metals containing or consisting of tin, tantalum, tungsten or gold (3TG) where annual import volumes are at or above the identified thresholds to perform supply chain due diligence in relation to their management systems, risk management, independent third-party audits and disclosure of information with a view to identifying and addressing actual and potential risks linked to conflict-affected and high-risk areas (CAHRAs) to prevent or mitigate adverse impacts associated with their sourcing activities. Article 6 of the Regulation provides that Union importers are exempt from the obligation to carry out third party audits provided they make available substantive evidence demonstrating that all smelters and refiners in their supply chain comply with the Regulation. Article 7 of the Regulation requires EU importers to make available to their downstream purchasers all information gained and maintained through their supply chain due diligence. Importers must also “publicly report as widely as possible” including via their website on their supply chain due diligence policies and practices. This must include steps taken to implement the management system, details for their risk management approach, and a summary report of the third-party audits undertaken each year and reported annually to appropriate EU member state competent authorities. The report will demonstrate that the company has performed an investigation and taken appropriate action under the Regulation, following the OECD Due Diligence Guidance 5 step approach.

The Company’s operations may at times manufacture, or contract to manufacture, products for which 3TG are necessary to the functionality or production of those products (collectively, the “**products**”). The Company, at its operations in the EU, imports 3TG metals from outside of the EU to be incorporated into the products produced at these facilities. The company does not import 3TG containing minerals into the EU. The Company has conducted a good faith, reasonable country of origin inquiry (“**RCOI**”) regarding the 3TG included in the products during the Reporting Period to determine whether any such 3TG metals originated in CAHRAs and/or whether any of the 3TG metals were from recycled or scrap sources. Where applicable, the Company has conducted additional due diligence regarding the sources of the 3TG. The results of the Company’s RCOI regarding the 3TG, as well as the Company’s additional due diligence regarding the sources of such 3TG, are contained in this Report, which is publicly available at [www.materion.com](http://www.materion.com). The content on, or accessible through, any web site referred to in this Report is not incorporated by reference into this Report unless expressly noted.

Materion, through its wholly owned subsidiaries, is an integrated producer of high-performance advanced engineered materials used in a variety of electrical, electronic, thermal and structural applications. Our products are sold into numerous end markets, including semiconductor, consumer electronics, industrial components, defense, medical, automotive electronics, telecommunications infrastructure, energy and commercial aerospace.

Our businesses are organized under four reportable segments: Performance Materials, Electronic Materials, Precision Optics, and Other. Our Other reportable segment includes unallocated corporate costs.

### ***Performance Materials***

Performance Materials provides advanced engineered solutions comprised of beryllium and non-beryllium containing alloy systems and custom engineered parts in strip, bulk, rod, plate, bar, and other customized shapes at manufacturing facilities located throughout the United States and Europe. This segment operates the world's largest bertrandite ore mine and refinery, which is located in Utah, providing feedstock hydroxide for its beryllium businesses and external sales. In addition to the products described below, this segment provides engineering and product development services to help our customers and partners with product design, including delivering prototype parts and other data to demonstrate that the products will perform under the specified design conditions.

### ***Electronic Materials***

Electronic Materials produces advanced chemicals, microelectronics packaging, precious metal, non-precious metal and specialty metal products, including vapor deposition targets, frame lid assemblies, clad and precious metal pre-forms, high temperature braze materials, and ultra-pure wire. These products are used in semiconductor logic and memory, medical, energy, lighting, defense, optics and wireless communications applications within the consumer electronics, industrial components, and telecommunications infrastructure end markets. Electronic Materials also has metal recovery operations and in-house refining that allow for the recycling of precious metals.

### ***Precision Optics***

Precision Optics provides custom made, precision optical filter products spanning a broad range of the electromagnetic spectrum (from UV to LWIR) and offers assembly capabilities at manufacturing facilities located in the United States, Europe, and Asia.

Precision Optics possesses broad and in-depth knowhow in optical thin-film coating processes, complemented by sophisticated patterning, glass bonding and sealing, and further processing capabilities necessary for producing optical thin film coated components up to optical subassemblies. Highly experienced and skilled development and engineering teams collaborate closely with customers to develop innovative solutions meeting their specific requirements. The combination of these capabilities and skills places Precision Optics at the forefront of markets in the photonics industry such as semiconductor, industrial, aerospace and defense, consumer electronics, and automotive.

### ***Other***

The Other segment is comprised of unallocated corporate costs.

## **Description of Materion's Reasonable Country of Origin Inquiry**

Materion has performed a good faith RCOI regarding the 3TG that were in our supply chain between January 1, 2021 and December 31, 2021 to determine whether any of the 3TG originated in the CAHRAs and whether any of the 3TG may be from recycled or scrap sources in accordance with the Regulation and related guidance provided by EU.

The Company's global supply chain is complex. In the course of its business operations, the Company may purchase metals containing 3TG. These metals may, in turn, be included in the Company's products. Because the Company does not normally purchase 3TG directly from mines, smelters or refiners, there are many third parties in the supply chain between the Company and the original sources of 3TG. As a result, the Company relies on its direct suppliers to provide information regarding the origin of any 3TG that are included in its products. In accordance with the framework in the Organization for Economic Co-operation and Development Due Diligence Guidelines for Responsible Supply Chain of Minerals from Conflict-Affected and High Risk Areas: Third Edition, including the related supplements on gold, tin, tantalum and tungsten (the "*OECD Guidelines*"), and as required under the Regulation and related guidance provided by EU, the Company worked with its direct suppliers to identify, where possible, the smelters and/or refiners and countries of origin of the 3TG.

Prior to and during the Reporting Period, the Company worked to identify current and new direct materials suppliers that it believed provided materials or metals containing 3TG (collectively, the "*Identified Suppliers*"). The Company then surveyed all the Identified Suppliers to determine whether each such Identified Supplier was supplying materials or metals to the Company that contained 3TG and, if so, to determine the source of such 3TG. The Company's surveys required Identified Suppliers to, among other matters, confirm the source of any 3TG contained in metals supplied to the Company and to provide any updates regarding such responses.

The Company, with respect to the Reporting Period, reasonably determined that certain of its products described above under "*Overview*" contain 3TG metals necessary to the functionality or production of such products.

For the Reporting Period, the Company sought and obtained representations from all 68 Identified Suppliers from whom the Company sought such representations. Such representations included, from all Identified Suppliers, Responsible Minerals Initiative ("*RFMI*") Conflict Minerals Reporting Template ("*CMRT*") indicating the facility at which the 3TG were processed.

## **Due Diligence**

For the Reporting Period, Materion performed due diligence from September 2021 through March 2022 to determine the source and chain of custody necessary to determine 3TG in the Company's product offerings. Materion designed its due diligence measures to conform in all material respects with the OECD Guidelines and the Responsible Business Alliance's Responsible Minerals Assurance Process ("*RMAP*"). This process included building 3TG awareness across the supply base and the survey of all Identified Suppliers that were known to or may have provided products containing metal and /or 3TG.

Materion occupies a "downstream" position in the supply chain, as defined under article 2 of the Regulation, and followed the principles outlined in the OECD Guidelines for downstream companies with no direct relationships to smelters or refiners. In this context, "downstream" refers to the supply chain from smelters and refiners to retailers and includes companies such as ours, as well as product and component manufacturers and retailers. A summary of Materion's due diligence activities in line with Articles 4 and 5 of the Regulation and the OECD Guidelines is outlined below.

*Step 1: Establish strong company management systems:*

- Materion has published an updated formal [Responsible Minerals Sourcing Policy](#) to address 3TG sourcing in the CAHRAs in accordance with UN resolutions with a pledge to purchase materials

only from sources that are not involved in or contributing to illegal armed groups, human rights violators, or financial wrongdoings.

- Materion maintains a governance model to oversee the implementation and ongoing management of the Conflict Minerals Compliance Program. The governance model consists of two groups: The Steering Committee and the Core Team, and various work products. The objective is to develop, document and maintain a governance structure that enables sustainable compliance and actively mitigates the risk of regulatory non-compliance;
- Materion maintains a process to evaluate raw materials, parts and suppliers in the supply chain for potential 3TG risk;
- Materion communicates its policy regarding the responsible sourcing of 3TG to all existing and new suppliers including through language incorporated in supplier contracts, agreements, flow down language in all United States Government contracts and the Materion Supplier Code of Conduct. Additionally, wording has been added to supplier contracts and written agreements including the right to conduct unannounced spot-checks;
- Materion continues to leverage SAP and other enterprise risk management (“*ERP*”) systems and Quality Management procedural controls to prevent transactions with non-conforming conflict mineral suppliers;
- Materion has established long-term relationships with suppliers and closely manages the pool of suppliers eligible to be utilized; and
- Materion will continue to refer to RMI’s Grievance Mechanism to collect information on grievances for all interested parties to provide information or voice their concerns regarding its sourcing and use of 3TG in its products.

*Step 2: Identify and assess risks in the supply chain:*

- On an annual basis, Materion evaluates raw materials and parts that are known or are likely to contain 3TG using a risk-based approach;
- Each compliance year, Materion requires identified suppliers to provide a CMRT. Materion has a 100% response rate for seven consecutive years;
- Materion engages Identified Suppliers in one-on-one individualized capability training in order to build their capabilities and to enable them to improve their understanding of the regulation and their responsibility as a Materion supplier;
- Materion requires all Suppliers provide their CMRT aggregating all the smelters/refiners in their Supply Chain including the mineral name and address of the smelter or refiner and CID number;
- Materion conducts a review of supplier responses to determine that all required questions and sections of the CMRT were completed, follows up with any supplier that did not complete all required questions, and verifies the CMRT had an acceptable Effective Date and appropriate CMRT version
- Materion reviews the survey responses and validates them for completeness and sufficiency;

- Materion reviews aggregated supplier survey responses and reports key metrics as part of the monthly 3TG reporting process; and
- Materion conducts an annual review of summary smelter information to determine if the smelter is certified as conformant or presented a "red flag" as defined by the OECD Guidelines. To make the determination of each smelter's conflict status, Materion relies upon information provided by the RMI. RMI conducts a Responsible Minerals Assurance Process (RMAP), in which it certifies smelters and refiners worldwide as being Conformant or Active (in the process of a RMAP assessment and previously Conformant) after confirming specific information, including country of origin for 3TG that the smelter/refiner may purchase for its operations. RMI makes available to the public the list of smelters/refiners that have been certified by RMI as Conformant or Active. Additionally, Materion is in the process of joining RMI in order to obtain additional information such as country of origin and risk management assessment tools not available to non-members.

*Step 3: Design and implement a strategy to respond to identified risks:*

- Annually, Materion completes the RMAP Downstream Assessment, the RMI and OECD Due Diligence Guidance Expectations for Downstream companies, at the conclusion of its due diligence and provides a summary of the identified risks and gaps to senior management with recommended action plans to reduce risks and close gaps.;
- Materion maintains a risk mitigation strategy with the goal of systematically reducing exposure to certain risk and the likelihood of its occurrence;
- Materion maintains a risk mitigation plan and monitors execution. New supplier onboarding includes requirements for all suppliers to provide a current CMRT and an agreement to respond to annual conflict minerals surveys;
- Materion continues to systematically and procedurally limit purchasing with suppliers based on their unresponsiveness to 3TG inquiries or use of non-Conformant Smelters and Refiners;
- Materion places additional restrictions on smelter sources based on non-conflict mineral related customer requirements; and
- Materion reports new identified risk to The Steering Committee and in coordination with the Core Team implements strategies to mitigate current risks and prevent reoccurring risks; and
- Additional fact finding, risk assessments and changes in circumstances take place as part of Materion's annual review of its Conflict Minerals Compliance Playbook

*Step 4: Carry out independent third-party audit of smelter/refiner's due diligence practices:*

- In accordance with the OECD Guidelines, Materion participates and contributes through industry organizations, including membership in RMI, to enhance transparency and traceability in the supply chain and supports independent third-party audits of smelters/refiners including recommendations for improvements in smelter due diligence practices, building capacity, mitigating risk and improving due diligence performance; and
- Materion is not in a position to audit smelter/refiners directly but as a member of RMI is contributing to on-going smelter audits. Additionally, Materion reaches out to smelters identified by their suppliers to request that they participate in the RMI RMAP initiative and become certified

as Conformant. Furthermore, Materion's gold recycling operation in Buffalo, New York is in the process of its annual RMAP review to maintain its RMI Conformant Gold Refiner status, including having completed an annual on-site assessment and is addressing relevant findings.

*Step 5: Report annually on supply chain due diligence:*

- Annually, Materion performs due diligence in their 3TG supply chain, maintains a process to summarize, review and approve compliance results, complete the Conflict Minerals Report and publish a report as provided under Article 7 of the Regulation; and
- Annually, Materion provides downstream partners a Company or Product level CMRT including smelters used in the production of parts and materials purchased from Materion.

***Continuous Improvement of Supply Chain Due Diligence***

The Company expects to continue to maintain its supply chain due diligence efforts including:

- Implement a strategy to support and build supplier capabilities and design improvement plans with suppliers to enhance the Company's risk mitigation plan;
- Continue to assess the presence of 3TG in its supply chain as part of the New Product Introduction ("NPI") process;
- Continue to require suppliers to identify the 3TG contained in the products they supply and when requested on an annual basis, to provide current, accurate and complete information on the smelters/refiners used in the manufacturing of materials supplied to Materion;
- Continue to compare RCOI results to information collected via independent conflict free smelter validation programs such as the RMAP;
- Continue to partner with suppliers who are committed to participation in obtaining a "conformant" designation from an industry program such as the RMAP; and
- Continue to respond to customer requests to source responsibly and limit smelters active in the supply chain in CAHRAs, for minerals other than 3TG or due to non-conflict minerals sourcing concerns such as embargos or sanctioned countries.

**Determination**

Based on the process described above, Materion achieved a 100% response rate from the 68 direct material suppliers identified as supplying raw materials or parts containing 3TG and 100% of the 207 identified smelters or refiners were Conformant or Active, where Active smelters are in the process of recertification of their conformant status.

Based on the information provided by Materion suppliers utilized during 2021, Materion believes that the facilities that may have been used to process 3TG in Materion's products included the smelters and refiners listed in Appendix I and specifically related to the sources of 3TG imported into Germany above the applicable threshold level. The suppliers' responses include Conformant and Active smelters.

**Appendix I – Smelters Identified in the Materion Supply Chain – Germany**

<b>Metal</b>	<b>Smelter ID</b>	<b>Smelter Reference List</b>	<b>Smelter Country</b>	<b>RMI</b>
Gold	CID000185	CCR Refinery - Glencore Canada Corporation	CANADA	Conformant
Gold	CID001113	Materion	UNITED STATES OF AMERICA	Conformant
Gold	CID001161	Metalurgica Met-Mex Penoles S.A. De C.V.	MEXICO	Conformant
Gold	CID001534	Royal Canadian Mint	CANADA	Conformant
Gold	CID002761	SAAMP	FRANCE	Conformant
Tantalum	CID002506	Jiujiang Zhongao Tantalum & Niobium Co., Ltd.	CHINA	Conformant