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STRATEGICMATERIALS.COM

January 4, 2021

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017 USA

Dear Mr. Secretary-General,

I am pleased to confirm that Strategic Materials, Inc. supports the Ten Principles of the United Nations Global Compact on human rights, labor, environment, and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Strategic Materials, Inc. will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the UN Global Compact, and annually thereafter according to the UN Global Compact COP policy. This includes:

- A statement signed by the chief executive officer expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the UN Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labor, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Strategic Materials, Inc. has historically operated with the highest ethical standards in relation to our employee, community and customer wellbeing, health and safety, and environmental considerations. We understand that the next enhancement to our operations include taking programmed action to achieve globally recognized standards and goals, which is why we are eager to implement and report on the Ten Principles.

A handwritten signature in black ink that reads "C. Dods".

Chris Dods
President & CEO
cdods@strategicmaterials.com