

## Resind Indústria e Comércio Due Diligence Report 2020

### INTRODUCTION

Resind Industria e Comércio Ltda is a Brazilian smelter located in São João Del Rei - Minas Gerais and is specialized in the recovery of metallic units from low grade materials. Regarding the 3TG materials, our company processes Tin and Tantalum units and we are listed by the RMI under the CID numbers of CID002706 and CID002707 respectively.

### AUDIT SUMMARY

Resind was last physically audited on the 8<sup>th</sup> and 9<sup>th</sup> May 2019 and found to be compliant with all standards and protocols. The assessment period considered was between 01/03/2018 and 28/02/2019. The audit is valid for three years and was conducted by a Responsible Sourcing Audit Firm (SGS North America Inc.) in accordance with RMI-RMAP protocols. The Lead Auditor was Mr. Brian Knox. Our RMAP ASSESSMENT REPORTS can be found here <http://www.responsiblemineralsinitiative.org/media/docs/Public%20Reports/Resind%20Ta%20Public%20Report.pdf> and here <http://www.responsiblemineralsinitiative.org/media/docs/Public%20Reports/Resind%20Sn%20Public%20Report.pdf> for Tantalum and Tin, respectively.

### COMPANY MANAGEMENT SYSTEM

#### Supply Chain Policy

In order to contribute to our society to ban violation to human rights and other abuses, RESIND has developed a Supply Chain Policy. This Policy is aligned with the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas – Third Edition” from OECD (OECD Guidance) and with the “Responsible Minerals Assurance Process Tin and Tantalum Standard” from RMI (RMAP Guidance). Our policy is available in our website ([www.resind.com.br](http://www.resind.com.br)) and is also communicated to our suppliers, to promote risk awareness and to prevent our Supply Chain from such abuses, which are better described in the Annex II from the OECD Guidance. Our company is committed to address the risks if these are identified. Our policy has been reviewed by the Directors of the company, it has been approved and received full support for its implementation. The policy is maintained updated to reflect the guidelines from OECD and RMI. It should also be emphasized that RESIND does not buy any material from Conflict-Affected and High-Risk Areas (CAHRA's).

#### Management Structure and Responsibility

Resind has established internal procedures for the management of the structure and responsibility. In special, our procedure for “Procurement of Raw Materials containing Tantalum and Tin” describes with accuracy the information flow and the responsibility for each step regarding the procurement of Ta and Sn containing materials. It includes the collection of information, Due Diligence Processes, and others.

Our procurement department is responsible for the evaluation and validation of initial information from potential suppliers, collecting of available documents such as RMAP Conformance Letter, among others. It is also responsible to analyze if the supplier agrees to comply with our Supply Chain Policy.

The person responsible for the Due Diligence process (RESIND's Development and Process Manager) oversees the functioning of the Due Diligence Management System on a daily basis. He is also responsible for expanding the information provided by the procurement department using other sources such as sanction lists from the UN, the "Identification of CAHRA's" Procedure and for requiring a on-the-ground assessments. The origin of material and chain of custody must be clear before starting commercial operations as well as the conformance of the supplier to RESIND's Supply Chain Policy.

Procedures related to Due Diligence (5 procedures regarding the 5 steps) are updated by the responsible for the Due Diligence Process on a yearly basis, when international standards are modified, when an error is eventually found in the process or when the continuous improvement of Due Diligence processes suggests an update in the procedure. It is then revised and approved by our Directors. This update also aims to assure that Due Diligence processes are conformant with international standards.

Relevant employees at RESIND are trained once a year or when changes to the policy or procedures related to them are changed.

### **Internal Systems of Control and Transparency/Record Keeping System**

RESIND has structured internal procedures regarding the Due Diligence Process according to the OCDE Guidance and RMAP Guidance. As already stated, Resind does not buy from CAHRA's and before initiating commercial relations with new suppliers, data are collected by the procurement department and expanded by the responsible for the Due Diligence Process. Resind also communicates its updated Supply Chain Policy to its suppliers and has a grievance mechanism. Stakeholders such as the society, whistle blowers and others can access our Webpage and send information directly to the responsible for the due diligence process.

Information such as the identification of suppliers, of the material, among others are also stored for at least 5 years. Information regarding Due Diligence, if required (once in place with a mandate to collect and process information on minerals), will be made available to downstream companies. Also, this information can be used internally for continuous improvement of the Due Diligence Process.

### **RISK IDENTIFICATION AND ASSESSMENT**

With internal procedures named "Identification and Evaluation of Risks" and "Management System", RESIND defines the Risk Identification and Assessment including the process and methodology. As already explained, for example, regarding KYS, our procurement department among other attributions is responsible for collecting information and documents from our clients (or potential clients) and the Responsible for the Due Diligence expands on these using other sources such as the UN sanction lists.

The procedure “Identification of CAHRA’s” is also used in this phase, where tools such as the Geneva Academy Rule of Law in Armed Conflict, RiskMap and Human Development Index are used. The CAHRA’s list also includes countries identified as high-risk by relevant conflict minerals regulations. Regarding on-the-ground assessment, the methodology, practices, and information are described in our internal procedures “Identification and Risk Assessment” and “Definition and attributions of Resind’s Risk Assessment Team”. They are based on the Appendix “Guiding Note for Upstream Company Risk Assessment” from the OECD Guidance. For example, one of the objectives of the on-the-ground assessment team is to obtain first-hand evidence of factual circumstances of mineral extraction, trade, handling, and export, including militarization of mine sites and serious abuses (as stated in the Annex II from the OECD Guidance).

The risk assessment process allowed the company in 2020 to analyze suppliers regarding supply chain risks. Our suppliers collaborated with necessary documentation, so that the origin of material, chain of custody and other aspects could be further studied.

Based on the Risk Assessment, RESIND concluded that **no risks** described in the Annex II from the OECD Guidance were identified.

## **RISK MANAGEMENT**

Risk Management are described in an internal procedure at RESIND, known as “Strategy to respond to risks”. However, as RESIND does not buy material from CAHRA’s and no risks have been identified by the risk assessment process, no mitigation strategy was used, or stakeholders involved. Also, there is no progress of the mitigation strategy to be monitored.



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Director - Almir Clemente