

Context

Soft Metais Ltda. was founded in 1986 by engineers who were always dedicated to the melting of tin minerals and refining of tin metal, and today is a leading manufacturer of tin-based alloys in the Brazilian market. Installed in its own facilities in the city of Bebedouro, in the northern state of São Paulo, occupies a land area of 20,000 m² with 3,500 m² of built-in area, and uses tin in the form of ingots and other non-ferrous metals to manufacture about 600 different items in various fields of use of tin alloys.

Purpose

The purpose of this policy is to communicate and elaborate that Soft Metais Ltda. supports the initiative of the **RMI - Responsible Minerals Initiative** and the **OECD - Organization for Economic Cooperation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk areas** as well as the steps it takes, in order to ensure responsible sourcing in light of this guidance, local and international regulation.

Scope

As a downstream producer of tin-based alloy materials, we are aware of the risks and impacts that raw material supply chains can create during the sourcing process. These sources include, but are not limited to, the extracting, transporting, handling, trading, processing, smelting, refining, alloying and exporting activities of minerals and their products, and in most notably in the case of tin, the risks associated with sourcing from conflict-affected and high-risk areas.

We have set our due diligence process and system in light of Annex 1 (Five-step framework for Risk-based Due Diligence in the Mineral Supply Chain) from the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk, namely:

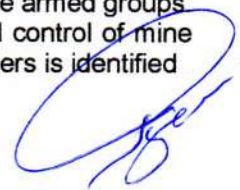
1. Establish strong company management systems
2. Identify and assess risk in the supply chain
3. Design and implement a strategy to respond to identified risks
4. Carry out independent third-party audit of supply chain at identified points
5. Report on supply chain due diligence

We are committed to compliance with the position of the OECD concerning responsible supply chain management. We source from smelters and refiners that are included on the 'Conformant Tin Smelter' list of the Responsible Minerals Assurance Process (RMAP). We address the sourcing of minerals, their products and their usage in our operations through our: Due Diligence Process, Risk Management Process, Supply Chain Communication Procedure, and Grievance Mechanism.

Description

This Supply Chain Policy, is directed at preventing or mitigating the risks that can be associated with the extraction, transport, trade, or processing of materials in our supply chains. These risks are presented in Annex II and our actions are as follows:

- We will not tolerate or by any means profit from, contribute to, assist with or facilitate, the commission by any party of serious abuses such as:
 - human rights violations (any forms of torture, cruel, inhuman and degrading treatment)
 - forced and child labour (any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily; any forms of child labour)
 - war crimes and similar serious violations to the humanitarian law (other gross human rights violations and abuses such as widespread sexual violence; war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide)
- We will not tolerate any direct or indirect support, through the extraction, transport, trade, handling or export of minerals, of:
 - non-state armed groups where the risk has been identified as present or a party has been identified as providing support (direct or indirect) or linked to support of non-state armed groups
 - public or private security forces where their direct or indirect support in illegal control of mine sites, transport routes, extortion of money or minerals from our upstream suppliers is identified



- We will not knowingly contribute to the misrepresentation of the origin of materials, or to the misrepresentation of taxes, fees and royalties paid to governments, whether this be through the offer, promise, or demand of bribes, or from the failure to acknowledge our policies and processes.
- We will not knowingly engage in any activities that support money laundering from the sourcing activities within the mineral supply chains.
- We apply thorough due diligence checks to our existing and potential suppliers, consistent with the OECD Due Diligence Guidance for Conflict-Affected and High-Risk Areas, and with our internal Due Diligence Process and we engage only with suppliers that are compliant with our process.
- We will engage as much as possible with governments, communities and NGOs, within our region, to collaborate on initiatives and strategies for generating more transparency and accountability in the supply chain and creating a fairer and more transparent supply chain.

Expectations from suppliers

We are committed to ensuring that our suppliers are aware of and contractually acknowledge this policy, and commit to providing information, and documentation, and when necessary accommodating site-visits/spot checks for conducting our due diligence as defined within our due diligence and risk management processes.

We promote risk awareness towards our suppliers and we request that they comply with this policy when extracting, sourcing, transporting, trading, handling or exporting minerals from CAHRAs. Whenever possible we aim to support and build the capacities of our suppliers to improve their risk management performance, and highly encourage them to join organizations and follow the applicable guidelines, local and national regulation. We will work to engage our suppliers in long-term relationships to assure responsible and sustainable supply chain activities.

It is expected that suppliers conform with the Soft Metais policies. We will work with suppliers to mitigate problems where risks are identified, will establish timelines for corrective action and monitor these corrective actions. We will ultimately disengage from a supplier where serious breaches of this Supply Chain Policy are identified and where the supplier consistently fails to take corrective action within an agreed timescale.

Soft Metais has established a blockchain-based digital traceability platform to map the tin supply chain. Through the system, Soft Metais' supplier sends digital Product Passports for each shipment. These Product Passports identify all countries of origin, transport and transit for the minerals in the supply chains of the smelter/refiner, along with other relevant data. Tin suppliers to Soft Metais are onboarded on the platform and required to report all relevant data in the respective data templates. All suppliers receive detailed instructions on the use of the platform and can access it free of charge.

Soft Metais expects suppliers to have a process to identify and trace goods provided to Soft Metais, and to be able to trace the incoming raw materials.

Communication

This policy shall be incorporated and communicated within all commercial contracts and/or written agreements with suppliers as well as other stakeholders as defined in the Communications policy. A copy of this Supply Chain Policy is also available on Soft Metais's website.

Annual report

In accordance with the OECD guidance we will continue publishing an Annual Due Diligence report as a way to inform of our practices and activities, as per our Due Diligence Process.

Grievance mechanism

Employees, the public, suppliers and stakeholders are encouraged to report any concerns and complaints or violation or potential violation of this Policy anonymously to the HR Supervisor through the Soft Metais website contact form: <https://softmetais.com.br/certificacao-rmi/> or on the following email address: denuncia@softmetais.com.br. For more details please also refer to our Grievance Mechanism policy.

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Pedro Sarri, Technical Director