

1. 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 18,000 m² with 4,000 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.

2. 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.

3. OECD Annex II Risks

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. Therefore, Soft Metais has fully adhered to all recommendations described in Annex II of the OECD for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas – Third Edition, as described below:

3.1 Regarding serious abuses associated with the extraction, transport or trade of minerals:

We will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the Commission by any party of:

- i) any forms of torture, cruel, inhuman and degrading treatment;
- ii) 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;
- iii) the worst forms of child labour;
- iv) other gross human rights violations and abuses such as widespread sexual violence;
- v) war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

3.2 Regarding direct or indirect support to non-state armed groups:

We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. "Direct or indirect support" to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

- i) illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain;⁵ and/or
- ii) illegally tax or extort⁶ money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
- iii) illegally tax or extort intermediaries, export companies or international traders.

3.3 Regarding public or private security forces:

We agree to eliminate, in accordance with paragraph 10, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.

We recognize that the role of public or private security forces at the mine sites and/or surrounding áreas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.

We will support efforts, or take steps, to engage with central or local authorities, international organizations and civil society organizations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.

We will support efforts, or take steps, to engage with local authorities, international organizations and civil society organizations to avoid or minimize the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

3.4 Regarding bribery and fraudulent misrepresentation of the origin of minerals:

We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.

3.5 Regarding the payment of taxes, fees and royalties due to governments:

We will support efforts, or take steps, to contribute to the effective elimination of money laundering Where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation, financing of terrorism or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments and, in accordance with the company's position in the supply chain, we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI)

4. Expectations from suppliers

If there is any violation related to the risks in OECD Annex II mentioned above, Soft Metais will immediately discontinue the relationship with the supplier or business partner.

If a supplier fails to comply with other requirements that are part of the program, Soft Metais will seek to remedy the situation through corrective actions. Suppliers who do not demonstrate progress after six months may have their contracts suspended or terminated, as detailed in the Risk Management Procedure.

5. Grievance mechanism

Soft Metais has established a complaint mechanism so that any interested party (affected persons or whistleblowers) can express their concerns about the circumstances of the extraction, trade, handling and export of minerals, as well as violations or potential violations of this Supply Chain Policy. The complaint channel is available at: <https://softmetais.com.br/contato/> or to the following email address: denuncia@softmetais.com.br. All complaints will be evaluated and treated in accordance with the Complaints Mechanism Policy.

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