



OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

AMG Brasil Due Diligence Report for Raw Material Supplies in Year 2021 (“OECD Step-5 Report”)

Note: This report is following the “Public Due Diligence Report writing guidance” of the Responsible Minerals Initiative (RMI, <http://www.responsiblemineralsinitiative.org/smelter-introduction/>).

1. Company Information

AMG Brasil S.A (former LSM Brasil) is an important producer of special aluminum alloys & tablets and tantalum/niobium oxides, strengthening its chemical- metallurgical core. For more details see <https://amg-br.com/about-us/history/>. This facility processes tantalum products and is located in São João Del Rei, in the state of Minas Gerais, Brazil. Therefore the AMG Brasil is a conflict free smelter, listed by the RMI under CID001076. (<http://www.responsiblemineralsinitiative.org/responsible-minerals-assurance-process/smelter-refiner-lists/tantalum-smelters-list/conformant-tantalum-smelters/>).

2. RMAP Assessment summary

AMG Brasil has undergone a RMAP assessment on March 29, 2019 and was once again found to be compliant with all the standards and protocols. The assessment is valid for three years. The assessment was carried out by the company indicated by RMI for the audit of the Supply Chain, according to the new standard developed by RMI / RMAP to meet the requirements of the OECD Due Diligence Guidance. The next audit will take place in 2022.

3. Company Supply Chain Policy

To avoid the use of conflict minerals, which directly or indirectly finance or benefit armed groups and/or involve other serious human right abuses in high-risk and conflict-affected regions, AMG Brasil has developed a supply chain policy. This policy is fully aligned with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (CAHRA-OECD Guidance). The policy covers all risks identified in Annex II of the OECD Guidance and its geographic scope is global. The company is firmly committed to addressing any Annex II risks if identified. The policy was reviewed and approved by senior management, which is committed to support its implementation. The policy has been widely disseminated to customers and vendors alike as part of the quality management system. This policy is also located on the AMG Brasil website: https://mk0amgbrasilfp0r82te.kinstacdn.com/wp-content/themes/amgwp/assets/images/ConflictMineralsPolicy_EN-US.pdf.

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4. Company Management System

Besides the RMAP assessments the AMG Brasil is audited according to ISO 9001, 14001 and 45001. The company maintains its commitment in the supply chain policy and has established an internal procedure for supply chain management, including the raw material due diligence process.

Based on the internal guidance for identify Conflict-Affected and High Risk Areas, the Supply Analyst verify the affected areas and possible red flags according to the OECD guide.

Procurement and Sales Manager evaluates and validates the initial information, the Sales Director will perform this task in his absence. The Procurement Department tracks procurement processes to implement the due diligence process. Once a year, the procedure is reevaluated and the relevant departments undergo a supply chain management system training.

According to the Quality Standard, all documents concerning purchases are kept on file for five years.

5. Internal Systems of control

Before initiate new business with a supplier, there is a detailed verification by the procurement department to confirm that this potential supplier fulfils all legal requirements and the internal requirements for conflict-free areas. The company communicated the supply chain policy to all identified upstream suppliers and visits all main suppliers regularly.

6. Risk mitigation strategy

Although AMG Brasil does not have supplies related to CAHRA, we do have an open channel to respond grievances. According to an internal quality standard, a team is dedicated to resolving any issue that may generate the risk of purchase associated with an affected area.

A handwritten signature in blue ink, appearing to read 'A. Paiva', written over a light blue horizontal line.

Alexander Bruno de Paiva
Procurement and Sales Manager