



## Due Diligence Report

### 1. Company Information

Fenix Metals is located in Chmielów – east Poland – where, as a recycler of materials containing tin and lead, manufactures pure tin, tin alloys, tin lead and lead alloys.

These products are marketed mainly in Europe. The raw materials purchased by Fenix are primarily secondary materials, being either waste or processed metals created during product manufacturing. Any pure tin or tin smelter's byproducts purchases are solely from RMAP conformant sources.

The company was established in 2003, and it has 1 smelting facility located at Ul. Strefowa 13 39-442 Chmielów, Poland. The company's Tax number is PL 867-19-33-792.

### 2. RMAP Assessment Summary

Fenix Metals Sp. z.o.o is a member of the ITRI Tin Supply Chain Initiative (ITSCI), which has developed a due diligence system for a transparent raw material supply chain in conflict-affected regions.

Fenix Metals Sp. z.o.o is also a full member of the Responsible Mineral Initiative, and member of ITA – International Tin Association – and represented on their board and on the executive committee. ITA represents about 60% of the world's tin production and we are participants to the formulation of a global Code of Conduct for the tin industry.

Fenix Metals Sp. z.o.o. has undergone a RMAP assessment on 01.2020. The assessment is valid for one year and is done annually. The last assessment period was from 30/09/2018 to 31/08/2019. Currently we are in the process of reassessment.

The assessment was conducted by Arche Advisors. The assessment summary report is public and available at:

<http://www.responsiblemineralsinitiative.org/media/docs/Public%20Reports/Fenix%20Public%20Report.pdf>

### 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, the company has developed a supply chain policy. The supply chain 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 (OECD Guidance). It covers all of the risks identified in Annex II of the OECD Guidance and its geographic scope is global. The company is committed to addressing any threats or risks of Annex II if identified. The policy was reviewed and approved by senior management, which committed to support its implementation. The policy has been widely disseminated to relevant stakeholders (suppliers, customers, employees etc.) and is available on the company website: <https://fenixmetals.com/>.



The company's representatives were acquainted with Responsible Minerals Assurance Process and the need to review and update the policy. They actively participated in the process of reviewing and updating policies and procedures.

The due diligence management system review is performed yearly, at Management Review and is carried out by Operations Manager.

#### **4. Company Management System**

##### **4.1. Management Structure**

The company follows its commitments in the supply chain policy and has developed an internal procedure for due diligence with the following aspects:

The Operations Manager is responsible for overseeing the implementation of due diligence program and risk management process.

The company has assigned an Operations Manager to coordinate the work of the relevant departments (including the Purchasing Department, Laboratory, Production Department and Warehouse) to ensure each department follows up on their roles and responsibilities to implement the due diligence program and report any red flags and potential risks identified.

The company conducts due diligence management system training once a year for a key staff from all relevant departments required in due diligence program. In case of any update of the program, the company conducts additional training as necessary.

The management and staff of Fenix Metals have committed themselves to comply with the relevant principles of the Supply Chain Policy. They worked proactively to make conscious decisions about responsibly sourced minerals in their supply chains.

##### **4.2. Internal Systems of Control**

The company has established and updated its due diligence management system to be aligned with the OECD Guidance and RMAP in October 2018. The company communicated the updated supply chain policy and sourcing requirements to all identified upstream suppliers. The company has incorporated due diligence requirements into legally binding agreements with direct suppliers, and includes due diligence requirements as part of the conversation.

We have an established grievance mechanism to collect information on grievances from interested parties. Any issues can be addressed to [grievance@fenixmetals.com](mailto:grievance@fenixmetals.com). The Operations Director is responsible for the process of investigating complaints received. If it is determined that the complaint is justified, the Operations Director initiates actions appropriate for the effects or potential effects of non-compliance related to the reported complaint.

##### **4.3. Record Keeping System**

The company requires that all records relating to the due diligence program are maintained at least for five years and that they are properly used and safely stored in online company database.

As Fenix Metals Sp. z o.o. we strive to create a satisfying and productive work environment based on open communication and feedback. All formal avenues for handling of grievances will be fully documented and the employee/volunteer's wishes will be taken into account in determining the appropriate steps and actions.

#### **5. Risk Identification**



Fenix Metals has established the process to evaluate the plausibility of a tin-containing material's stated origin and assess red flags and supply chain risks as defined in Responsible Minerals Assurance Process (RMAP) standard (Section B.3).

The raw materials purchased by Fenix Metals Sp. z o.o. are primarily secondary materials, being either waste or processed metals created during product or metal manufacturing. Any pure tin or tin smelter's byproducts purchases are solely from RMAP conformant sources. Metals reasonably assumed to be recycled are excluded from the scope of OECD due diligence.

The risk identification process relies on information gathered in Fenix Metals's Know Your Counterparty (KYC) procedure of the supplier, the origin and transit routes for all primary materials, and identification of any conflict-affected and high-risk areas (CAHRAs) in its supply chain per the Procedure to identify CAHRAs.

### **Know Your Counterparty (KYC) procedure**

The company designed a Know Your Counterparty (KYC) procedure to include information concerning supplier legal status and identity, supplier mapping and potential risks.

The Know Your Counterparty (KYC) process enables:

- Identification of all suppliers and tin materials;
- Determination of the identity and type of business relationship for the tin supplier;
- Determination of the legality of business operations for each tin supplier

KYC is conducted prior to establishing a business relationship with a supplier and annually throughout the business relationship. A KYC questionnaire has been developed for the efficient conduction of the process. The company's due diligence program manager reviews the provided information and the UN/EU Sanction Lists with the Purchasing Team.

Through KYC process, company requested origin information for each material transaction and ensured that it was able to understand the transaction origin, transportation route, as well as direct suppliers' names and locations.

### **CAHRA procedure**

Fenix Metals has established CAHRA identification procedure. CAHRAs are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc.

High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.

As the RMAP Revised Standards require, we consider the following areas as CAHRAs:

- Areas included in the EU CMR CAHRAs list (<https://www.cahraslist.net/cahras>);
- Dodd-Frank Act Countries;
- Any other areas determined to be CAHRAs according to company's internal CAHRA procedure.

For the company's CAHRA determination procedure we use the tool provided by Responsible Minerals Initiative. Country Risk Assessment Tool utilizes the resources identified in the European Commission non-binding guidelines for the identification of conflict affected and high risk areas and other supply chain risks and release a world risk map. Based on the map there is a list of countries with their risk profiles prepared. In case of primary and intermediate materials originated from Non-Responsible



Minerals Assurance Process (or equivalent) validated smelters only materials we identify and evaluate all countries in its supply chain for each of the following three supply chain elements:

- Material origin
- Material transit route
- Supplier or beneficiary location

The following resources are used to evaluate each of these supply chain elements to identify CAHRAs:

- US Dodd-Frank Act
- Heidelberg Conflict Barometer
- Fragile States Index's Human Rights and Rule of Law Indicator
- Worldwide Governance Indicators.

### **Basic system of internal material control**

The company has also established and implemented basic system of internal material control. If any of us see at our plant any material that looks similarly to tin mineral concentrate we should immediately take an action to segregate and secure this material (and prevent the processing of the material in question) and pass the information further to Fenix Metals management team. The information has to be immediately communicated to one of the Plant Managers or / and Operations Manager or / and Finance Manager.

Throughout all due diligence procedures (e.g. KYC, Procedure to identify CAHRAs) Fenix Metals's staff will look for any inconsistencies or discrepancies related to the tin-containing material and KYC, origin and/or transportation documentation submitted by the supplier.

Any discrepancies, inconsistencies or other issues identified during the know-your-counterparty process and review of documentation received are reported to the designated senior management of the company.

In the current audit period there were no high-risk supply chains identified at Fenix Metals Sp. z o.o. The majority of material purchased comes from secondary sources, only few pure tin/tin smelter's byproducts purchases were from RMAP conforming sources. Therefore, a risk mitigation plan was not required to be introduced.

For material and supply chains determined to be "high-risk", the company conducts enhanced due diligence. The supply chain risk assessment process consists of 5 steps:

1. Map Details of Each CAHRA
2. Identify Supply Chain Red Flags and High-Risk Supply Chains
3. Identify and Assess Supply Chain Risk(s)
4. Mitigate actual risks in supply chain(s)

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