



LSM BRASIL S/A

Rodovia BR 383 – km 94 – São João Del Rei – MG – Brazil

Phone: 55-032-3379-3594 – Fax – 55-032-3379-3511

LSM BRASIL S.A., a company from AMG Group (www.amg-nv.com), is committed to achieving the highest standards of safety, environmental conduct and producing materials that help its customers to minimize negative environmental impact.

The company provides products and solutions for chemical and metallurgical industries, seeking to continuously improve their production and sales processes, creating values for customers, employees, shareholders, suppliers and to the community.

We formally support the United Nations Global Compact including its labor, environmental, anti-corruption and human rights aspects. We will continuously support our human rights standards by living our values in our interactions with local and national governments, and the communities where we operate and whenever possible endeavor to extend our values and principles to our suppliers and contractors.

LSM Brasil is aware of activities involving exploitation of natural resources that contribute to human rights violations their adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, specifically raw materials containing tantalum. According to OECD guidelines **LSM Brasil S.A.** established the following policy and procedure related to raw materials procurement:

1. **LSM Brasil** does not and will not knowingly purchase, any raw materials containing Tantalum or Niobium which actually, or possibly, originates from conflict areas. **LSM Brasil** will perform adequate due diligence of its suppliers to uphold this policy. We will neither tolerate nor by any means profit from or contribute with:
 - a. Any forms of torture, cruel, inhuman and degrading treatment;
 - b. Any forms of forced or compulsory labor;
 - c. Any form of child labor;
 - d. Any other form of violation of human rights.
2. **LSM Brasil** will immediately suspend or discontinue engagement with suppliers, where we identify a reasonable risk that they are linked to, any party providing direct or indirect support to public or private security forces and/or non-state armed groups through the extraction, transport, trade, handling or export of minerals, making payments to or otherwise providing logistical assistance or equipment to, armed groups or their affiliates who:
 - a. Illegally control mine sites or otherwise control transportation routes, points where minerals are traded;
 - b. Illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded;
 - c. 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 areas 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.

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Rodovia BR 383 s/n km 94 – Colônia do Marçal - CEP: 36.302.812
São João del Rei - MG – Brasil - Tel.: +55 32 3379 3500



3. **LSM Brasil** requires certificate of origin from mines and countries for each shipment of minerals to be supplied into our facility in Brazil and all necessary documents to meet the OECD guidelines requirements.
 - a. We will support efforts, 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 or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.
 - b. In accordance with our code of conduct, 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.

4. In order to mitigate the buying of raw materials from risk areas, LSM Brasil has implemented a Risk Management System that, in addition to check the issues listed above, has a grievance mechanism on the site. Through the Compliance all complaint will be processed, if any supplier violates the purchasing policy, it will be taken out of our supply chain. In order to inform them, the policy is send to all suppliers according to our procedures: "Compra de Minérios de Ta e Nb" and "Identificação de Áreas Afetadas por Conflitos ou de Alto Risco". Each buying process is evaluated separately.

5. All shipments of tantalum containing material to **LSM Brasil** that typically are classified as class 7 are subject to appropriate safety, transport and environmental legislation.

A handwritten signature in blue ink, appearing to read 'Paiva'.

Alexander Bruno de Paiva
Gerente de Suprimentos Estratégicos e Vendas

Review 04: July 03, 2019

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