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BETTER MINING ALIGNMENT ASSESSMENT FOR RMI UM RECOGNITION PROCESS

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OBJECTIVE

Better Mining is an upstream mechanism (UM) and improvement program. It provides digital product traceability and independent, third-party monitoring on artisanal and small-scale mining (ASM) sites to generate incidents and risk data in alignment with global responsible sourcing requirements. This data is transformed into Corrective Action Plans (CAPs) with the intent to support risk management and drive ASM site improvement. Better Mining is currently a Level 1 recognized Upstream Mechanism (UM) for tantalum, tin and tungsten (3Ts), as outlined in the Responsible Minerals Initiative (RMI) Recognition Process document. Better Mining needs to undergo a new assessment in order to renew its accreditation as a Level 1 recognized Upstream Mechanism, as per the updated RMI Recognition Process (December 2022). ARCHE has been requested to carry out the OECD Due Diligence Guidance alignment assessment using the OECD's [Alignment Assessment Methodology](#) and [Alignment Assessment Tool](#).

This assessment consists of a desk-based and on-site verification of the implementation of the Better Mining UM in order for Better Mining to receive a Level 1: Full Recognition - Standard and Implementation accreditation from RMI.

SCOPE

1. The entity in scope is Better Mining.

The assessment scope is limited to the implementation of Better Mining's standards, policies and procedures where there is a Better Mining supported supply chain.

2. The standard for the assessment is the RMI UM Recognition Process.

The RMI UM Recognition Process indicates that for a Level 1 recognition, Better Mining will have to demonstrate alignment with the OECD Due Diligence Guidance, using the OECD's Alignment Assessment Methodology and Alignment Assessment Tool.

3. The activities in scope are the application of Better Mining's processes.

The activities in scope are the application of Better Mining's processes in the 3T chain from One Trader / Exporter and Two sites with ASM (2 sites are operated by company Trinity Metals).

- The assessment required a minimum of three months implementation of the Better Mining assurance services on the evaluated supply chain.
- Location details of the two sites operating in Rwanda:
 - Site 1: ETI Nyakabingo
 - Mineral: tungsten
 - Location: About 20km northwest of Kigali
 - GPS: -1.86333,29.97778
 - Site 2: Rutongo
 - Mineral: tin

- Location: About 25km north of Kigali
- GPS: -1.816447951915893, 30.059901977948414
- Trinity Metals is the owner company of both operations: <https://trinity-metals.com/>

During the alignment assessment the assessor was informed by RCS Global Group Better Mining (BM) that they had just signed a contract with a client in DRC, however at the time of the implementation assessment BM was not operational in DRC. It was suggested to BM management that once operations generate sufficient evidence for an assessment, an alignment assessment for implementation in DRC should be carried out.

4. Assessment activities

a. Assessment of Better Mining implementation

- i. Desk-based review of Better Mining’s written policies and procedures, and,
- ii. Desk-based review of documentation resulting from implementation (activity reports, risk monitoring reports, etc.), and,
- iii. Interviews with Better Mining’s management and on-site teams, and,
- iv. Interviews with workers at the mine sites, and,
- v. Interviews with exporter management staff,
- vi. Site visit of mine site, and,
- vii. Site visit of exporter facilities.

b. Assessment timeframe: January 2022 - July 2023

The Assessment includes the following deliverables:

1. Completed OECD Alignment Assessment Tool
2. Written Assessment Report

ASSESSMENT METHODOLOGY

1. Desk-Based Review of Standards and Policies

The Alignment Assessment desk-based review included the following Better Mining documents:

- Better Mining Upstream Mechanism Approach and Systems Manual V7 (May 29, 2023)
- Better Mining Critical Breach Procedure (June 14, 2023)

These are the primary policy and procedural documents that describe the requirements of the Better Mining program. Programme requirements were compared against the relevant detailed recommendations of the OECD Guidance using the OECD Assessment Tool. Other documents reviewed alongside the Manual and Procedure included:

- BM Incident and Risk Directory

- BM Recommendations for Grievance Mechanisms
- BM Risk Management Procedure - Mitigation Action Directory
- BM Risk Management Procedure
- BM Monthly CAP Procedure
- RCS Global Group BM OECD Annual Due Diligence Report Template for Better Mining Members
- BM Conformance Statement
- BM Due Diligence Documents Checklist Exporter
- BM KYC Questionnaire for Local Exporters
- BM KYC Questionnaire for Mining Operators
- BM Model supply chain policy
- BM SCE Questionnaire - Cooperative _ Mine Site Assessment
- BM SCE Questionnaire - Exporter Assessment
- BM SCE Report Template
- BM Traceability Configuration Better Mining Risk Management Platform - User Guide

Based on the assessment the following ratings were assigned per the applicable Policy /Standard section:

Fully Aligned:

The criterion is fully and explicitly addressed in the programme's policies, standards, procedures, or other formal documentation.

Partially Aligned:

The criterion is only partially addressed in the programme's policies, standards, procedures, or other formal documentation; and / or the criterion is addressed but informally or inconsistently.

Not Aligned:

The criterion is not addressed in the programme's policies, standards, procedures, or other formal documentation.

An initial review was completed, the assessor then asked for additional clarifications from the Better Mining Program Manager. Once provided, the assessor concluded that all Standards and Policies are Fully aligned with the OECD requirements.

2. Implementation Assessment

The Implementation Assessment was conducted August 28 – 31, 2023 at 2 out of 2 operations where Better Mining program is operational in Rwanda at the time of the assessment. The assessment team visited the exporter, mine sites and the local Better Mining office.

Using the Alignment Assessment Tool, implementation was reviewed and assessed one of the following ratings:

Fully Aligned:

There is sufficient evidence, based upon the assessment activities undertaken, to reasonably conclude that the criterion is implemented by the programme.

Partially Aligned:

There is sufficient evidence, based upon the assessment activities undertaken, to reasonably conclude that the criterion is partially implemented by the programme; including by undertaking some but not fully adequate measures to implement the programme.

Not Aligned:

There is sufficient evidence, based upon the assessment activities undertaken, to reasonably conclude that the criterion is not implemented by the programme.

An initial implementation review was completed, the assessor then asked for additional clarifications from the Better Mining Program Manager. Once provided, the assessor concluded that Implementation is Fully aligned with the OECD requirements.

3. Governance

The Better Mining program is not an Institutional Mechanism or an Industry Initiative, nor do they perform audits of smelters or refiners, therefore the Review of Program Governance and Management had a significant number of items that are not applicable.

BETTER MINING PROGRAM SPECIFIC RESULTS

Based on the Methodology for the Alignment Assessment of Industry Programmes with the OECD Minerals Guidance (2018), the overall conclusion of the Alignment Assessment should be calculated and reported as follows:

Fully Aligned: (Section A = 100% of criteria 'Fully Aligned') + (Sections B and C = 80% or more of criteria 'Fully Aligned') + (no 'Not Aligned' criteria)

Partially Aligned: All other combinations between 'Fully Aligned' and 'Not Aligned' criteria

Not Aligned: (Section A = <50% of criteria 'Fully Aligned') OR (Sections B and C = 20% or more of criteria are 'Not Aligned')

Programme specific results:

1. Section A (out of 14 criteria total in scope)
 - a. 14 out of 14 Fully Aligned
2. Section B (out of 37 criteria total in scope)
 - a. 35 out of 37 Fully Aligned

- b. 2 out of 37 Partially Aligned
- 3. Section C (out of 4 criteria total in scope)
 - a. 3 out of 4 Fully Aligned
 - b. 1 out of 4 Partially Aligned

Based on the assessment results, where in Section A all criteria are 100% Aligned, and criteria in Sections B + C are 92,68 % Aligned; the assessment results indicated Better Mining to be “Fully Aligned” as defined by the OECD’s Alignment Assessment methodology. The specific results section by section are provided separately in the Alignment Assessment Tool workbook.

LIMITATIONS

The following assumptions have been considered for this Assessment:

1. Better Mining is an Upstream Mechanism implemented by consulting firm RCS Global Ltd. Better Mining was originally developed with financial support of USAID and is not an Industry Program as defined in the Alignment Assessment of Industry Programmes with the OECD Minerals Guidance, or the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas 3rd Edition (OECD Due Diligence Guidance). The following is the OECD Due Diligence Guidance definition of an Industry Programme:

“For the purpose of this Guidance, this term means an initiative or programme created and managed by an industry organization or similar industry initiative to support and advance some or all the recommendations of this Guidance. An Industry Programme may be a part of the organization’s broader activities that encompass other goals. Any reference in this Guidance to relevant activities and/or initiatives of an Industry Programme is understood to mean that such activities and/or initiatives will be consistent with this Guidance. Better Mining is not run or managed by an industry organization or initiative.”

2. Better Mining is not an Institutionalized Mechanism as defined in the OECD Due Diligence Guidance. The following is the OECD Due Diligence Guidance definition of an Institutionalized Mechanism:

“For the purpose of this Guidance, this term means an organisation created by and composed of representatives of governments, industries, and civil society with a mandate to support and advance some or all of the recommendations of this Guidance. Any reference in this Guidance to relevant activities and/or initiatives of an Institutionalised Mechanism is understood to mean that such activities and/or initiatives will be consistent with this Guidance. BM was not created nor is composed of representatives of governments industries and civil society.”

ASSESSMENT TEAM

Lead Assessor: Kaido Katalsepp has six years of experience conducting RMI OECD aligned due diligence assessments, Copper Mark assessments as well as 10+ years leading ESG, C-TPAT and other management systems audits globally in 40+ countries. Kaido has led mine site and crude refiner assessments in

Rwanda, DRC, Russia, Finland, Australia, and Canada. Kaido also has experience conducting two upstream mechanism OECD alignment assessments, as well as industry Standards alignment assessments. He is an APSCA certified auditor as well as ISO 9001, ISO 14001 certifications. Kaido is fluent in English, Finnish, Estonian, and Russian. He resides in Estonia.

Interpreter: Jean Claude Munyandinda

Project Manager: Emily Brennan has conducted ESG and due diligence assessments in 30+ countries, analysing and reporting for a variety of industry sectors. She leads ARCHE's audit and advisory projects for the RMI, Copper Mark, LBMA and LME industry bodies. Emily has helped design, pilot and implement an array of responsible sourcing tools and advisory projects for global company programs and industry initiatives for all levels of varying commodity supply chains including minerals, agriculture and textiles. She is a qualified lawyer, an approved LME, Copper Mark, RMI and LBMA assessor, as well as APSCA and ISO 9001 certified.

COMPANY OVERVIEW

ARCHE Advisors, Inc. ("ARCHE") is a small business S Corporation established in January 2013. Founder and CEO, Greg Gardner first began working in corporate responsibility strategy consulting in 1995. Executive team members have 15 to 25 years of experience alongside his, showing the extensive background of our management team in this industry. The majority of our team members have worked together for more than a decade, ensuring a high level of mutual trust and teamwork. We believe in our work; we believe in each other and we look forward to developing new relationships with clients who themselves seek to have a positive impact on the world we live in. In addition, we are committed to working to the highest levels of integrity, and ensuring our own policies and practices align to these aspirations.

ARCHE Advisors is renowned for our subject matter expertise in social and environmental auditing, traceability, supply chain due diligence and risk mitigation. Our team collectively has more than 200 years of experience helping clients manage the social and environmental impacts of their globalized supply chains. Our project team has over 10 years of experience auditing alignment of various standards for responsible sourcing in minerals and metals supply chains, and is an engaged RMI service provider. With years of experience in responsible sourcing, field assessments and project execution, our team of experts brings rich knowledge and experience to this project.