



THE ITSCI PROGRAMME

2020 ANNUAL REPORT



A MESSAGE FROM THE GOVERNANCE COMMITTEE

Reflecting on 2020, ITSCI's continued success relies on two important factors. Firstly, our partnerships in the responsible mineral supply chains. Secondly, our global and field teams, who have shown enormous commitment and adaptability in challenging circumstances.

Despite COVID and related challenges, including supply chain volatility, we have demonstrated ongoing resilience. Early in the pandemic there was a very real risk that all the vital efforts to sustain responsible mineral trade would be lost. Supply chains were affected by logistical challenges, public health measures and border closures. With recognition that funding is a critical aspect of enhanced cooperation, now, more than ever, is the moment to consider modes for enhanced cooperation between upstream and downstream actors to ensure cost-sharing and promote our shared values of transparency, credibility and continuous improvement.

ITSCI aims to encourage growth of responsibly produced minerals which can bring efficiencies to due diligence and resilience to supply chains. Our joint industry initiative supports member companies in implementation of due diligence by working with governments and civil society and providing expert teams who enhance and support capacity building and stakeholder engagement activities, risk mitigation, data development, reporting and analysis. ITSCI standards are 100% aligned with the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs).



Kay Nimmo
International Tin Association (ITA),
ITSCI Governance Committee



David Knudson
Tantalum - Niobium International
Study Center (T.I.C.),
ITSCI Governance Committee

ROPER CLELAND ITSCI PROGRAMME MANAGER REFLECTS ON OUR IMPACT

Our mission is to support responsible 3T supply chains from CAHRA. We have worked hard with mining communities, businesses, government and international stakeholders to ensure national and international expectations are met. Our work supports due diligence and traceability and this in turn enhances opportunities for mining communities.



The COVID crisis has given an ever-sharper focus to our mission. We quickly adapted our work and tailored the support we provide to maximise our impact, ensure support to our government, industry and civil society partners.

With the impact of pandemic in 3T supply chains, delivering the Programme was quite challenging. Nevertheless, our team worked tirelessly to provide support to our members and stakeholders. Our data analysts in the UK continued to report risks and incidents and monitor data collection, interfacing with ITSCI partners on the ground. We continued to provide information to our members and partners including incident alerts, monthly field reports and shipment reports and associated information such as baseline files for smelters.

2020 Highlights

In this year, ITSCI monitored 2,330 mine sites making approximately 520 on the ground visits per month. Our teams recorded 1,338 incidents of which 117 were Level 1 seriousness, with potential association with human rights abuses, the involvement of non-state armed groups, illegal taxation, or implication of rogue individuals of state armed groups in mineral business. We received 1,175 whistle-blower calls from local communities and convened 552 training sessions with over 9,000 participants including state

agents, miners, traders, cooperatives, exporters, state security forces, and local authorities. Training sessions in our operating countries included due diligence measures in line with the OECD Due Diligence Guidance, tagging procedures, Voluntary Principles on Security and Human Rights (VPSHR) and mining laws.

During field visits, our teams also held awareness raising sessions on measures to prevent the spread of COVID at mine sites and processing facilities.

ITSCI COVID Leaflets

To help reduce the spread of COVID, ITSCI leveraged its extensive field network to engage artisanal mining communities and encourage them to follow the World Health Organisation (WHO) guidelines. This included developing short infographic leaflets in English, French, Kinduri, Kinyarwanda, Lingala, and Swahili which our teams used to support education and awareness-raising on the ground.



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This is a difficult time. We are using every opportunity to explain to miners that COVID is a serious health concern; we provide them with information on how they can increase their safety and stop the spread of the virus.

Serge Ntandu

ITSCI field staff Maniema, DRC, May 2020

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BURUNDI

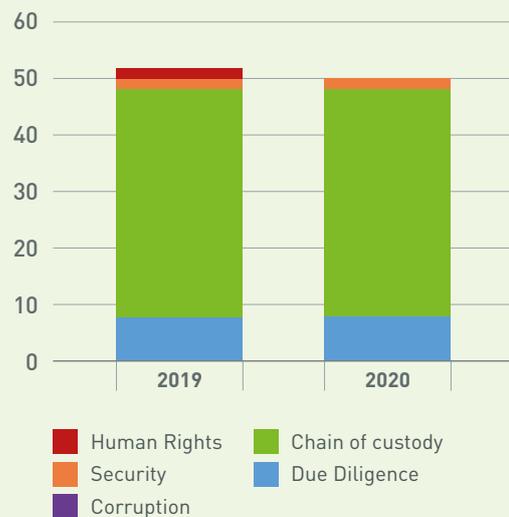


In Burundi, one of our significant achievements was in relation to our performance in incident mitigation and management. Throughout the year, our teams recorded 50 incidents with 80% related to data recording on logbooks, plausibility at mine sites and untagged minerals at mine and exporter level due to the absence of state services. We addressed the incidents by organising 12 capacity building training sessions for government agents at mine sites and processing facilities. Mitigation actions also included regular joint sites visits with the Office Burundais des Mines et Carrières (OBM) to assess production, verify the type of minerals and ensure the correct tagging and data recording procedures were applied.

The national 3T steering committee established in 2019 to support 3T mineral traceability and due diligence did not hold sessions in 2020 due to the sanitary measures against the pandemic. To prevent the spread of COVID at mine sites, our teams held 58 awareness sessions for around 2,350 miners on the basic preventative sanitary measures against the virus using our French and Kirundi COVID leaflets.

ITSCI INCIDENTS IN BURUNDI

BY CATEGORY 2019-2020





BURUNDI



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I am proud to work in the ITSCI Programme because it has allowed mining activities to resume in Burundi after years of embargo and now a miner can have an income that allows him to support his family, look after his dependents and pay his children’s school fees. At the same time, the government benefits through various taxes and currencies that go into the state exchequer, all thanks to a system of traceability and due diligence applied at all levels of the supply chain from the mine to the smelter.

Jean-Baptiste Sabukwigura

ITSCI Burundi Team Leader

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Following a good collaboration between OBM and ITSCI, we received great support on due diligence and traceability tools, but also on measures to combat COVID. This helped us to record an increase in production compared to 2019.



Omar Ndikumana

President of the Coopérative Minière de Gashoho (working at Ngomo sub-sector, in Kirundo Province)

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Even though the year 2020 was difficult and complicated, we would not have been able to export minerals without the ITSCI Programme that supported us in conducting due diligence.



Dieudonné Ndayikeje

Operations Manager at exporter Burundi Mineral Export (BME)



DEMOCRATIC REPUBLIC OF CONGO



The establishment of Local and Provincial Steering Committees (CLS and CPP) constitutes one of the main successes of ITSCI in the Democratic Republic of Congo (DRC). The Committees support incidents resolution and help safeguard the integrity of 3T supply chains. Throughout 2020, ITSCI facilitated 255 multistakeholder meetings to discuss incidents and risk management strategies.

The number of incidents recorded in the DRC fell to 986 in 2020 compared to 1,036 in 2019. A total of 117 level1 incidents were opened with North Kivu recording the largest percentage. With school closure (a government measure to mitigate the spread of COVID), risks associated with the presence of children at mine sites increased in 2020. A total of 41 incidents related to child labour in the DRC were opened by our team in 2020.

ITSCI addressed those incidents by facilitating joint awareness raising sessions with local partners including civil society organisations, state services and mining cooperatives to discuss the negative impact of child labour with mining communities. We encouraged state agents to take appropriate measures preventing children from working at mine sites. The local and provincial steering committees established by ITSCI also took several mitigating actions including door to door visits to discuss child labour risks with parents. In Tanganyika province, we supported the establishment of local groups composed of volunteer miners who monitor the presence of children, prohibit drunken miners from working, and restore order after disputes between miners. Those groups facilitate incidents resolution by communicating with the Service d'assistance et d'encadrement des mines artisanales et de petit echelle (SAEMAPE) when issues arise at mines sites.

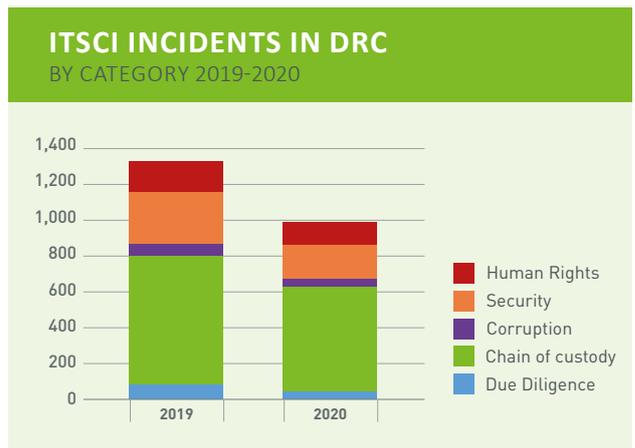
As part of our whistleblowing mechanism and via a radio campaign, we continued to raise awareness on 3T supply chain risks, encouraging local communities to use a toll free rapid alert hotline. Throughout the year, 6,152 programmes were broadcasted on 29 community radios across the country.

Due to the complexity of high risk areas, mineral fraud might occur. To mitigate risks related to the chain of custody, ITSCI works closely with SAEMAPE, Divimines, and local authorities to investigate incidents and raise awareness on the importance of traceability. In 2020, our teams conducted 3,260 mine sites visits and 2,507 visits to processors/exporters to monitor

security conditions, follow up and resolve incidents, support partners, and reinforce local awareness of due diligence principle. Although social distancing measures made field visits challenging, ITSCI conducted 202 additional joint visits with state services and other stakeholders to evaluate risk mitigation measures, monitor mining activities, and raise miners' awareness on issues impacting the mining sector. This enabled local stakeholders to follow up on traceability, due diligence, and risk mitigation.

ITSCI continued the roll-out of joint management of tags by local stakeholders in all provinces in the DRC throughout 2020. Although these procedures improved transparency and accountability in the distribution and use of mine tags, the need for re-training state agents becomes higher due to ongoing change or rotation of agents. ITSCI organised 477 training and coaching sessions for a total of 6,255 participants including state agents, miners, traders, cooperatives, exporters, state security forces, and local authorities.

To support the fight against COVID, we developed a special radio campaign on hygiene measures and held awareness raising sessions on COVID prevention measures at mine sites using our COVID Leaflets in French, Kikongo (Kituba), Lingala, Swahili, and Tshiluba. The radio campaign was notably useful given the reduction of our field teams in 2020. A total of 2,320 radio programmes were broadcasted in four months.





DEMOCRATIC REPUBLIC OF CONGO



The ITSCI project supports the Congolese state in bringing transparency of 3T mineral production. It would be great to strengthen communication mechanism of incidents from the provincial to the national level, and advocate end-users to support mine site development.

Téophile Basoshi

former SAEMAPE North Kivu Provincial Director (now based in South Kivu)



I have been working with ITSCI since 2013. As a team leader in Mitwaba, the Programme has brought me a lot closer to vulnerable communities in this area. ITSCI has enabled women to secure a daily living by selling minerals locally. As a woman in the mining sector, I have immense pride in my work supporting responsible supply chains and the impact it has on women's lives and livelihoods in ASM communities.

Eulalie Kabatunanga

Team Leader ITSCI Mitwaba, Haut Katanga, DRC



ITSCI significantly contributes to the lives of artisanal miners and their dependents. Over the years, the Programme has supported responsible 3T supply chains from the DRC despite several challenges. This year has been particularly challenging, but the Programme remained efficient.

Vincent Gbolo Songe

ITSCI Eastern DRC Program Manager



There is nothing more peaceful than working formally. This improvement would not have been possible without the significant contribution of ITSCI through different advice provided during the visits and tags available for my minerals. We thank ITSCI for its helpful support, other miners and I will always be thankful.

Mr Kwizera Bosco

Mineral trader, DRC

Started working with ITSCI in 2018

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RWANDA



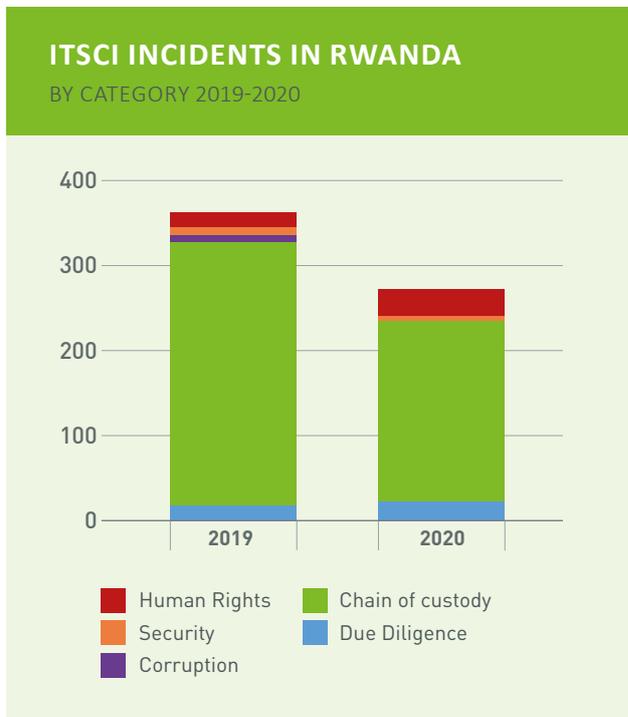
ITSCI continues to support responsible sourcing of 3T minerals from Rwanda, working with partners, stakeholders and member companies. In 2020, the Programme included 354 mining companies covering 986 mine sites.

The number of incidents recorded in Rwanda decreased with 270 in 2020 compared to 364 in 2019. Of the 270 incidents, 220 were related to the chain of custody, 3 to security and 33 to human rights issues including fatal accidents at mine sites.

To reduce potential risks of fraud, tag misuse and smuggling, ITSCI continually seeks improvements in tag management. Our team carried out 533 visits at mine sites and processing facilities, including 418 joint visits with the Rwanda Mines, Petroleum and Gas Board (RMB) to assess safety and production plausibility and identify necessary actions to reduce traceability incidents. We also organised 12 traceability training sessions for 12 RMB Mineral Field Officers (MFOs), a five-day training course on due diligence and traceability procedures for 97 RMB Mineral Field Officers and an awareness raising session on risks related to informal mining for 300 people in mining communities.

We continued to work with the District Mining Task Forces (DMTF) agents to follow up on incidents and prevent illegal activities. As of 2020, 10 DMTF were established in Rwanda. ITSCI continues to advocate for the establishment of more DMTF committees in other districts due to their crucial role in addressing traceability and plausibility concerns.

COVID significantly impacted Rwanda’s mining industry in a variety of ways. Mining activities were suspended between the end of March and June 2020 due to the measures adopted by the government to control the disease, which included a general lockdown from March to May. Additional lockdowns in specific provinces, a night curfew, and movement restrictions between provinces exacerbated the impact. Our team provided support to participate in the fight against the propagation of the virus by raising awareness in the field using our COVID leaflets in Kinyarwanda, English and French.





RWANDA



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ITSCI has played an important role in proving to the world that Rwanda is fully compliant to mineral traceability and due diligence measures. This has changed global public perception on Rwanda’s minerals.

Dr. Ivan Twagirashema

Chief Operating Officer of Rwanda Mines, Petroleum and Gas Board (RMB)



Ildephonse, ITSCI Programme Manager in Rwanda, was invited by the Rwanda Extractive Worker’s Union (REWU) at BTN TV to explain explain how mineral traceability and due diligence are implemented in the country. The show depicted the progress made over the years and the current challenges, such as mineral smuggling. The Rwanda Extractive Worker’s Union hosts regular shows to discuss mining issues, miner’s rights, and ways to professionalise the sector.

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ITSCI has been very important to the country’s mineral industry helping miners to access the international market

Mr Mutsindashyaka

Secretary General Rwanda Extractive Worker’s Union (REWU)

[READ THE FULL STORY](#)



UGANDA



In 2020 due to a number of factors, ITSCI members temporarily suspended activities. Our teams continued to support responsible trade through due diligence guidance, training, and awareness raising sessions on tagging procedures and risk mitigation measures.

Incidents recorded in Uganda from January to March 2020 were related to the chain of custody mainly due to errors made during the recording of information on logbooks. To mitigate those incidents, our teams held training sessions on traceability and due diligence procedures for the personnel at ITSCI member companies.

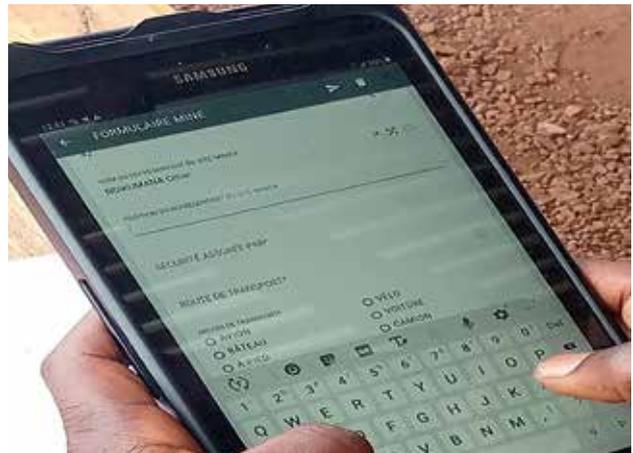


LOOKING AHEAD: CONTINUOUS ENGAGEMENT & IMPROVEMENT

As a joint industry initiative, ITSCI enables companies to share due diligence costs, receive timely and credible information about their supply chains and access tools to mitigate risks. We implement and compliment many national and international initiatives and regulations related to mineral due diligence.

ITSCI's work in high risk areas requires multiskilled and multilingual expertise. Our global data team works closely with our fields team to verify and provide consistent and reliable information on supply chains risks. This supports companies in strengthening management systems related to responsible minerals and enabling more effective decision making and supplier engagement in addressing and managing risks. Although technology can never replace people, our data team is also continuously developing data management and inclusion of technological solutions. New tools such as our mobile app are in different stages of development in our operating countries, as we believe technology can improve accuracy and efficiency in data

management. We will continue to innovate and invest in technology, to complement and support our local teams whose presence on the ground is critical for ITSCI's success.



Although we faced resource constraints we continued to maintain communications and ensure regular distribution of information such as incident alerts, monthly reports to support our members and stakeholders.

Marie Brooks
ITSCI Administrator



ITSCI's data-driven approach is a key ingredient to our success. We work tirelessly to ensure the highest possible data quality, prioritising reporting timely, accurate and trustworthy information.

Teresa Peacock
ITSCI Data Quality Officer



ITSCI's methods are robust and so are its people; 2020 demonstrated this as we weathered the worst of the pandemic to emerge as vital and engaged as before it took hold. It's not over and vigilance is key. The array of data we manage and depth of experience at ITSCI is extraordinary. Our Programme is unique. These attributes position us strongly for another decade of success and I look forward to contributing.

Richard Evans
ITSCI Implementation Manager

CELEBRATING A DECADE OF SUCCESS IN HIGH RISK AREAS

ITSCI has demonstrated that challenges related to CAHRAs can be managed in line with national and international expectations. The initiative developed rapidly from piloting stages to become the foundation of 3T mineral trade across central Africa. Our monitored supply chains have allowed more responsible sourcing, avoiding total disengagement from CAHRAs, and delivering real social value for local communities along the way.

In 2016, the OECD recognised ITSCI’s impact in responsible sourcing of minerals from CAHRAs. The OECD praised the work carried out by ITSCI as “the only on-the-ground due diligence Programme that has effectively brought Great Lakes minerals to the international market”. The organisation noted that ITSCI’s “implementation of the Guidance in mineral producing and trading areas is by far most advanced in the 3T sector”.

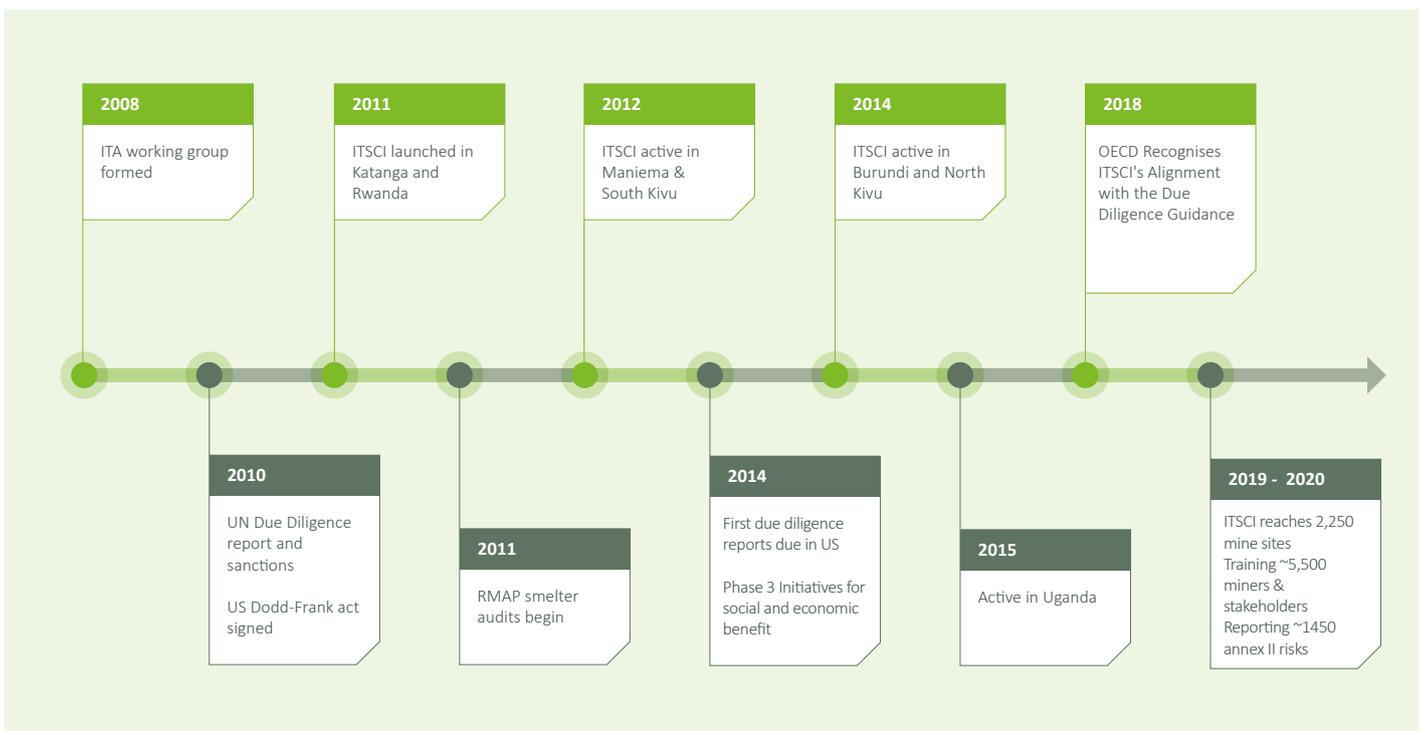
In 2018, a detailed independent assessment by the OECD concluded that the standards of the ITSCI Programme are 100% aligned with the 5 Step due diligence recommendations.

Inclusivity, reliability and scale are critical to ITSCI’s success. We have successfully built trust with local government, civil society and local communities to support responsible trade, monitoring ~2400 mines sites in high risk areas, making ~500

site visits a month. Over the years, we have worked with ~80,000 individual miners, who support millions of people with their activities.

Our success would not be possible without our participative approach, extensive network, and our dedicated teams on-the-ground. No matter how remote, our local teams will do what it takes to reach mine sites or processing facilities. This enables us to have an extensive awareness of real issues in a dynamic and quickly evolving context.

ITSCI’s expert teams support traceability, help to identify and report incidents, continuously monitor and support risk management.



WHAT OUR MEMBERS SAY ABOUT US

To commemorate ITSCI’s tenth anniversary, members and stakeholders shared their experience working with ITSCI, including the Programme’s impact on the way they conduct their due diligence.

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As a downstream company, we rely heavily on in-region traceability programs to responsibly source 3TG. These programs, such as ITSCI, are crucial to the livelihoods of mining communities and our ability to manufacture responsibly sourced products for our consumers. Downstream companies must ensure they support and engage with these upstream actors who play such an important role in our supply chain.

Intel

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As both an upstream and downstream company in the tantalum supply chain, KEMET believes ITSCI’s existing role in supporting a conflict-free source of tantalum in the Great Lakes region of Africa is critical to the electronics industry.

KEMET

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SMR is a legitimate and responsible owner of a tungsten mine in Rwanda. The successful transformation of this asset from artisanal to semi-industrial scale was enabled through a long term partnership with a major end user in the western world. This achievement would not have been possible without having a “must have” regional due diligence and traceability system in place. Since its inception 10 years ago, the ITSCI Programme provided a critical scale on the ground, allowing full compliance and alignment in line with the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High Risk Areas 3rd edition.

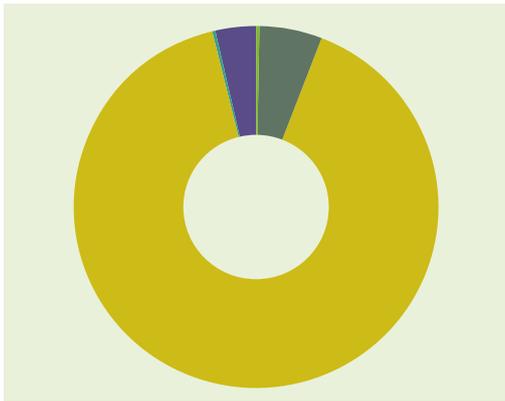
Quentin Lamarche

Trader, SMR

HEAR FROM SOME OF OUR MEMBERS



FINANCIAL SUMMARY FOR YEAR 2020

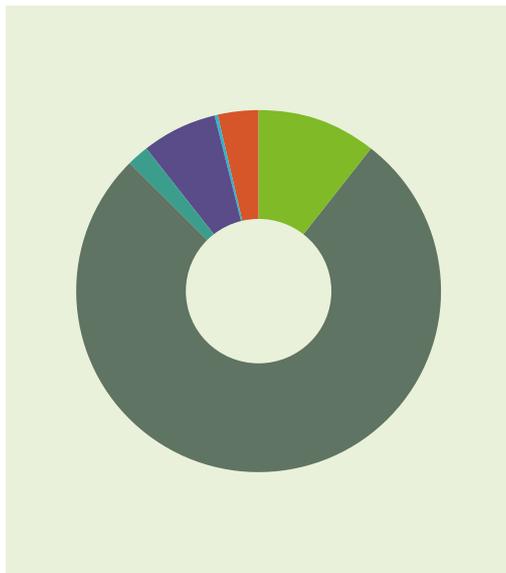


FUNDING	US\$	%
Downstream member fees	16,875	0.2%
Upstream member fees	421,682	5.5%
Upstream mineral levy	7,006,784	90.7%
Upstream direct payments	10,750	0.1%
Donation/other	269,562	3.5%
Donor, field implementation	0	0.0%
TOTAL	7,725,653	100%
Sub-total via ITA	7,725,653	100%

NOTES:

In years when Pact is directly funded for field work by donors, figures are included in 'Total' but not 'Sub-total'. ITSCI has operated at large scale with no donor funds since January 2017. Upstream funding from levies and fees represented 96.2% of total funding. Since 2019, the levy rates for coltan and wolframite has been harmonised across the region. 'Donation/other' includes a contribution from a downstream company

to support incident, whistleblowing activities and US\$75,000 from our 2020 COVID response fundraising campaign with the Responsible Minerals Initiative (RMI). US\$421k has been written off. A small annual surplus of US\$544k occurred but the overall balance is stable at around 6-month reserve.



EXPENSES	US\$	%
Traceability and data	733,238	10.8%
Field implementation	5,190,180	76.8%
Field implementation, donor	0	0.0%
Independent evaluation	132,380	2.0%
Secretariat	452,693	6.7%
Governance Committee	20,864	0.3%
W/blowing & Ombudsman	230,761	3.4%
TOTAL	6,760,116	100.0%
Sub-total via ITA	6,760,116	100.0%
2020 bad debts written off	421,319	
2020 annual surplus	544,218	
On-going Programme balance	3,181,008	

FUNDING

ITSCI has operated at large scale with no donor funds since January 2017. The Programme is operated at cost by not-for-profit associations and all revenues are held in trust for sole use for ITSCI activities. Since our establishment in 2010, we have improved due diligence, and supported companies, governments and civil society to understand and mitigate risks aligned with the OECD due diligence guidance. In 2020, ITSCI expenses were US\$6.7m (\$563K per month) which were wholly met by levies at US\$7.0m (US\$583K pm) and through donations at US\$269,562. We continue to engage downstream companies and encourage their financial support to the Programme.

AUDITORS STATEMENT FOR YEAR 2020

AFI183/745691/GD/HT

29 April 2021



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TO WHOM IT MAY CONCERN

ITSCI PROGRAMME ACCOUNTING – INTERNATIONAL TIN ASSOCIATION LIMITED

Rayner Essex LLP are the statutory auditors of International Tin Association Limited, the company which is the Secretariat of the ITSCI Programme. We confirm that income, expenditure and the reserve fund related to the ITSCI Programme is recorded separately within the International Tin Association Limited accounting systems and included within our audit of the financial statements of International Tin Association Limited for the year to 31 December 2020. We also confirm that separate bank accounts are held exclusively for the ITSCI Programme and in September 2016 a formal declaration of trust was established over the funds to confirm use only for purposes stated in the ITSCI Membership Agreement. Our audit was conducted in accordance with International Standards on Auditing (UK and Ireland).

In accordance with our invariable practice this information is given strictly without responsibility on the part of the writer or the firm and we cannot be held responsible for any financial liability under any circumstances.

Yours faithfully

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