ICGLR THIRD PARTY AUDIT SUMMARY REPORT

NBB & FRERES S.A.R.L

DEMOCRATIC REPUBLIC OF CONGO (DRC)

Final Exporter Status
Green

Auditors

Lead Auditor,

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1. Introduction

a. Audit objective

In accordance with the ICGLR's audit methodology manual, the ICGLR's independent third-party audit provides independent verification that the exporter's mineral chain, from mine site to export, is carried out in accordance with the ICGLR's Regional Certification Mechanism (RCM) standard.

The objective of the ICGLR Regional Certification Mechanism Manual is to provide mineral supply chains that have not directly or indirectly provided support to non-state armed groups and/or public or private security forces engaged in illegal activities and/or serious human rights violations within and between ICGLR Member States with a view to eliminating support to armed groups that sustain or prolong conflicts and/or engage in serious human rights violations.

Based on the ICGLR's third-party audit methodology, this audit aims to assess NBB & Frères Sarl's level of compliance with the requirements and standards of the ICGLR's Regional Certification Mechanism.

b. Auditee

i. General information

The audit concerns the company NBB & Frères SARL. The NBB & Frères sarl company is authorised to operate as a 3T ore processing entity by ministerial order n°017/CABMIN/MINES/01/2016 of 10 May 2016 granting approval as a 3T processing entity, which was renewed in 2022 recognising it as a Category B processing entity.

The audited entity is NBB & Frères sarl, whose corporate purpose is mineral processing, construction and general trading. The company is constituted of three partners, including Mrs Numulisa, Mrs Bulangashane and Mr BWINJA.)

The main office of NBB & Frères Sarl is located in the town of Bukavu, Quartier Nyalukemba Commune d'Ibanda, Province of South Kivu in the Democratic Republic of Congo. NBB & Frères Sarl carries out general trading activities, particularly in the mining sector (purchase and export of 3T ores), in compliance with the mining regulations in force in the DRC.

ii. Commercial information

The company has been operational since 2018, although it was created in 2014. It should be noted that, contrary to its Approval Order recognising it as a Category A mineral processing entity, it operates as a Category B mineral processing entity. This change is justified by the fact that the company has an acknowledgement of receipt of its application to move from category A to category B, as well as the relevant technical opinions. The DRC Mining Code authorises the company to operate under the category requested, as the application is currently being processed by the relevant authorities, who have exceeded the deadline.

The cassiterite, wolframite and coltan are supplied from miners grouped together in mining cooperatives and directly from traders in the Mwenga, Walungu, Kalehe and Shabunda territories in South Kivu province.

c. Auditor

i. Audit firm

The audit is being carried out by Cabinet d'Audit pour les Mines Responsables (CAMIR Sarl), an audit firm duly constituted under Congolese law (DRC), whose members have been approved after receiving training on third party audit system from the CIRGL Secretariat. The firm is domiciled at 14, av. Kimbangu, Commune de Lubumbashi, Ville de Lubumbashi, Province du Haut - Katanga/RDC.

ii. Principal Auditor

Mr Ley IMBAMBA EYAKI is the lead auditor. He has been trained in ICGLR third-party audits by the ICGLR and is regularly accredited as such. He is a member of the team of national auditors for the CTC (Certified Trading Chain) standard implemented by the BGR and the DR Congo Ministry of Mines. Mr Ley IMBAMBA brings with him a wealth of experience in the field of natural resource governance.

Mr. Dhanis Rukan, ICGLR-accredited third-party auditor, contributed to the quality assurance of the audit report.

2. Scope of the Audit

a. Methodology

The audit is carried out in accordance with the regional standard for the certification of designated minerals (tin, tantalum and tungsten) from any ICGLR member state. The audit is based on the following document: "ICGLR Regional Certification Mechanism (RCM) Manual". The principles for carrying out the audit mission are generally based on the document "Audit methodology for audits of third-party exporters of the ICGLR Regional Certification Mechanism, revision 2 July 2022". These reference standards clearly determine the activities to be carried out as part of the third-party audit.

The audit involved a document review, examination of the company's risk assessments, semi-structured interviews and analysis of their content, as well as file analysis.

b. Overview

In practice, the risk assessment is based on the company's annual due diligence reports and its own risk assessment reports. Semi-structured interviews were conducted with officials from NBB & Frères, the mining administration and mining cooperatives. The auditors interviewed traders, transporters, diggers and external stakeholders, in particular leaders of civil society organisations. Registers of company, cooperative and trader operations were also examined.

3. Audit findings

a. Status tables

Table 1 Exporter status

Status criteria	Status	Item
Conflict Red Status	Green	1. Non-state armed groups or their affiliates illegally control mining sites or otherwise control transport routes, points where minerals are traded and any actor up the supply chain, up to and including the exporter.
	Green	2. Non-state armed groups or their affiliates illegally tax or extort money or minerals at access points to mining sites, along transport routes or at points where minerals are traded, up to and including the exporter.
	Green	3. Non-state armed groups or their affiliates illegally tax or extort money or ore shares from mine site owners, mine site operators, intermediaries, traders, export companies or any other actor up the chain of custody, up to and including the exporter.
Conflict Yellow status	Green	1. Public or private security forces or their affiliates illegally control mining sites or otherwise control transport routes, points where minerals are traded and any actor up the exporter's supply chain.
	Green	2. Public or private security forces or their affiliates illegally tax or extort money or ore shares from mine site owners, mine site operators, intermediaries, traders, exporters or any other upstream actor in the exporter's chain of custody.
	Green	3. Public or private security forces or their affiliates illegally tax or extort money or minerals at access points to mining sites, along transport routes or at points where minerals are traded in the exporter's supply chain.
Human rights Red Status	Green	1. Children under the minimum working age, as defined in that Member State, are employed at the mine site or the worst forms of child labour, as defined by the ILO, are present at the mine site or in the exporter's supply chain.
	Green	2. Forced labour is practised in the exporter's supply chain, where workers are required to work without compensation; workers are required on certain days of the week to hand over the fruits of their labour to a third party.
	Green	3. Any form of torture, cruel, inhuman and degrading treatment is practised or identified in the exporter's supply chain.
	Green	4. Other gross human rights violations and abuses, such as widespread sexual violence, are practised or identified as being associated with the exporter's activities.
	Green	5. War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide are associated with the exporter.
Formalities &. Transparency Red Status	Green	1. Payments are made to illegal or criminal organisations by any actor in the exporter's supply chain.
	Green	2. Payments are made to political parties or organisations, in violation of the laws of a Member State, by one of the actors in the exporter's supply chain.

	Green	3. Designated minerals from an invalid mine site (red) enter the exporter's supply chain or are mixed with designated minerals produced in a clean supply chain.
Formality and transparency Yellow status	Green	1. Shipments of minerals leave the mine without being recorded by a chain of custody system capable of tracking the minerals from the mine site to the exporter's supply chain.
	Green	2. Government officials (mining officials, secret services, municipal or provincial governments, military units, etc.) levy significant taxes or other payments disproportionate to any service provided to the exporter's supply chain actors in a manner not permitted by the mining code or mining regulations of the Member State.
	Green	3. Materials from another unknown source enter the exporter's supply chain.
	Green	4. Any actor in the exporter's supply chain offers, promises, gives or demands bribes to conceal or disguise the origin of minerals, to misrepresent taxes, duties and royalties paid to governments for the purposes of mining, trading, processing, transporting and exporting minerals.
	Green	5. Any actor in the exporter's supply chain does not pay taxes, duties and royalties to governments in relation to the extraction, trade and export of minerals from conflict-affected and high-risk areas and does not disclose such payments in accordance with the principles set out in the Extractive Industries Transparency Initiative (EITI) framework.
	Green	6. Any actor in the exporter's supply chain refuses to allow sampling for analytical mineral determination (AMD) to be carried out by the ICGLR or the Member State.

Table 2 Status of Supply Chain Actors

Status criteria	Status	Item
Conflict Status red	Green	1. Non-state armed groups or their affiliates illegally control mining sites or otherwise control transport routes, points where minerals are traded and any actors up the supply chain.
	Green	2. Non-state armed groups or their affiliates illegally tax or extort money or minerals at access points to mining sites, along transport routes or at points where minerals are traded.
	Green	3. Non-state armed groups or their affiliates illegally tax or extort money or ore shares from mine site owners, mine site operators, intermediaries, traders, export companies or any other upstream actor in the chain of custody.
Conflict Yellow status	Green	1. Public or private security forces or their affiliates illegally control mining sites or otherwise control transport routes, points where minerals are traded and any upstream actors in the supply chain.
	Green	2. Public or private security forces or their affiliates illegally tax or extort money or ore shares from mine site owners, mine site operators, intermediaries, traders, exporters or any other upstream actor in the chain of custody.
	Green	3. Public or private security forces or their affiliates illegally tax or extort money or minerals at access points to mining sites, along transport routes or at points where minerals are traded.
Human rights Red Status	Green	1. Children under the minimum working age, as defined in that Member State, are employed at the mine site or the worst forms of child labour, as defined by the ILO, are present at the mine site. Where a Member State has not defined a minimum working age, the International Labour Organisation (ILO) standard is used.
	Green	2. Forced labour is practised on the mine site; workers are required to work without pay; workers are required on certain days of the week to hand over the fruits of their labour to the mine site manager.
	Green	3. Any form of torture or cruel, inhuman and degrading treatment is practiced or identified on the mine site.
	Green	4. Other gross human rights violations and abuses, such as widespread sexual violence, are practiced or identified as being associated with mining activities.
	Green	5. War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide are associated with the exporter.
Formalities &. Transparency Red Status	Green	1. Payments are made by the owner or operator of the mine site to illegal or criminal organisations.
	Green	2. Payments to the government are made by the owner or operator of the mine site to political organisations in violation of the laws of a Member State.

	Green	3. Designated minerals from an invalid mine site (red) enter the mine site or are mixed with designated minerals produced on the mine site.
Formality and transparency Yellow status	Green	1. Ore shipments leave the mine without being recorded by a chain-of-custody system that can track the ore to its next destination beyond the mine site.
	Green	2. Government officials (mine officials, secret service, municipal or provincial governments, military units, etc.) levy significant taxes or other payments disproportionate to any service provided by workers or production at a mine site, in a manner not permitted by the mining code or mining regulations of the Member State.
	Green	3. Materials from another unknown mine site enter the mine site or are mixed with these materials.
	Green	4. The owner of the mining site, the operators of the mining site, intermediaries, traders, exporters or any other actor up the chain of custody and operating on the mining site offers, promises, gives or demands bribes to conceal or disguise the origin of the minerals, to distort the taxes, duties and royalties paid to governments for the extraction, trade, processing, transport and export of the minerals.[1]
	Green	5. The mine site owner, mine site operators, intermediaries, traders, exporters or any other actor up the chain of custody and operating on the mine site do not pay to governments all taxes, duties and royalties related to the extraction, trade and export of minerals from conflict-affected and high-risk areas and do not disclose these payments in accordance with the principles set out in the Extractive Industries Transparency Initiative (EITI).
	Green	6. The mine owner or operator refuses to allow the analytical mineral determination (AMD) sampling to be carried out by the ICGLR or the Member State.

[1] 1 *See the* OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997) and the United Nations Convention against Corruption (2004).

Table 3. Summary of non-compliance status findings

SUMMARY OF IMPROVEMENT OPPORTUNITIES			
Observation	**Status criteria:**	**Findings of Status Criteria:**	**Proposed corrective action**
1	Due diligence management systems	We have received from NBB & Frères the annual reports on the exercise of due diligence for the years under review. Having analysed the exercise of due diligence by NBB & Frères, we found that NBB & Frères does not have an internal specific policy on the exercise of due diligence, which makes it difficult to analyse the risks at ore extraction sites and transport routes, and consequently the company is unable to communicate to its business partners (customers and suppliers) the requirements that the company expects in this respect. - There is no specific identification of risks linked to the entire supply chain. There is no mapping of all the risks, detailing the frequency with which they occur and their criticality, to give management the options to take in their day-to-day management. Instead, the exporter organises site visits. - NBB & frères does not have a website open to the public. - No independent audit has been carried out since the company was founded.	• Draw up a risk map for its entire supply chain and define the strategies and players involved at all levels. • Develop a company website. The website will enable the company to report publicly on the exercise of its duty in order to generate public confidence. • To share the various reports on the exercise of due diligence with the various stakeholders.

4. Conclusion of the Audit

This was **NBB & Frères SARL's** first exporter audit under the revised Regional Certification Mechanism (RCM) third-party audits, which included a process review of the exporter's due diligence management systems and their alignment with the RCM manual and the OECD Due Diligence Guide.

The elements of the management systems are assessed separately and are not included in the overall score of the status criteria. However, any shortcomings identified in the management system have been documented, and a corrective action plan is proposed to enable continuous improvement. The exporter will have to report quarterly to the ICGLR on the status of corrective actions until they are completed. The reason for this approach is due to the limited capacity of exporters to implement a comprehensive management system as required by the RCM, and to allow for continuous improvement as they develop and implement their program.

While the exporter scored green on audit criteria, the company did not perform well on the management system audit criteria.

This audit establishes the final status of the exporter, NBB&Freres SARL as Green. The exporter has fulfilled its obligations as defined by the ICGLR Regional Certification Mechanism.