

## Mineral Supply Chain Due Diligence Assessment

### Summary Report

Assessed Party	KALONGWE MINING SA				
Assessment Date	05/13/2024 - 05/15/2024				
Assessed Material	Cobalt				
Assessment Type	<input checked="" type="checkbox"/> Main Assessment <input type="checkbox"/> Tracking Assessment				
Assessment Result	<input type="checkbox"/> AAA	<input checked="" type="checkbox"/> AA	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C
Assessment Firm	China Standard Conformity Assessment CO., LTD (CSCA)				
Assessor	Qingsong Mao, Chao Hou				

## Instruction

### Objective

This assessment program is an independent third-party assessment conducted by China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCCMC) based on *Chinese Due Diligence Guidelines for Mineral Supply Chain (Second Edition)* and *Cobalt Refiner Supply Chain Due Diligence Standard (Version 2.0)*, aiming to assess the performance of the company's due diligence management system and process, and support the company to identify the gaps that need further improvements and develop corresponding improvement measures.

### Basis of the Assessment

The assessment is based on *Chinese Due Diligence Guidelines for Mineral Supply Chain (Second Edition)*, hereinafter referred to as *the Guidelines*, and *Cobalt Refiner Supply Chain Due Diligence Standard (Version 2.0)*. The companies shall meet the content of "Companies should" in *the Guidelines*. "Companies should" refers to specific requirements of *the Guidelines* for companies' due diligence management, as well as the specific refinement of the requirements, which is consistent with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Third Edition)*.

### Explanation of Conformity Degree

**Conformity:** Indicates that the company's management system, policies, procedures or processes meet the requirements of corresponding provisions of *the Guidelines*.

**Need improvement:** Indicates that the company's management system, policies, procedures or processes partially meet the requirements of corresponding provisions of *the Guidelines*, but lack some necessary elements or content, or can not prove or lack evidence to prove that they are substantively functional, and further measures are needed to improve its performance.

**Non-conformity:** Indicates that the company's management system, policies, procedures, or processes cannot meet the requirements

of corresponding provisions of *the Guidelines*, resulting in systematic and repetitive non-conformities.

**Not applicable:** Indicates that corresponding provisions of *the Guidelines* do not apply to the Company.

**Zero tolerance:** If any of the following situations occurs, it is a "zero tolerance" situation.

1. Misrepresentation, deliberately forging false evidence or vouchers;
2. Any form of support for illegal control, or illegal taxation and extortion by non-state armed groups;
3. Any form of torture, cruel, inhuman and degrading treatment;
4. Directly cause or contribute to forced or compulsory labor;
5. Cause or contribute to widespread sexual violence;
6. The worst forms of child labor;
7. War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide;
8. Other situations generally considered unacceptable.

## Explanation of Assessment Results

The overall assessment result is based on the percentages of "non-conformity" items and "need improvement" items. The China Chamber of Commerce of Metals, Minerals & Chemical Importers & Exporters (CCCMC) provides the following suggestions on the assessment results:

Level AAA: There is no "non-conformity" items, indicating that the company has excellent supply chain due diligence management performance.

Level AA: the percentage of "Need improvement" items does not exceed 15% of all applicable items, and the percentage of "non-conformity" items does not exceed 5% of all applicable items.

Level A: the percentage of "Need improvement" items does not exceed 25% of all applicable items, and the percentage of "non-conformity" items does not exceed 10% of all applicable items.

Level B: the percentage of "Need improvement" items does not exceed 35% of all applicable items, and the percentage of "non-conformity" items does not exceed 20% of all applicable items.

Level C: The above level cannot be reached or there is any "zero tolerance" situation.

### **Description of Assessment Type**

The assessment is divided into main assessment and tracking assessment. The main assessment needs to be carried out once a year. The tracking assessment is conducted every six months or during the re-assessment (main assessment) based on the conformity degree and assessment results.

## 1. Assessed Party

Company Name	KALONGWE MINING SA
Refinery Name	KALONGWE MINING SA
Location	Kolwezi City, Lualaba Province, Democratic republic of Congo
Profile Number	DDMSC-CDCo0047

## 2. Assessment Results

Type	<input checked="" type="checkbox"/> Main Assessment		<input type="checkbox"/> Tracking Assessment		
Result	<input type="checkbox"/> Level AAA	<input checked="" type="checkbox"/> Level AA	<input type="checkbox"/> Level A	<input type="checkbox"/> Level B	<input type="checkbox"/> Level C

## 3. Assessment Scope

Materials	Cobalt
Types of Materials	<input checked="" type="checkbox"/> Mine materials <input type="checkbox"/> Recycled materials <input type="checkbox"/> Both
Assessment Period	<input checked="" type="checkbox"/> 12 months: 04/01/2023-3/31/2024 <input type="checkbox"/> Less than 12 months:

#### 4. Summary of Assessment Results

Assessment Result	AA
-------------------	----

Step 1: Establishing A Corporate Due Diligence System	
Develop and adopt due diligence policy.	The Company has formulated and approved the release of <i>Supply Chain Due Diligence Management Policy</i> , which complies with the requirements of the <i>Chinese Due Diligence Guidelines for Mineral Supply Chain</i> .
Structure appropriate internal management systems.	The Company has established the organization structure of supply chain due diligence management, including the Supply Chain Due Diligence Management Committee and the Joint Office for Supply Chain Due Diligence Management. The Company has assigned the responsibility of responsible management to relevant senior management and employees, and regularly conducts supply chain responsible management training.
Establish a system of controls and transparency over the supply chain.	The Company has established a supply chain control and transparency system and developed a <i>Responsible Procurement Control Procedure for Mineral Supply Chain</i> to collect and understand the Company's mineral supply chain traceability information. For suppliers that trigger warning signs, the Company required to further collect mineral supply chain traceability information needed for reviewing supply chain warning signs.

Strengthen engagement with suppliers.	The Company has formulated the <i>Liability Contract Terms</i> and <i>Supply Chain Due Diligence Management Statement and Commitment</i> , and required their suppliers to sign them. The Company has assisted their suppliers in capacity building of responsible management through on-site training and communication, and the training records have been remained.
Establish a company level grievance mechanism and/or participate an industrial level grievance mechanism.	The Company has established the <i>Grievance Mechanism for Supply Chain Due Diligence</i> , and also identified and committed to participating in the grievance mechanism at the industry level.
<b>Step 2: Risk Identification and Assessment</b>	
Conduct warning signs review, and identify the scope of the risk assessment of the mineral supply chain based on the results of warning signs review.	The Company has developed the <i>Responsible Procurement Control Procedure for Mineral Supply Chain</i> , <i>Mineral Supply Chain Risk Management Procedure</i> , and the <i>Conflict Affected and High Risk Areas (CAHRAs) Identification Procedure</i> , which include the requirements for warning sign review and information verification. The Company has conducted the warning sign review on their supply chain based on them.
When warning signs are identified, companies shall conduct an on-the-ground assessment of the corresponding supply chain.	During this assessment period, the Company identified the supply chain warning sign. The Company has established an on-the-ground assessment team that received professional training to conduct the on-the-ground assessment and completed the on-the-ground assessment report.

Assess risks in the supply chain.	The Company has developed the <i>Mineral Supply Chain Risk Management Procedure</i> . Based on it, the risk assessment on supply chain due diligence management was conducted and the risk assessment results were formed.
<b>Step 3: Risk Prevention and Mitigation</b>	
Report risk assessment results internally.	The Company's supply chain risk assessment results can be reported to senior managers.
Develop and adopt risk management plan.	The Company has developed and approved the <i>Risk Management Plan of Mineral Supply Chain</i> to prevent supply chain risks, covering mitigation strategies for different types of risks.
Implement risk management plan, monitor and track performance of risk mitigation strategies.	The Company has maintained communication and cooperation with stakeholders to promote the implementation of the <i>Risk Management Plan of Mineral Supply Chain</i> , and regularly monitored the implementation of the <i>Risk Management Plan</i> .
Supplementary assessment of risks that need to be mitigated. Supplementary assessment can also be conducted after actual circumstances have changed.	The Company has stipulated that it will conduct continuous monitoring and additional assessment of risks that need to be mitigated when there are changes in operation circumstance or supply chain during implementation of the <i>Risk Management Plan of Mineral Supply Chain</i> .
<b>Step 4: Internal and External Assessment</b>	
Companies should establish internal assessment system, to	The Company has developed an <i>Internal Assessment Plan</i> and established an internal assessment team for supply chain due diligence management. The internal assessment and an internal assessment report have



continuously monitor and manage due diligence performance.	been completed.
Companies should designate the second or third party to conduct assessment when applicable.	It's the first time for the Company to participate in the independent third-party assessment of cobalt supply chain due diligence management.
When necessary, the company at the key points (smelters/refiners) makes necessary disclosures on the assessment results.	The Company has committed to releasing the <i>Assessment Summary Report of Supply Chain Due Diligence</i> to the public.
<b>Step 5: Reporting and Communication</b>	
Develop due diligence progress report	The Company compiled the <i>2023-2024 Supply Chain Due Diligence Progress Report of Kalongwe Mining SA</i> . Further improvement is needed in terms of the completeness of the disclosed content in the report.
With due regard to business confidentiality and other competitive concerns, companies should publish due diligence progress reports or summary.	<p>The Company released the <i>2023-2024 Supply Chain Due Diligence Progress Report of Kalongwe Mining SA</i> on its official website.</p> <p>Link: <a href="#">Chinese version</a>, <a href="#">French version</a></p>
<b>Step 6: Provide for or Cooperate in Remediation When Appropriate</b>	
When the company recognize that it has caused or contributed to actual adverse impacts, they should mitigate these impacts by	N/A

providing for or cooperating in remediation when appropriate.	
Companies provide conditions or cooperate with existing remedial mechanisms in a timely manner.	N/A