

# CLEAN COBALT & COPPER FRAMEWORK

**ERG'S COMMITMENT TO RESPONSIBLE PRODUCTION**

Updated October 2021

Global demand for cobalt and copper continues to grow due to the energy and battery requirements of a fast evolving transition towards a low carbon economy. Around half of the world's cobalt reserves are found in the Democratic Republic of the Congo (DRC), together with copper deposits. This means that the reliable and responsible sourcing of these minerals requires not only efficient mining, but also the promotion of sustainable development and human rights protections.

## Introduction

Eurasian Resources Group (ERG) is a leading diversified natural resources group with integrated mining, processing, energy, logistics and marketing operations. We are one of the largest producers of cobalt in the world from our Metalkol Roan Tailings Reclamation (Metalkol RTR) operation in the DRC, which is also a significant producer of copper.

We are committed to the responsible production of minerals and have developed the **Clean Cobalt & Copper Framework** for Metalkol RTR.

Our goal is to ensure that our mineral products are produced responsibly and to address risks associated with human rights infringements and unethical business practices, in particular child labour. ERG's framework aims to demonstrate and communicate this, thereby supporting the efforts of our customers to source responsibly.

At the heart of our **Clean Cobalt & Copper Framework** is the conversion of waste into product and the pursuit of excellence in responsible production. Our unique process reclaims legacy material thereby decontaminating the environment. Our due diligence efforts implement and go beyond the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#) with a focus on generating material that is verifiably traceable and respects human rights. Our framework also commits us to pursuing sustainable community development, and enhanced environmental and sustainability leadership across the value chain.

We will continue to obtain third party assurance on our performance and commit to continual improvement as we implement and learn.

# Part 1

The Context of Cobalt  
and Copper

## ERG and Metalkol RTR

As a leading diversified natural resources group, ERG operates in 15 countries across four continents and has a global workforce of more than 66,000 direct employees. The growth and transformation of our business is underpinned by our commitment to value creation while embedding sustainability and driving responsible production of critical commodities.

Cobalt and copper are key parts of the ERG portfolio. Metalkol RTR in the Kolwezi area of the DRC consists of two legacy tailings deposits hosting approximately 113 million tonnes of resources. In 2020, Metalkol reached full Phase 1 production capacity and completed Phase 2 construction, with the additional plant increasing its production. Indeed, by the end of 2020, production had reached 80% of cobalt hydroxide and 75% of copper metal Phase 2 design capacity (i.e. 16.5kt of cobalt hydroxide and 80.3kt of copper metal). As such, Metalkol RTR is one of the world's leading cobalt producers.

Unlike conventional mining operations which extract primary ore, at Metalkol RTR legacy copper-cobalt tailings are reclaimed and reprocessed. Since the 1950s previous operators have been releasing these tailings into the environment (including the Musonoi River). Over the decades, this waste material has accumulated into one of the largest tailings deposits in the world and continues to cause water and dust pollution, negatively impacting local aquatic systems, ecological habitats and surrounding communities. This presents a unique opportunity for us to go beyond 'do no harm' and to progressively address the extensive legacy of environmental degradation and pollution while improving the quality of life of local communities.

## Cobalt, batteries and a low carbon economy

Cobalt has multiple applications from superalloys to batteries in smart phones but is most critically important in the transition to a green economy due to its significance to batteries for mobile technologies. Our **Clean Cobalt & Copper Framework** will support this global shift to a low carbon economy and the ambition to minimise climate change as set out in the Paris Agreement and the UN's Sustainable Development Goals.

The electric vehicle (EV) revolution in particular has resulted in a strong demand for cobalt, which is used in lithium-ion batteries to optimise the battery lifecycle and thermal stability. To keep global warming below 1.5 degrees, the Paris Agreement identified that 100 million EVs should be added to roads by 2030, a 50-fold increase from 2016. EVs alone are expected to account for as many as one in every five vehicles sold globally by 2025, and demand for cobalt in EV batteries is expected to grow by 200% by 2020, and by 500% by 2025. By 2025, the battery market is set to be worth \$100 billion.

At full capacity, Metalkol RTR will produce volumes of cobalt sufficient to build more than three million electric vehicles per year and play a critical role in this transition to a low carbon future.

## Copper and renewable energy

Copper is not only a key input material for EVs (which require approximately four times the amount of copper compared to a conventional engine), but the metal is also vital for renewable energy systems. For example, the European Copper Institute notes that renewable energy systems use up to 12 times more copper than conventional systems – with copper demand expected to rise by more than 40% by 2035.

Furthermore, copper can be perpetually recycled, helping support the circular economy.

## Mining in the DRC

Rocketing demand for cobalt and copper comes with its own challenges. Around half of the world's cobalt reserves are found in the DRC, which is also responsible for more than 65% of global production. As a consequence of high global demand, cobalt produced by the artisanal and small-scale mining (ASM) sector holds a very prominent position in the country's economy and is responsible for an estimated 20-25% of production in DRC. Mining of cobalt and copper is likely to continue to be a significant driver of income and job creation for the country, as demand for these minerals grows on a global scale.

The ASM sector provides a critical means of permanent or seasonal income and sustenance to an estimated 110,000-150,000 men, women and children in the DRC cobalt sector. ASM is often an intensely difficult and dangerous activity wherever it occurs and carries many risks for those participating in it, and those living nearby: human rights infringements, including the worst forms of child labour, forced labour, poor health and safety practices and environmental degradation, are common in the DRC's cobalt ASM sector.

Given these risks, there is increased awareness and attention from consumer-facing brands, companies, NGOs and governments involved in the global battery supply chain which presents an opportunity to work together and create positive change. Cobalt and copper are in high demand and the industrial sector, including ERG, has an important role to play in demonstrating and driving best practice, enabling an inclusive economy and promoting human rights.

As an operator in the DRC, we are well aware of these risks and challenges in the country, and the time it will take to create change. We are also aware of the growing and immediate demands from customers and downstream actors for responsibly sourced materials and the opportunities that responsible mineral production can present for local sustainable development.

## Driving responsible production

In 2017, ERG recognised the need to develop an approach to enhance our responsible production of cobalt – this became our **Clean Cobalt Framework**. In 2021, we expanded this to **cobalt and copper**. With regards to the reclamation of legacy waste material, our goal is to support the technology for a low carbon economy while improving local communities' quality of life and supporting multi-stakeholder efforts to achieve responsible cobalt and copper supply chains.

Through our **Clean Cobalt & Copper Framework** we will demonstrate and communicate this commitment to our stakeholders and especially to our customers to support their efforts to source responsibly produced materials. We know providing assurances is crucial and as such we will continue to obtain third party validation on our performance and will commit to continual improvement as we implement and learn.

In 2020, Metalkol RTR also committed to the Responsible Minerals Assurance Process of the Responsible Minerals Initiative and our annual Clean Cobalt & Copper Performance Report will serve as our Step 5 report for this process.

# Part 2

The Clean Cobalt  
& Copper Framework

The current scope of the **Clean Cobalt & Copper Framework** is Metalkol RTR as the newest and principal cobalt asset in the ERG portfolio. However, the principles are being implemented across other ERG assets in the DRC and globally. This section explains our commitment and approach to the responsible production of cobalt and copper at Metalkol RTR.

Our **Clean Cobalt & Copper Framework** allows us to identify and respond to the most salient human rights risks, as well as the issues that matter most to our stakeholders including customers and local communities. Our objective is to provide the confidence that our cobalt and copper are compliant with the globally recognised supply chain guidance of the OECD ([OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas](#)), and that other important sustainability and human rights issues are being managed in alignment with the UN Guiding Principles on Business and Human Rights. Furthermore, our framework aims to ensure that we have a positive impact locally in the DRC, as well as internationally.

Our ultimate goal is for Metalkol RTR to become the foremost sustainable cobalt and copper producer globally, helping deliver prosperity for the communities in which we operate, for our sector generally and for society at large (Figure 1).

The **Clean Cobalt & Copper Framework** comprises a suite of commitments that Metalkol RTR makes to its stakeholders, achieved through a set of management systems, processes, controls and investments designed to comply with and go beyond the OECD guidance on the one hand, and to optimise our positive impacts on the other. Our performance on these commitments is reported and our independent auditor will continue to provide an assurance opinion on our performance reports. As our operations develop further, we may review and further improve upon our commitments in response to the dynamic risk environment in which we work and the changing market and societal priorities. We will continuously improve our management systems as a matter of course.

**Figure 1: Central characteristics of the Clean Cobalt & Copper Framework**



### MEETING SECTOR EXPECTATIONS

Managing risk in line with existing market expectations



...because we are **OECD Guidance compliant**

*GOING BEYOND THE STATUS QUO...*



### MEETING ERG LEADERSHIP EXPECTATIONS

Managing risk in line with emerging market expectations and aligned with our own values



...because we apply the **OECD with greater rigour and to help manage a broader suite of risks that matter to us and our stakeholders**



### MEETING SOCIETY'S EXPECTATIONS

Delivering positive impacts for our stakeholders and society at large towards more sustainable systems



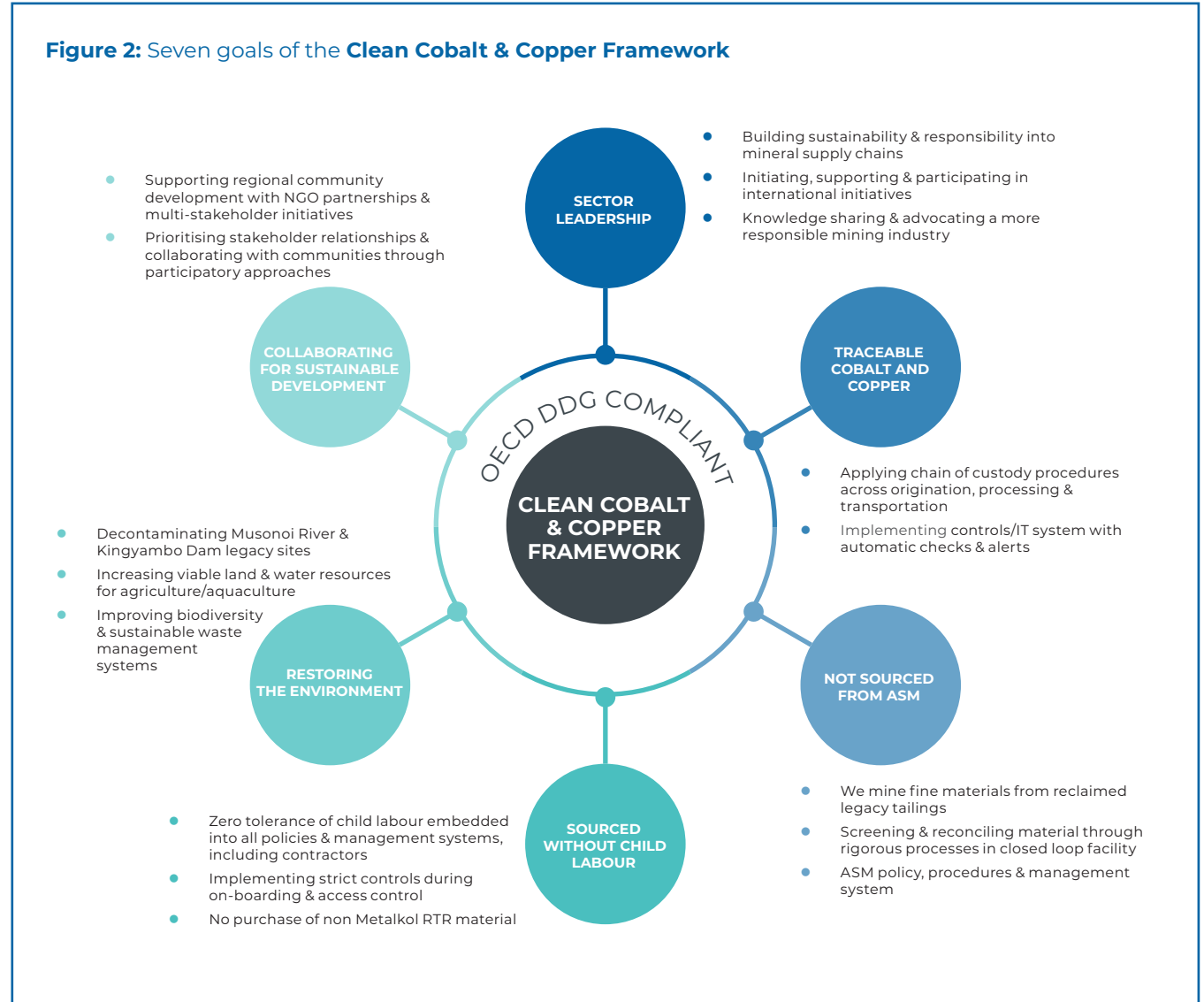
...because it empowers us to encourage others to live up to our values, beyond our operations

## The Clean Cobalt & Copper Framework Goals

We drive positive outcomes for the DRC people, global society and the cobalt and copper value chains by pursuing seven goals (Figure 2).

We do not only apply the OECD due diligence five-step framework on Annex II human rights risks but go beyond the implementation in terms of rigour and risk management. ERG commits to continual improvement and stakeholder engagement.

**Figure 2: Seven goals of the Clean Cobalt & Copper Framework**





## We comply with the OECD Due Diligence Guidance

The most recognised and acknowledged industry guidance for responsible cobalt is compliance with the OECD Due Diligence Guidance for Minerals from Conflict-Affected and High-Risk Areas ('OECD Guidance'). The OECD Guidance was originally conceived as a tool for businesses downstream from mining companies and recyclers to control risks in supply chains emanating from or passing through conflict-affected and high-risk areas. We have adapted it to fit our mining activity and our high-risk context. We have embedded it into our policies and management systems, including our risk controls, training programmes and stakeholder engagement strategies, and have made it our top priority to not only conform with this Guidance, but to go beyond it in terms of due diligence – both the issues which we focus on and the rigour applied to the process. This is also applicable to the copper processing stream which is operated in the same manner and subject to the same management policies, systems and procedures.

We apply the 5-step approach of the OECD Due Diligence Guidance to all our salient risks and therefore beyond those risks outlined in Annex II of the OECD Due Diligence Guidance.

1. Establishing strong company management systems, including traceability and continuous improvement
2. Identifying and assessing our risks and our impacts
3. Managing our risks
4. Supporting customer audits and assuring our reporting
5. Reporting on our risks and risk management systems and practices

We conduct due diligence on human rights risks presented by our own operations and our operating environment. We also conduct due diligence on our supplier and business partner relationships. Our approach to due diligence in these two domains is explained in the following pages, and in all cases involves the five ongoing steps.

In addition, RMAP includes a Step 6 on Community Participation which we also apply.

### The OECD Guidance Annex II Risks associated with the Extraction, Transport or Trade of Minerals

- Any forms of torture, cruel, inhuman and degrading treatment
- Any forms of forced or compulsory labour
- The worst forms of child labour
- Other gross human rights violations and abuses such as widespread sexual violence
- War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide
- Direct or indirect support to non-state armed groups
- Direct or indirect support to public or private security forces carrying out illegal acts in the minerals sector
- Bribery and fraudulent misrepresentation of origin of minerals
- Money laundering
- Payment of taxes, fees and royalties due to governments

### Responsible Mineral Assurance Process (RMAP)

Metalkol RTR is also committed to the Responsible Minerals Assurance Process of the Responsible Minerals Initiative. This includes the Cobalt Refiners Due Diligence Standard and assessment against relevant sections of the Joint Due Diligence Standard for Copper, Lead, Nickel and Tin.

The RMAP standards are developed to meet the requirements of the OECD Due Diligence Guidance, the Regulation (EU) 2017/821 of the European Parliament and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.

## Systems for Managing Operational Risks

### 1. We make a policy commitment and have strong company management systems in place

Metalkol RTR's company management systems include policy commitments and procedures to ensure that our activities are aligned with the **Clean Cobalt & Copper Framework**. As a subsidiary of ERG, we are also bound by the ERG group policies, including the ERG Code of Conduct, Supplier Code of Conduct and Human Rights Policy, and have our own policy commitments, including the [Metalkol RTR Human Rights Statement of Commitment](#). These commitments are overseen by the ERG Board and CEO with regular communication across the company. At Metalkol RTR, the Human Rights Working Group is a cross-functional senior team chaired by the General Manager that ensures these policies and management systems are adequately implemented and continuously improved. Through awareness raising, training and communication with our employees, suppliers and contractors, and communities, we ensure the effective rollout and implementation of these management systems and policies.

### 2. We identify and assess our risks and our impacts

Metalkol RTR's compliance risk assessment includes a human rights risk assessment process which is overseen by the Human Rights Working Group. This enables us to focus our management systems, policies, and mitigation measures on the most salient issues in and around our operations and supply chain. To guide this process, Metalkol uses a Human Rights Risk Matrix, which allows us to investigate and assess each identified risk based on their likelihood and impact, and to categorise them as salient or non-salient.

An environmental and social impact assessment (ESIA) to IFC Performance Standards has been conducted and approved by DRC government regulators. This identifies potential impacts across environmental and social aspects and through the mining lifecycle.

To enable continuous identification of risks and impacts, we implement internal and external grievance and whistleblowing mechanisms. This provides employees, suppliers, contractors and external stakeholders such as community members with various channels through which they can voice concerns.

### 3. We manage risks and impacts

For each salient risk identified through our risk assessment, we develop and implement a plan to mitigate the risk. Department heads report on new and extant salient and non-salient risks regularly to management meetings and a Human Rights Working Group which tracks progress on the development and implementation of management plans and authorises and approves any systems improvements. Our human rights risks and impacts will be documented in our Isometrix data management system, including those relating to suppliers and contractors, the chain of custody, ASM-related risks, child labour risks, and environmental risks. Management plans have been developed to mitigate and monitor environmental and social impacts identified in the ESIA.

### Metalkol RTR and Human Rights

Our management systems seek to align with the [United Nations Guiding Principles on Business and Human Rights](#) (UNGPs). We recognise that the [OECD Due Diligence Guidance](#) is a tool that supports partial implementation of the UNGPs. It is our aspiration to be fully aligned with the UNGPs. Our commitment to comply with the OECD Guidance is a significant first step on this journey.

#### 4. We support customer audits and independently assure our reporting

We allow our customers to commission audits on us as captured in our contracts and support these audits as necessary.

We report our performance against the commitments in our **Clean Cobalt & Copper Framework and RMAP** performance report. An independent auditor provides an assurance opinion on our performance reports. Our performance reports are published on our website, made available in our offices, and available to our customers at the point of contracting. Assurance reports will be available on request for customers and stakeholders.

#### 5. We publicly report on our progress in fulfilling the commitments in our Clean Cobalt & Copper Framework

Our performance reports will include disclosing our due diligence efforts, including risks identified, incidents arising and how we are managing them, and improvements to our systems. They will also include our progress in achieving the other commitments in this framework. All reporting is mindful of the privacy of individual members of the community and may need to reflect commercial sensitivities from time to time.

#### 6. We support community participation

Our Community and Responsible Mineral Development (CRMD) team support community participation through processes including stakeholder engagement, participatory rural appraisals, community development initiatives and partnerships, local economic opportunities and a community grievance mechanism. Stakeholder engagement is integrated into human rights and risk assessments.

### Systems for Managing Supplier Risks

We are an extraction company at the top of the supply chain for cobalt and copper but we use subcontractors to carry out parts of our operations and we source goods and services from third parties. We apply a suite of policies to ensure integrity in procurement and supplier engagement, including Anti-bribery and Corruption, Anti-Money Laundering, Agents Compliance, Competition Compliance, International Economic Sanctions, and more.

We have a Supplier Code of Conduct to which all suppliers and their subcontractors must adhere as a condition of doing business with us. We conduct due diligence on our suppliers using our Counter Party Due Diligence (CPDD) process. The purpose of the CPDD is to prevent the risk of cooperating with persons or entities that are involved in bribery and corruption, money laundering, financing of terrorism and other crimes, or are subject to international sanctions. This process allows us to make recommendations to suppliers and to identify high risk contracts for which we conduct deeper due diligence.

We also endeavour to support our suppliers to carry out their business with respect for human rights. We review and monitor our suppliers for adherence with the Code of Conduct and require them to record all relevant documentation, which they must share with us upon request. Our supplier contracts with suppliers and contractors include a right to audit clause. If our suppliers do not comply with our Supplier Code of Conduct or fail to remedy non-compliances, we reserve the right to review their contracts and future relationship with Metalkol RTR, which could result in the termination of contracts entered into with Metalkol RTR.

## We proactively engage stakeholders in the management of risk

To enable community participation and feedback in our risk management, decision making and investments, we follow a Stakeholder and ASM Engagement Plan. The plan helps us to identify and map relevant stakeholders – including those more vulnerable groups that might not always be heard – and to reach out to and engage with them in a structured and well-planned manner.

We proactively include our internal and external stakeholders in the identification and management of risks and impacts. Through the Participatory Rural Appraisal process (PRA), trained team-members work side-by-side with the local community to identify priority needs and develop plans to address these needs. Through promotion of our human rights policy, whistleblowing hotline and grievance mechanism, we proactively communicate with our staff, contractors, and community stakeholders in order to mitigate our salient risks. Our Hotline and Grievance Mechanism allows internal and external stakeholders, such as the community, to voice concern and criticisms and to provide a process for us to respond to concerns and remedy as appropriate.

## Clean Cobalt and Copper is sourced without Child Labour

Use of child labour is one of the most critical issues in the cobalt sector and tackling it is a strategic priority for both Metalkol RTR and our stakeholders. Although it is one of the risks articulated in Annex II of the OECD Guidance, it has such importance in this context that we have chosen to pay special attention to it as a stand-alone commitment.

The safeguarding of children cascades into our community development strategy and partnerships as well as management of risk in our own operations. Metalkol RTR does not tolerate child labour and abides by DRC labour legislation and ILO Conventions on child labour. DRC law forbids the employment of children below 15 years and prohibits all worst forms of child labour. Metalkol RTR's own minimum age of employment is 18.

We have embedded our zero tolerance of child labour into policy and management systems. Our human resources and recruitment procedures ensure that Metalkol RTR only employs and contracts adults and that all workers on site are legally permitted to work. To confirm this, we perform age checks during onboarding. We ensure that on our operational sites, all workers, including those of contractors, are at least 18 years old through our gate access procedure. Identification and age checks are performed as part of the access badge issue procedure and finger print controls assigned to badges prevent misuse.

Metalkol RTR does not purchase material from any other sources and implements a Chain of Custody to also mitigate risks including child labour. In addition to this, our standard contract requires all our contractors to abide by labour legislation, which means they have a contractual obligation to also be child labour free. Our Supplier Code of Conduct references child labour and requires contractors to have in place procedures to verify the age of employees. We proactively communicate especially with suppliers and communities to specifically highlight issues related to child labour and conduct audits on key suppliers.

## Clean Cobalt and Copper is Traceable

We have made it a top priority to prove that we have full chain of custody over our product to the point of first customer. Supply chain traceability makes supply chain due diligence possible, as noted in the OECD Guidance. The integrity of our chain of custody is fundamental to the management of risk by our customers and the realisation of all the other commitments made in this Framework.

Metalkol RTR's bespoke Chain of Custody Management System will allow us to make sure that our Clean Cobalt and Copper is traceable only to our operations at Metalkol RTR. Our customers and staff can trace the material they are handling back to the point of extraction, and to describe and verify the flow and handling of our clean cobalt and copper, including all stages of transformation and physical transfer and storage. This allows our buyers and stakeholders to have confidence in the integrity of our products, knowing that they are uncontaminated and meet the standards of the **Clean Cobalt & Copper Framework**.

Our Chain of Custody Management System consists of three major stages: origination, processing, transport. Across all three phases, Metalkol RTR applies systems of physical control, including tamper proof bagging and tagging and GPS tracking and an IT system that conducts automatic checks and alerts and stores data. Through these measures we can manage any risks of mishandling, fraud, theft, or contamination as well as generate data to optimise system performance. To enhance this commitment, ERG, with a consortium in the cobalt value chain, is developing and piloting a blockchain traceability solution for cobalt, Re|Source.

### What is ASM?

**Artisanal and small-scale mining** is defined in line with the [OECD Guidance](#) as (in)formal operations with predominantly simplified forms of exploration, extraction, processing and transportation, undertaken generally by individuals, small groups of individuals, or cooperatives working with low capital- and high labour- intensive technology or very basic forms of mechanisation.

## No Cobalt or Copper is sourced from Artisanal and Small-Scale Mining

Artisanal and small-scale mining is an important livelihood for thousands of people in the Kolwezi region, but this sub- sector is often associated with practices that are typically unsafe and involve human rights violations. At Metalkol, we do not source or purchase from any other sources including other large scale mining or ASM and therefore can control the material entering our product and supply chain. At the same time, we acknowledge the importance of ASM livelihoods through our work with the Global Battery Alliance and Cobalt Action Partnership to develop a Responsible ASM Framework, and our support for local NGOs who work in the ASM sector.

The Metalkol RTR concession is restricted to two legacy tailings deposits and not the sub-surface rights. There is no ASM activity within our operating area, though different types of ASM occur on and around Metalkol RTR's concession, especially washing. Outside the secured areas of our operations, but still on Metalkol RTR's concession, it is our policy to tolerate ASM washing activities in recognition of its livelihood importance, and we only tolerate ASM mining and digging operations when they are authorised by the holder of the subsurface rights and do not interfere with Metalkol RTR's operations. Material mined by ASM on the concession is kept separate from Metalkol RTR's processing and is offered back to the legal owner of the subsurface rights. Metalkol RTR does not and has no plans to purchase ASM material for processing in its plant.

The risk of contamination by cobalt or copper from ASM is extremely low due to the nature of the material, our material processing facility, and our ASM Policy and Management Plan. Metalkol RTR processes material from legacy tailings which is very fine and has a different structure and chemical composition to material mined by ASM. Our system can only process this fine material in dry or slurry form. Screens in the plant ensure that only fine material enters the processing system; if ASM material were to somehow penetrate our plant it would be screened out as waste. Secondly, our system is a closed loop making the risk of material mined elsewhere infiltrating our system practically non-existent. In addition to these physical controls we manage ASM activities and related risks through our ASM Policy and an ASM Management Plan. These describe Metalkol RTR's approach to managing ASM activities including but not limited to physical fencing of operational areas, strict access controls, permanent security posts as well as regular patrolling.

## Restoring the Environment

Metalkol RTR is a tailings reclamation operation. These tailings are a legacy of mining activities conducted by other companies since the 1950s. These historical tailings present serious environmental issues such as the filling and pollution of the main local river valley with tailings, and the presence of poor tailings facilities that produce dust.

We will reprocess these existing tailings at a hydro-metallurgical plant which will be consolidated into a single modern tailings storage facility constructed to international standards. Through the reclamation of these tailings, Metalkol RTR is restoring the environment in ways that are generating quality of life improvements for local people by increasing the availability of viable land and water resources for agriculture and aquaculture activities and improving the local biodiversity and ecosystem services including water and air quality. We are restoring the environment through decontamination of legacy mine sites and radioactive zones in river areas, rehabilitation of the banks and riparian regions of the Musonoi rivers, rehabilitation of the Kingamyambo dam, reforestation of tailings using indigenous species from our nursery, and placing restrictions on hunting, charcoal making and agriculture in specified areas. We also prevent other environmental impacts by managing our own waste sustainably and tracking and managing our environmental performance through our management system.

## Collaborating to Promote Sustainable Community Development

Metalkol RTR seeks to positively impact the lives of local communities including ASM stakeholders. Besides being an essential part of maintaining the social licence to operate, we wish to catalyse the creation of sustainable value within these communities as part of our commitment to shared value. Notwithstanding the major challenges around the lack of formal employment opportunities and poverty faced by members of local communities. We focus on sourcing our workforce locally. We focus our efforts on community-led social investment activities as the means to support sustainable development.

Community development is a shared process that is planned and implemented with, and sustained by local communities. Through our Stakeholder Engagement Plan and the Participatory Rural Appraisal process, the local community helps define, direct and provide oversight to our collaborations intended to deliver sustainable development. For example, Metalkol RTR carries out strategic community investment planning to guide the identification, selection, development, and implementation of company-funded projects in the local community. Our planning prioritises vulnerable groups and focuses on supporting displaced or resettled communities in the first instance, as well as communities in the vicinity of Metalkol RTR's operations, those impacted by operations, and the larger population in Kolwezi.

In 2018, the revised DRC Mining Code introduced an obligation for mining companies to develop a Commitment Register, defining social responsibilities for permit holders towards communities affected by mining activities. During the development process of the Metalkol Commitment Register, Participatory Rural Appraisals reports were reinforced through intensive community consultations and other validations activities. The Metalkol RTR Commitment Register, signed in November 2020, contains a set of periodic commitments negotiated and agreed upon between the company and the nine affected communities for the implementation of sustainable development projects.

Metalkol RTR also collaborates in partnerships with NGOs and multi-stakeholder initiatives, in order to support community development in the region. Metalkol RTR actively seeks opportunities for collaboration.

In order to achieve our social commitments, Metalkol RTR's social management system comprises Strategic Community Investment, Local Content Management, Community Relations and Grievance Management, and Management of Social Impacts.

## Leading our Industry towards more Sustainable Value Chains

Driving sustainability in the value chain is good for business and society. As a responsible corporate player, Metalkol RTR and ERG recognises its potential to leverage its assets to the benefit of society at large. But the scale of the issues is such that the greatest impact will be achieved through joint effort, new partnerships and innovation. Metalkol RTR initiates, sponsors and actively participates in international initiatives, such as the Global Battery Alliance, that seek to build sustainability and responsibility into mineral supply chains. Metalkol RTR seeks opportunities to share knowledge and advocate a stronger and more responsible cobalt industry. Via participation in international forums, conferences and in other communications Metalkol RTR aims to bring informed views to the table and be a constructive part of the reform discussion.

## Conclusion

ERG has a clear and active commitment to strengthening the social fabric of the countries and communities in which we operate. In addition to our regular investments in education and healthcare infrastructure and services across the African continent, our **Clean Cobalt & Copper Framework** formalises our strategy for addressing the challenges associated with the responsible and sustainable production of cobalt and copper. Metalkol RTR is ERG's flagship roll-out of the concepts articulated by the framework.

The implementation of the framework aims to be a driver for social, economic and environmental change and we intend to raise the bar for how we do business in a challenging context such as DRC. We will employ revisions to this document as part of our annual sustainability programme planning. Our first report on performance against the Clean Cobalt Framework was published in 2019 and our second, against the **Clean Cobalt & Copper Framework**, will be published in 2021.

### Global Battery Alliance

ERG is a founding member and co-chair of the [Global Battery Alliance](#) (GBA), initiated with the World Economic Forum. The GBA seeks to catalyse, connect and scale up efforts to ensure the battery value chain is socially responsible, environmentally and economically sustainable and innovative. The GBA is a public-private collaboration between stakeholders from across the supply chain committed to a responsible low carbon economy including major businesses such as ERG, BASF, Enel, Volkswagen, Trafigura Group and Umicore; international organisations and NGOs such as the World Bank, OECD, African Development Bank, and Pact; and other key partners and contributors such as CCCMC (China Chamber of Commerce of Metals Minerals & Chemicals Importers & Exporters).

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