# Metalkol RTR
# Clean Cobalt
# Performance Report

July 2019

# Content

# Introduction

In December 2018, the ERG Clean Cobalt Framework and goals for responsible production of cobalt in the DRC was released.

With this Performance Report, Metalkol RTR provides a first report on performance against the Clean Cobalt Framework as it relates to the management system and processes of the cobalt reclamation process at Metalkol RTR.

Our performance against the Framework is assured by independent auditors through their limited assurance opinion on the Performance Report.

As our operations develop, we may review and improve upon our goals in reaction to a dynamic risk environment and changing market priorities.

All statements in this performance report are based upon the policies and procedures in place as of 1 March 2019.

# General status update

Metalkol RTR, in the Haut-Katanga province of the Democratic Republic of Congo (DRC), will reprocess historical cobalt and copper tailings previously deposited in the Kingamyambo Tailings Dam and Musonoi River Valley.

As of 1 March, 2019, Metalkol RTR is in the final stages of commissioning for cobalt production and expects to begin commercial production in 2019. Copper production commenced in late 2018.

Our goal is continuous improvement and to drive positive outcomes by pursuing seven Clean Cobalt goals. We apply the OECD due diligence five step guidance on human rights risks but go beyond the implementation in terms of rigor, risk management and opportunity enhancement.

1. PwC provided their independent ISAE 3000 limited assurance report on this Performance Report in respect of the activities undertaken by Metalkol RTR as of March 1st 2019 to demonstrate compliance with the ERG's Clean Cobalt Framework

# The Clean Cobalt Goals

We drive positive outcomes for the DRC people, global society and the cobalt value chain by pursuing seven Clean Cobalt goals.

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

- Building sustainability & responsibility into cobalt supply chains
- Initiating, supporting & participating in international initiatives
- Knowledge sharing & advocating for a more responsible cobalt industry

- Supporting regional community development with NGO partnerships & multi-stakeholder initiatives
- Prioritising stakeholder relationships & collaborating with communities through participatory approaches

- Applying chain of custody procedures across origination, processing & transportation
- Implementing controls/ IT system with automatic checks & alerts

**SECTOR LEADERSHIP**

**COLLABORATING FOR SUSTAINABLE DEVELOPMENT**

**OECD DDG COMPLIANT**

**METALKOL Clean Cobalt Framework**

**TRACEABLE COBALT**

**RESTORING THE ENVIRONMENT**

**NOT SOURCED FROM ASM**

**SOURCED WITHOUT CHILD LABOUR**

- Decontaminating Musonoi River & Kingyambo Dam legacy sites
- Increasing viable land & water resources for agriculture/ aquaculture
- Improving biodiversity & sustainable waste management systems

- We mine fine materials from reclaimed legacy tailings
- Screening & reconciling material through rigorous processes in closed loop facility
- ASM policy, procedures & management system

- Zero tolerance of child labour embedded into all policies & management systems, including contractors
- Implementing strict controls during on-boarding & access control
- Excluding ASM material from supply chain

1. PwC provided their independent ISAE 3000 limited assurance report on this Performance Report in respect of the activities undertaken by Metalkol RTR as of March 1st 2019 to demonstrate compliance with goals 1-6 of the ERG's Clean Cobalt Framework

# Goal 1
## Compliance with the OECD Due Diligence Guidance

ERG

| | |
|---|---|
| **COMPLIANCE STATEMENT** | As of 1 March 2019, Metalkol RTR has established and implemented management systems and procedures to align with the Clean Cobalt Framework and to conform with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidance). |

### SYSTEMS FOR MANAGING OPERATIONAL RISKS

**1A**

**WE HAVE ESTABLISHED STRONG COMPANY MANAGEMENT SYSTEMS**

The Clean Cobalt Framework describes our commitment and approach for achieving sustainability, conducting our business responsibly, and respecting human rights in our operations and supply chain.

Compliance with the OECD Due Diligence Guidance is a commitment in the Clean Cobalt Framework, and as such has been translated into our management systems and policies, in particular the Metalkol Human Rights Statement of Commitment. The Clean Cobalt Framework and the Metalkol Human Rights Statement of Commitment summarises our salient risks and sets out the governance structure for our human rights due diligence practices. The Metalkol Human Rights Statement of Commitment ensures our alignment with ERG's Group Level Human Rights Policy, which has been approved by the ERG Board. It lays out our commitment to respecting human rights and describes our approach for achieving this. It applies to all our operations and employees. All of these documents are available on the ERG website.

At Metalkol RTR, the General Manager is responsible for overall governance and for managing human rights risks. A Human Rights Working Group is responsible for approving and over-seeing the implementation of the Clean Cobalt Framework and Human Rights Statement of Commitment. The Human Rights Working Group is chaired by the General Manager and comprises representatives from senior management including Compliance and Legal; Processing; Community and Responsible Mineral Development; Human Capital; Environment, Health & Safety; Security; Procurement and Supply Chain; Government Relations and Communications. The Human Rights Working Group meets on a regular basis.

Metalkol RTR has established management systems and policies across its business areas to support human rights due diligence practices and to ensure that responsibility lies at the management level. These include the ERG Group Code of Conduct and key policies in areas including anti-bribery and corruption, anti-money laundering, health and safety, management of social and environmental impacts, management of incidents and grievances, as well as a chain of custody procedure, which allows traceability of our product from the point of extraction.

We have commenced roll out of these policies and commitments to staff and contractors through induction training, posters in high traffic areas and articles on electronic notice boards. All new employees and contractors will undergo our induction training. Additional human rights training is provided to targeted employees and general refresher trainings will be conducted on a yearly basis.

Procedures of human rights and public and private security are in place. Our guiding principles to human rights and security are documented and communicated in the 12 Golden Rules for Security.

# Goal 1
# Compliance with the OECD Due Diligence Guidance

ERG

**1B**

**WE IDENTIFY AND ASSESS OUR RISKS AND IMPACTS**

Metalkol RTR has established a Human Rights Risk Assessment that allows us to identify and assess the human rights risks and impacts of our operations. Each identified risk is assessed based on its likelihood and impact, and categorised as salient or non-salient. The saliency of risks is determined through a scoring system on the basis of scale/seriousness of the impact, scope, irremediability, and probability.

The Human Rights Working Group is responsible for overseeing this process. Updates to the Human Rights Risk Assessment are conducted by each department and reviewed at each Human Rights Working Group meeting, including any changes to the risk profiles, new risks and the progress of mitigation measures. The Metalkol RTR management meeting, chaired by the General Manager, is held weekly and includes a standing agenda item for any time critical items to be raised and reviewed. The areas identified as salient are set out in the Metalkol RTR Human Rights Statement of Commitment.

In addition to the human rights risk assessment, an Environmental and Social Impact Assessment (ESIA) was conducted and approved by the DRC government in 2018. A gap analysis audit was performed in 2017 against IFC Performance Standards to align the submitted ESIA to international standards. The ESIA forms the basis of management plans for the identified environmental and social impacts.

Health and safety is a top priority at Metalkol RTR and a Sustainable Health and Safety system has been implemented for risks and impacts for employees, suppliers and surrounding communities. An External Traffic Management Plan manages the transportation of product and of hazardous goods. Controls will include road risk survey and assessments, awareness training and supplier audits.

Our risk identification and assessment process integrates stakeholder engagement. We have established internal and external grievance and whistleblowing mechanisms to enable continuous identification of risks and provide various channels where grievances can be voiced by employees, contractors and community stakeholders. Grievances can be voiced through letters, complaint forms, community meetings, union representatives, community boards, our website and a separate dedicated email inbox managed by Metalkol, as well as the ERG Hotline (including email, web-intake and phone), which is 100% confidential and is manned 24 hours a day, seven days a week by an independent company. Grievances are managed according to our Grievance Management Procedure and recorded in our grievance registry.

In order to promote awareness of our human rights policy, whistleblowing hotline and grievance mechanisms, we have developed a communication plan to proactively communicate with our staff, contractors, suppliers and community stakeholders. As of 1 March 2019, this includes the initiation of employee, supplier, contractor and community meetings, prominently displayed posters in all relevant languages and distribution of copies of relevant documents to employees, suppliers and contractors.

Identification and assessment of risks specifically related to sourcing and transportation of our product and chain of custody are in accordance with the Chain of Custody Procedure.

# Goal 1
## Compliance with the OECD Due Diligence Guidance

**1C**

**WE MANAGE OUR RISKS AND IMPACTS**

For each identified and assessed human rights risk, Metalkol RTR has developed a mitigation plan with corresponding responsibilities, timelines and milestones. The mitigation plans are developed, overseen and implemented by the relevant company departments. The departments report their progress at the Human Rights Working Group meetings, which tracks the implementation of the mitigation plans. To mitigate and monitor the environmental and social impacts identified in the ESIA, specific management plans have been developed.

Obligations from the ESIA are documented in a web-based database system, Isometrix. All safety, health, environment and community data will be transitioned to the Isometrix system throughout 2019 and allow us to track our performance in mitigating these risks and impacts.

A gap analysis for ISO 14001 and ISO 45001 certification (international standards for environmental management systems and health and safety management systems) will be conducted in 2019 with certification to follow.

**1D**

**WE SUPPORT CUSTOMER AUDITS AND INDEPENDENTLY ASSURE OUR REPORTING**

Metalkol RTR allows customers to conduct due diligence and audits on its operations through a provision included in customer contracts. We support these exercises by completing customer questionnaires and allowing customer and auditor access to our sites, documentation and by facilitating contact with our staff and stakeholders.

PwC Bedrijfsrevisoren bcvba/PwC Reviseurs d'Entreprises sccrl ("PwC") provided their independent ISAE 3000 limited assurance report on this Performance Report in respect of the activities undertaken by Metalkol RTR on March 1st 2019 to demonstrate compliance with the Clean Cobalt Framework. We will publish on our website, a statement that outlines how we have received independent third party validation on goal 1 to 6 from PwC on compliance with the Clean Cobalt Framework.

**1E**

**WE PUBLICLY REPORT ON OUR PROGRESS IN FULFILLING THE CLEAN COBALT COMMITMENTS**

This Performance Report is Metalkol RTR's update as of 1 March 2019 to demonstrate that management systems and procedures have been designed to enable Metalkol RTR to be in compliance with the Clean Cobalt Framework. The report is issued as a stand-alone report. The Clean Cobalt Framework, ERG Human Rights Policy and Metalkol Statement of Commitment are also publicly available.

In addition, we will publish on our website, a statement that outlines how we have received independent third party validation on goal 1 to 6 from PwC on the compliance with the Clean Cobalt Framework. Customers will receive the Clean Cobalt Framework, this Performance Report and the ISAE 3000 limited assurance report as a documentation package with their contract.

# Goal 1
# Compliance with the OECD Due Diligence Guidance

**SYSTEMS FOR MANAGING SUPPLIER RISK**

As of 1 March 2019, Metalkol RTR has adopted and implemented a Supplier Code of Conduct, which guides our approach to conducting business with suppliers or contractors.

Our suppliers and contractors are contractually obliged to adhere to the Supplier Code of Conduct and to the ERG Human Rights Policy and other key policies including Anti-bribery and Corruption, Anti-Money Laundering, Agents Compliance, Competition Compliance and International Economic Sanctions. The Supplier Code of Conduct communicates our expectations for existing and potential suppliers and contractors regarding the management of risks related to health, safety and environment, integrity, fair employment practices, human rights, supply of ore and mineral products, confidentiality and data protection. It is distributed as part of our suppliers package.

We monitor our suppliers for adherence with the Code of Conduct by sending out an extended questionnaire to all business partners every two years and by checking on any allegations of human rights violations in relation to our suppliers. We require business partners to record all relevant documentation, which they must share with us upon request. For suppliers and contractors that are found to be non-compliant with our Supplier Code of Conduct, we will review the circumstances of the non-compliance with the supplier and work with them to address and remediate risk. If risks cannot be mediated, we will terminate the business relationship.

Selected suppliers have been trained by Metalkol RTR or Group Compliance on Metalkol RTR's policies and procedures, such as the Human Rights Policy through face to face sessions. Further training in relation to the Supplier Code of Conduct is scheduled together with supplier audits for 2019.

For new business relationships, Metalkol RTR applies a risk assessment on two levels:
1.  Risk assessment of the nature of the product or service; and
2.  Counterparty Due Diligence of the supplier or contractor itself.
The Counter Party Due Diligence (CPDD) process vets new suppliers and other business partners from a threshold of 25,000 USD annual contract value. The purpose of the CPDD is to prevent risks of cooperation with persons or entities that are involved in bribery and corruption, money laundering, financing of terrorism and other crimes, or are subject to inter-national sanctions. The CPDD also includes questions on environment, health and safety and human rights. The CPDD process is conducted by our Compliance Department. The combination of both risk assessments result in a risk score for a business partner, which influences our decision to enter into a business relationship with counter-parties. Counterparties can be accepted, accepted with additional terms and conditions to address identified risk, or rejected.

Where we identify a supplier as high risk, we follow up to ensure clarity and provide advice and support as needed such as mitigation measures. Our contracts with suppliers and contractors include a right to audit clause.

# Goal 2
## Cobalt is sourced without child labour

**COMPLIANCE STATEMENT**

As of 1 March 2019, Metalkol RTR has established processes and controls to prevent child labour in its operations. These processes and controls furthermore aim to ensure we abide by DRC Labour Legislation on employment ages and comply with ILO Conventions on Child Labour.

**PERFORMANCE STATEMENTS**

Metalkol RTR has established processes and controls that make sure all of our workforce (including contractors) are above 18 years old and have a valid labour contract. Our policies, including our Recruitment and Selection Policy, do not permit employees or workers of our contractors to be below 18 years of age. An age-check is performed during the on-boarding process, when staff members or staff of contractors are issued a site-pass. We, or our contractors, keep a record of all IDs and proof of age. The Labour Inspector of the DRC government may verify compliance with DRC Labour Regulation during their site inspections of which there has been one as of 1 March 2019.

An Access Control Procedure is in place. Every person within our operational area must be admitted through access control. Two levels of control are applied  to access the site:
1. Possession of a site pass
2. Identity check through photograph and fingerprints, which are checked against records of all authorised permanent and temporary workers to make sure there is no pass-swapping.

Entry into an operational area is not possible without passing the access control. Security personnel are trained on our zero tolerance of child labour and keep patrol schedules and logs.

Any visitors are issued passes only upon receipt and verification of identification documents.

Our standard contract requires all our contractors to abide by DRC labour law and stipulates a right for Metalkol RTR to audit contractors. Our Supplier Code of Conduct references child labour and requires contractors to have in place procedures to verify the age of employees. In addition, we proactively communicate and mitigate the risk of child labour through the promotion of our Human Rights policy, whistleblowing hotline, and grievance mechanism.

We manage the risk of child labour also through our ASM Management Plan nd Chain of Custody Procedure, ensuring that our product only comes from our operations.

# Goal 3
# Traceable Cobalt

ERG

| | |
|---|---|
| **COMPLIANCE STATEMENT** | As of 1 March 2019, Metalkol RTR is establishing the processes and controls for the implementation of a chain of custody from the point of extraction up to point of sale to a customer. |
| **PERFORMANCE STATEMENTS** | Metalkol RTR has established a Chain of Custody Procedure and is developing related systems that make sure that our cobalt product is traceable only to our operations. The Procedure outlines the chain of custody management system and related roles and responsibilities of various departments. It includes provisions for material segregation, bagging and tagging, transportation, warehousing, data management, sign off and approvals, incident management, training and communication, and third-party audits. The procedure enables our material to be traced back to the date, shift, and point of extraction, and allows for verification of the flow and handling of cobalt, including all stages of transformation, physical transfer and storage. |
| | Our Chain of Custody Management System will consist of three major stages: origination, processing and transport. |
| | At the first stage of our product chain, between the extraction point and our plant, we have implemented the following physical controls: we have fenced pumping stations, initiated a fencing plan (at Kingamyambo tailings) and have systems in place to secure the extraction area that is not fenced (dredging of the Musonoi river). Permanent security guards are placed around these points, and security patrols are conducted from the extraction points along the pipelines to the plant. The extracted tailings are fed from these secured areas into a closed and secured pipeline system which brings the extracted material to our processing plant. |
| | At the second stage of our product chain, material enters from the pipeline into our secured processing plant and production line. The plant area is fenced and security surveillance and patrols are in place. Within the plant, processes are closely monitored: we take manual assay samples at the extraction points and automatic assay samples within the plant at every stage of the production process in order to cross-check whether the material's consistency differs from that of the extraction point. |
| | At the end of processing, our product is bagged, data recorded, assayed and, once in commercial production, will be secured with tamper-resistant tags including GPS tracking devices. Every bag is marked with a unique identification number, a lot number, its weight and shift of bagging. The bagged and tagged product will be loaded to trucks in lots. |
| | In the third stage, which will be operationalised upon commercial production, the bags will be monitored and tracked from the on-site export area to the customer, by applying weight controls, visual inspections, GPS tracking of trucks and accompaniment by security personnel. |
| | To enhance and further automate data management, Metalkol RTR is developing and will apply a digital data management system, which keeps a record with key data on who handled the product in what form, in which location and when, supported by evidence and verified through checks and balances. The IT system will conduct automatic checks of evidence and inconsistencies and alerts. As of 1 March 2019, this is in proof of concept phase. |
| | A pilot blockchain project has been initiated at Metalkol RTR with IBM to explore traceability enhancements. |

# Goal 4
## Cobalt is not sourced from artisanal and small scale mining

ERG

As of 1 March 2019, Metalkol RTR has established processes and controls to monitor, assess and mitigate risks associated with artisanal and small-scale mining (ASM). Metalkol RTR does not purchase ASM material.

**PERFORMANCE STATEMENTS**

Metalkol RTR has established an ASM policy and ASM Management Plan outlining the approach to managing ASM activities on and around its concession. We implement ASM standard operating procedures and tools setting out prevention, mitigation and remediation actions to address ASM-related risks. A management structure has been implemented in the form of a cross-departmental Joint ASM Working Group. The Joint ASM Working Group meets weekly and is responsible for reviewing ASM-related information, risks and incidents, assessing and classifying these, and devising recommendations for remediation or mitigation measures.

Metalkol RTR has established an ASM Monitoring and Reporting Procedure, for the recording of ASM developments on and around Metalkol RTR's concession, including an ASM incident reporting procedure and grievance system. ASM-related information, risks and incidences are documented and managed by an ASM specialist in the Community and Responsible Mineral Development Department and reviewed by the ASM Joint Working Group.

The ASM Management Plan devises a differentiated management approach depending on the type of ASM activity and its location. Inside Metalkol RTR's operational areas, Metalkol RTR allows no trespassing and follows a zero-tolerance approach to ASM. All security staff have been trained to follow security standards based on the Voluntary Principles on Security and Human Rights. A Voluntary Principles Train the Trainer programme was developed by international NGO, Pact, for the security department. The Security Department has permanent security posts around Metalkol RTR's concession and conducts regular patrolling. Security procedures are defined to perform controls per sub-station and restricted areas. The Security Department has a fencing plan that informs security personnel about high risk areas that are not fenced.

Outside the secured areas, but still on Metalkol RTR's concession, we allow for public access and ASM washing activities, as long as they do not interfere with Metalkol RTR's operations. However, ASM mining and digging operations in these areas are not authorised by Metalkol RTR. Metalkol RTR will report new mining and digging operations on the concession that are not able to be resolved by Metalkol community relations or security to the holder of the subsurface rights. Material mined from ASM and unknown sources on the concession is kept separate from Metalkol RTR's processing in a secured container and will be returned to the legal owner of the subsurface rights. Outside the concession, Metalkol RTR monitors ASM activities in the close surroundings.

Metalkol does not source or buy material from any other source including ASM. Our Chain of Custody Procedure ensures that our product only originates from our operations and remains in a closed loop from extraction to processing. Our processing plant can only process tailings material, not ore; any other material is discarded. The tailings pump stations at Kingamyambo and Musonoi are fenced and with a 24 hour security patrol. The processing plant is located in a restricted access area.

# Goal 5
## Restoring the environment

**COMPLIANCE STATEMENT**

As of 1 March 2019, Metalkol RTR has begun reclaiming legacy tailings from the historical Kingamyambo tailings dam and initiated testing in the Musonoi River basin. We are implementing an environmental management system that is compliant to ISO14001 Standards.

**PERFORMANCE STATEMENTS**

In September 2018, Metalkol RTR began the extraction and re-processing of historical, non Metalkol, tailings which are contaminating the natural environment of the Kingamyambo tailings dam. We are constructing a new permitted tailings storage facility to consolidate our own residual waste and controlled through a Tailings Management System of inspection, monitoring and reporting. As of 1 March 2019, we removed 3,118 tonnes of contaminated material from the Musonoi river and 1,415,947 tonnes from Kingamyambo tailings. The water used on our site is in a closed-loop system, and no process water is discharged from our site. A monitoring programme and stations have been set up for surface water, ground water, noise, GHG emissions and air quality as per statutory requirements and the approved ESIA.

Proper non-tailings waste management implementation and coordination of Metalkol RTR's approved waste landfill site is in place. Waste is separated into streams, disposed into demarcated waste trenches, compacted and covered with a layer of soil. A water monitoring program is in place to identify leachate from the landfill site.

To start to prepare for rehabilitation, we are collaborating with the DRC university in the development of a nursery to identify species tolerant to tailings "pollution" as described in the ESIA, which will assist with the rehabilitation process and development of a biodiversity monitoring programme. A Top Soil Management Plan is in place to enable future rehabilitation. A rehabilitation plan is to be developed based on these outcomes. We have a land clearance procedure in place, to manage unnecessary clearing of land.

An Environmental Impact Assessment was approved by DRC authorities in 2018 and an Environmental Management System established. This included environmental management procedures and management plans for environmental aspects including soils, land use and land quality, climate and air quality, greenhouse gas impacts, noise and vibration, surface water and groundwater and terrestrial ecology.

The Metalkol Environmental Department is responsible for monitoring the environmental performance. Monthly reports are provided to the Metalkol General Manager and bi-monthly to the DRC government by means of the Safety and Health Committee Meeting and annually in the Sustainability Report.

# Goal 6
## Collaborating to promote sustainable development

ERG

| | |
|---|---|
| **COMPLIANCE STATEMENT** | As of 1 March 2019, Metalkol RTR has created the processes and controls that ensure engagement and collaboration with stakeholders and local communities. Through these, Metalkol RTR mitigates social impacts and contributes to community development |
| **PERFORMANCE STATEMENTS** | Metalkol RTR has established and is implementing a Social Management System including procedures and plans for stakeholder engagement, sustainable socio-economic development, social risk and impacts, community health, safety and security, influx management, ASM management, land compensation, involuntary resettlement and livelihoods restoration and grievance management. |

The Stakeholder Engagement Procedure and Plan structures our engagement with local communities and provides the basis for Metalkol RTR's community relations approach and priorities. The Procedure defines the purpose, scope, requirements and roles and respon-sibilities for our engagement with key stake-holders. Through this procedure, we have identified and mapped relevant stakeholders, which include 9 communities with a population of approximately 100,000 – 150,000 people. Metalkol RTR's engagement with these com-munities is structured in a Community Engagement Calendar that outlines which stakeholder we are engaging, on which scope, when, and through which engagement methods.

Metalkol RTR has adopted a Strategic Community Investment Plan, which defines our process for social investment. Within our stakeholder communities, this is structured through a participatory rural appraisal process, in order to define needs and priorities for community development. As of 1 March 2019, we have conducted 9 Participatory Rural Appraisals covering the Project Affected Population. A priority across com-munities was identified as access to clean water and Metalkol has installed solar powered water stations in 7 of the 9 communities to date. In addition, we have invested in local employment and as of March 1st more than 90% of our workforce are DRC nationals and we promote short term employment in our immediate villages.

A Grievance Mechanism Procedure for communities has been rolled out in all communities whereby community members can raise concerns to Metalkol RTR.

Metalkol RTR partners with civil society organisations and NGOs to promote sustainable development. With the Good Shepherd Sisters, we started a 3 year agreement in 2017 to support their activities on child protection, women's empowerment, alternative livelihoods and capacity building. As of 1 March 2019, a new child protection centre facilities in construction and due to open in mid-2019. In February 2019, we entered into a partnership with international NGO Pact to implement the Children out of mining programme in Northern Kolwezi focused on awareness raining, positive parenting and apprenticeships for child miners.

In January 2019, Metalkol RTR resettled 16 households from Samukonga village to a new co-designed village with solar powered services, and is implementing a Livelihood Restoration Programme.

# Goal 7
## Leading our industry towards more sustainable cobalt value chains

**COMPLIANCE STATEMENT**

As of 1 March 2019, Metalkol RTR supported and participated in industry and value chain initiatives.

**PERFORMANCE STATEMENTS**

ERG is a founding member, partner and core funder of the Global Battery Alliance, a multi-stakeholder initiative hosted by the World Economic Forum, aimed at ensuring the global battery value chain is socially responsible, environmentally and economically sustainable and innovative. Since 2017, the CEO of ERG has been a co-chair of the Global Battery Alliance. ERG participates in the Steering Council, Executive Board and Cobalt Working Group.

Metalkol RTR is a member of the Cobalt Institute and its Responsible Sourcing Task Group. Metalkol has adopted the Cobalt Institute Responsible Assessment Framework (CIRAF) and was an active member in its development. CIRAF seeks to make ethical and sustainable risk assessment and mitigation of cobalt production more standardized whilst aligning with the OECD Due Diligence Guidance.

Through the Clean Cobalt Framework, Global Battery Alliance, Cobalt Institute and independence assurance of our performance report, Metalkol RTR goes beyond current guidance and practices and leads the industry towards more sustainable cobalt value chains.

# Management conclusion

As of 1 March 2019, Metalkol RTR implemented process and controls for its cobalt production in line with the principles and commitments stated in the Metalkol RTR Clean Cobalt Framework and in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Metalkol RTR has developed processes and controls to implement a chain of custody, allowing our product to be tracked and its handling verified from the point of extraction up to our on-site warehouse. In addition, Metalkol RTR has implemented processes and controls to prevent and mitigate the risk of child labour in our operations, as well as risks around ASM.

Metalkol RTR has managed social and environmental impacts, has contributed to community development and has supported industry initiatives on an international level.