



ANNOUNCEMENT COMMUNIQUE



10 April 2024

Metalkol's response to RAID report

Metalkol is committed to respecting and upholding universally recognised human rights standards. We are bound by the Eurasian Resources Group (ERG) [Human Rights Policy](#) and the supplementary [Metalkol Human Rights Statement of Commitment](#), which elaborates on the former and shows how our commitments translate into practice within our operations. Further, ERG is committed to the United Nations' (UN) [Guiding Principles on Business and Human Rights Framework \(UNGPS\)](#) and the [Sustainable Development Goals \(SDGs\)](#). We take our commitments to these standards extremely seriously.

To ensure that local communities benefit from our operations, and to mitigate any potential negative impacts from our operations – including environment-related impacts – we have implemented notable sustainable community development practices and initiatives.

Metalkol discloses information concerning our approach to environmental management and community engagement in our annual [Clean Cobalt & Copper Performance Report](#). Further, information concerning Metalkol's performance can be found in ERG's [annual third-party assured performance report](#).

Metalkol engaged constructively and transparently with RAID's enquiries in relation to the research for its report *Beneath the Green: A critical look at the cost of industrial cobalt mining in the DRC ("Report")*.

We have reviewed the Report's findings in accordance with our commitments to human rights, community development, the maintenance and protection of clean water sources, environmental stewardship, and responsible supply chains.

Environmental management

Metalkol is a unique operation in the Democratic Republic of the Congo (DRC) that helps reduce the environmental impact of historical third-party tailings deposits (some of which were deposited in the Musonoi river) by reprocessing them and storing them safely. The Musonoi river drains wastewater from the town of Kolwezi and discharges from mining companies operating upstream from Metalkol.

As we excavate tailings from the river, we are rehabilitating historical damage to the river and adjacent areas. Metalkol does not discharge water into the river nor any other local watercourse or the natural environment; instead, Metalkol operates a closed circuit that recycles wastewater from its processing facilities. After neutralisation, the wastewater from the treatment plant is sent to a modern, custom-built residue storage facility (RSF).

In relation to potential environmental impacts, an Environmental and Social Impact Assessment (ESIA) for Metalkol was conducted by a third party and approved by the DRC Government in 2018, and has been updated subsequently, in accordance with DRC regulations and International Finance Corporation (IFC) Performance Standards. The ESIA forms the basis of the Environmental Site Management Plan and supplemental management plans for the identified environmental and social risks.

Comprehensive environmental policies and procedures are also in place and cover all aspects of environmental management. Metalkol has established monitoring location points for surface water and groundwater quality, which are monitored weekly, monthly, and quarterly as specified within the Mining Code, regulations and the approved ESIA. The analyses of these monitoring results show no negative impacts on water quality arising from Metalkol's operations. This environmental management system includes biannual third-party environmental audits and annual environmental reports which are shared with the relevant authorities – including mitigation measures – to comply with ESIA requirements, as well as any recommendations for improvements.

Metalkol's production processes – encompassing copper solvent extraction, copper tank-house operations and packaging, as well as its cobalt hydroxide purification, precipitation, drying, and packaging – were recently awarded an ISO 9001:2015 certification, which is globally recognised as the most comprehensive quality management system.

Community engagement

Metalkol has implemented a Social Management System comprising procedures and plans for stakeholder engagement; a grievance mechanism; socio-economic development; community safety and security; land compensation and resettlement.

The Stakeholder Engagement Procedure and Plan sets out our engagement with local communities and provides the basis for Metalkol's community relations approach and priorities.

Through this procedure, we have identified and mapped relevant stakeholders, which include nine communities with a combined population of an approximate 100,000 to 150,000 people. Metalkol's engagement with these communities is captured in a Community Engagement Calendar which outlines the stakeholders we are engaging, on which scope, when, and through which engagement methods.

In 2018, the revised DRC Mining Code introduced an obligation for mining companies to develop a "Commitments Register" – correctly referred to as a "Community Development Plan Agreement" (*Cahier des Charges*) in this response – which defines social investments for

permit holders towards their hosting communities, in addition to the 0.3% of turnover contribution to community development and the Social Mining Royalty (*Redevance Miniere*) required under the Code.

During the development process of Metalkol's Community Development Plan Agreement, the priorities identified through previous engagement in participatory rural appraisal processes and reports were reinforced through intensive community consultations and other validation processes. The Metalkol Community Development Plan Agreement, signed in November 2020, contains a set of periodic commitments negotiated and agreed upon between the company, the nine hosting communities, and the local/provincial authorities for the implementation of sustainable development projects.

Clean water; reported water contamination; hygiene and safety protocols

As part of the community engagement processes described above, access to clean water was identified as the top priority across communities.

Metalkol's investment in health programmes for the local community incorporates measures to address the issue of clean water access, with a view to mitigate the impact of water contamination. This involves conducting geophysics studies to determine optimal locations for additional boreholes within the community, and drilling new boreholes, which are powered by a solar system for distribution.

Metalkol has installed 29 solar-powered water stations within its nine impacted communities and continues to provide periodic assistance in relation to maintenance and testing, as well as providing training to the communities on borehole maintenance and tank cleaning to ensure these facilities are properly maintained in the long term.

The boreholes are handed over to the communities and managed by water committees. This approach – informed by the UN agencies' standards in the DRC – enables sustainable community development projects, ensuring the autonomy of our beneficiaries now and beyond the life of the mine.

As a responsible corporate entity, we believe in engaging with the local communities and taking measures to protect the environment. To achieve this, the Metalkol Community and Environment Departments regularly hold engagement and information sessions with its communities.

We also participate in health awareness campaigns in relation to wider issues relating to water quality and disease.

We are currently strengthening our relationship with the surrounding clinics and Health Zone workers to jointly investigate issues raised in the Report, such as impacts on women's gynecological and reproductive health, and health impacts on children. Further, Metalkol is working with other companies in the region to consider additional programmes to address health, safety and hygiene issues raised in the Report.

Metalkol will also further promote our grievance mechanisms across our hosting communities to ensure they know how to raise any concerns to us and seek recourse for grievances including but not limited to human rights, social, safety, security and environmental issues.

Governance and assurance

A Grievance Mechanism Procedure for communities, which is aligned with the IFC Performance Standards and the UNGPs, has been rolled out in all our communities. This allows community members to raise their concerns to Metalkol, and any grievances are investigated and addressed in accordance with our Human Rights Policy.

These environmental and community systems form part of our [Clean Cobalt & Copper Framework](#) which aims to deliver high levels of responsible cobalt and copper production, value chain assurance, and help to improve living conditions for local communities. Performance reports are independently assured by PwC, and the most recent Performance Report and assurance report are linked below.

[Metalkol Clean Cobalt and Copper Performance Report 2023](#)

[ERG Clean Cobalt and Copper Framework PwC Assurance Report 2023](#)

In 2020, Metalkol also committed to the [Responsible Minerals Assurance Process](#) (RMAP) of the [Responsible Minerals Initiative \(RMI\)](#). RMAP includes a Step 6 on Community Participation which we fully apply at Metalkol through various processes including stakeholder engagement, participatory rural appraisals, community development initiatives, local economic opportunities and a community grievance mechanism.

In February 2023, the RMI re-confirmed that Metalkol is conformant with the Assessment Standard for Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc (2021) and Cobalt (2018). These assurance processes demonstrate our commitment to the continuous improvement of our operations.

The next Metalkol performance report will be available on our website in summer, 2024.

Ends