

ANNOUNCEMENT COMMUNIQUE



14 January 2022

Metalkol Response to RAID Report

Metalkol RTR is committed to respecting universally recognised human rights and labour standards. We take our obligations in this regard extremely seriously, including strictly applying our commitments to our contractors and suppliers. We are investigating the matters referred to in the RAID report in accordance with our commitments to human rights and responsible supply chains.

Metalkol RTR is bound by the [ERG Human Rights Policy](#) and the supplementary [Metalkol RTR Human Rights Statement of Commitment](#), which elaborates on the former and shows how our commitments translate in practice within our operation.

Our commitment to fair labour practices is set out in the [ERG Code of Conduct](#) and the [ERG Supplier Code of Conduct](#) which cover providing workers with a safe and healthy work environment and complying with all applicable labour laws.

Our human resources procedures prioritise local recruitment and talent sourcing as well as capacity building, knowledge transfer and succession planning. We strive to not only be a safe workplace, but also one where all colleagues can develop and reach their full potential. As such, we are fully committed to the principle of equal opportunity and maintaining a fair and non-discriminatory work environment. We treat our employees fairly, equally and without prejudice, including in relation to gender, race, religion, age, disability and sexual orientation.

As of 30 June 2021, Metalkol RTR had 2,452 workers involved in the project, operations and further ramp up activities – 2,311 of whom were Congolese nationals. As we continue to expand our full time operational workforce to support the project's transition from construction to production, short-term contractors are hired as and when required in response to specific onsite needs (such as administration, maintenance etc.) In 2020, this involved more than 500 people from communities surrounding Metalkol RTR.

Following a thorough review of the allegations made in relation to the termination of contractors in response to the COVID outbreak, we can confirm that the statements with respect to the employment of contractors is incorrect. We introduced additional health and safety requirements to protect all our workforce, but the site remained operational during this time.

As we reached the end of works for the project development, contracts relating to the project development were closed out on completion of the contract, in accordance with the terms of the contract. We are not aware of any other contracts that were terminated during this time, other than one contract which was terminated by agreement and all contractor employees were transferred to another project within Metalkol RTR.

As an open and transparent company, committed to in-country regulatory frameworks, our approach to labour relations is underpinned by constructive engagement with our employees' unions. Metalkol RTR fully respects the right of all employees to join unions and to freely engage in collective bargaining. Meetings between management and union representatives

are held quarterly with additional meetings arranged when necessary to cover any urgent matters.

Metalkol RTR provides competitive remuneration aligned with union agreements and legislative requirements. In addition, permanent Congolese employees receive school fees, housing, transport and family allowance as well as other welfare benefits. Recently, we engaged with union representatives to review the framework for employee benefits. This process was completed in January 2021, and resulted in an agreement to increase annual leave and to provide medical care for the parents of employees.

Labour hires are employed in compliance with labour laws and compliant with national statutory pay rates. Labour hire firms are contractually required to ensure compliance with all applicable laws and regulations, as well as all applicable ERG and Metalkol RTR policies.

Safety and PPE

As set out in both the ERG Code of Conduct and the Metalkol RTR Human Rights Statement of Commitment, we are fully committed to ensuring the security, health and safety of all those working on the Metalkol RTR site.

Our Safety, Health and Sustainability (SHS) management system oversees Occupational Health and Safety (OHS) risks in line with ERG and Metalkol RTR OHS policy and procedures. Suppliers and contractors are also required to adhere to Metalkol RTR's policies and procedures or have their own at a similar standard. Any incidents or breaches reported are immediately investigated and, where required, addressed, with the lessons learned shared across site, including with contractors.

Metalkol RTR has established a safety and hygiene committee as per the legal requirement of the Labour Code of the Democratic Republic of the Congo, the Committee comprises employee, union and government representatives and addresses all matters related to occupational health, safety, environment and social aspects of the operation.

In relation to incident reporting and accidents, all incidents must be reported and assessed. Metalkol RTR has a well-established clinic facility within the processing plant, which has a staff of qualified doctors and nurses, as well as radiology, laboratory tech, and medical dispensary and emergency services. These professionals ensure the proper care of any injured employee and other person while at Metalkol RTR. Doctors classify injuries only as set out in our procedures and following international standards aligned with the International Labour Organisation. The clinic is open and operational 24 hours a day, 7 days of the week. The onsite clinic treats employees of Metalkol RTR, contract employees and any other persons visiting Metalkol RTR.

Internal safety and hygiene audits are regularly carried out to assess safety risks and adherence to OHS procedures. This is supported by our Visible Felt Leadership safety programme, which includes the undertaking of regular site visits by senior operation-level managers and the hosting of cross-departmental meetings to share safety best practices.

Our Industrial Hygiene Programme also protects employees' health at work, monitors and maintains regulatory compliance and manages key health risks. This includes the provision of employee awareness training around dust, noise and acid mist exposure as well as monitoring and analysis programmes. Water spraying is also undertaken to suppress dust at the site, combined with enhanced personal protective equipment (PPE) and biannual medical examinations for our employees.

All employees, contractors and visitors to site are required to participate in safety training. It is also compulsory for all workers onsite (direct and contract employees) to adhere to the Metalkol RTR standards for PPE. The PPE provided by Metalkol RTR conforms to international standards (SANS, EN, NFPA and ANIS) and is available to all employees and labour hire workers. Contractors are required to provide PPE meeting these outlined standards to their employees.

These PPE standards were in place and enforced during the construction of the project involving NFC, and training, systems and safety requirements were provided to NFC and other contractors, with Metalkol RTR project management and safety officers conducting regular training and inspection sessions.

Personal Health

The health and wellbeing of all employees is addressed through a number of company initiatives. These include malaria prevention measures, such as spraying and fumigation, and providing antenatal healthcare. We regularly engage with local government health departments, with a view to assist in raising awareness about HIV/AIDS as well as prevention and treatment.

As part of ongoing medical benefits, we have agreements with two clinics in Kolwezi and Lubumbashi, to provide enhanced medical care to our employees and their families. These clinics provide a wide range of services, including emergency and pediatric treatment, minor and major surgery, antenatal services, radiology, laboratory testing and a pharmacy. For immediate needs, a clinic is available onsite for employees and contractors.

With the continuation of the pandemic, every effort is taken to ensure the mass cleaning of working and living areas, social distancing, the procurement of additional PPE and the use of thermal scanners and education campaigns. Additionally, we protect 'at-risk' employees by shifting them from higher-exposure activities to remote working or safer shift patterns where possible. We are also participating in government vaccination campaigns, in conjunction with internal activities encouraging employees to get vaccinated, as well as supporting the families of employees with protective masks.

Metalkol RTR has introduced digital temperature screening and a sanitisation booth at the main entrance to ensure all persons are screened and sanitise before entering Metalkol RTR facilities. We have a separate pathway for people suspected of having COVID-19 to be tested by the medical team before being allowed to access the Metalkol RTR facilities.

Onsite Facilities

Everyone onsite has access to mess facilities and drinking water stations, which are freely accessible and located across our operations. Specific standards in relation to the variety and quality of food available at all mess facilities or for takeaway lunches are set out in camp contracts, and more recently, directly by Metalkol RTR. Mess facilities are available at different locations on site and an additional facility is currently in the final stages of construction.

Periodic surveys are conducted, and a specific suggestion/feedback box is available to ensure that standards are maintained.

Grievances and Protection from Discrimination and Harassment

We have a code of conduct, compliance policies and procedures, and a hotline in place, and training on these is provided annually and as part of our induction processes. Details are

communicated widely, in French, English and Swahili, using posters and other communication channels. Metalkol RTR's procedures apply to employees and contractors, and cover bullying, sexual harassment and other forms of discrimination.

Diversity and cultural awareness is covered in training, including during the construction stage.

Any concerns, which can be raised anonymously, either by or relating to an employee or a contract employee, are investigated. In the case of a contract employee, disciplinary action includes requiring the contractor to remove the employee from site. Metalkol RTR also utilises an employee grievance mechanism where issues or concerns can be discussed with an independent employee.

In addition, we apply a community grievance procedure, aligned with the International Finance Corporation Performance Standards and the UN Guiding Principles on Business and Human Rights, which supports the continuous, timely identification, review and management of our actual and potential impacts. These are publicised widely, including to local communities, and also provide a conduit for grievances that may arise from local employees or other workers.

If any additional information is provided in relation to specific allegations which would allow identification of those involved, investigations would be conducted.

Labour Relations – Suppliers

Under our human rights policy, we are committed to respecting universally recognised human rights and labour standards. These requirements are embedded in our ERG Supplier Code of Conduct. Key stipulations under the ERG Supplier Code of Conduct include:

- Providing workers with a safe and healthy work environment, consistent with relevant ERG policies or procedures or applicable national and international standards, whichever is higher
- Not engaging in any use of forced or compulsory labour or child labour
- Complying with the ERG Human Rights Policy – as well as the UN Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance on Responsible Supply Chains of Minerals and the Voluntary Principles on Security and Human Rights.

Suppliers are selected based on their full compliance with our Human Rights Policy and Supplier Code of Conduct. This is included as part of our counterparty due diligence (CPDD) process at onboarding and contract renewal stage, and also forms part of supplier audits and training for key/high risk suppliers (based on our risk assessment process).

Our [contractual terms](#) with suppliers embed our requirements in relation to labour rights, health and safety, and human rights of workers. Depending on the assessed risk profile of the supplier and the nature of services, additional requirements are included in contracts. Supplier audits include reviews of human resources files, policies and procedures and payment information.

As part of contractor management, onsite contractors are also subject to multiple types of inspections and reviews, from daily safety inspections to formal audits.

In addition to conducting investigations in relation to the specific statements in the RAID Report, we are communicating with contractors to request their cooperation on these investigations and the provision of any relevant information. We have also written to all

suppliers reminding them of their contractual obligations in relation to their seeking further warranties and assurances from all contractors in relation to their compliance with all applicable laws, specifically with reference to labour laws. We are working to expand our contractor audit programme in 2022 in relation to scope and frequency.

Ethics and Governance

[Our Clean Cobalt Framework](#), which was launched at Metalkol RTR in December 2018, has further embedded responsible business practices in what is a sensitive operating environment. The Framework supports our ongoing efforts to comply with – and go beyond – the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals ('OECD Guidance').

In 2019, we implemented the Framework in practice and published our [inaugural Clean Cobalt Performance Report](#), which was independently assured by PwC. This found that, as of 1 March 2019, Metalkol RTR had established and implemented systems and procedures to align with the Clean Cobalt Framework as well as the OECD Guidance. External assurance of the next Clean Cobalt Performance report has been delayed by COVID-19 restrictions, but the on-site assurance visit has now been completed. The Clean Cobalt Framework was extended in 2021 to [now also include copper](#).

This Framework and Performance Report addresses labour relations, including relevant labour law. Our commitment to fair labour practices is also set out in both the [ERG Code of Conduct](#) and the [ERG Supplier Code of Conduct](#).