

20 May 2021, Luxembourg



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MEDIA RELEASE

EV supply chain majors pilot Re|Source, a blockchain solution for end-to-end cobalt traceability

Major metals and mining companies CMO, Eurasian Resources Group (ERG) and Glencore in collaboration with battery material supplier Umicore are piloting Re|Source, a solution to trace responsibly produced cobalt from the mine to the electric car. A global EV pioneer and one of the world's leading battery makers are also part of the pilot. Tested in real operating conditions, from upstream cobalt production facilities in the Democratic Republic of the Congo (DRC) to downstream electric vehicle production sites, the pilot will run until the end of 2021, with the roll-out of the final solution expected in 2022.

Assured through blockchain technology, the solution is a unique industry partnership between EV supply chain majors aiming to accelerate sustainable practices for every unit of cobalt mined, processed and used in end products. Founded by CMO, ERG and Glencore and launched in 2019, Re|Source was later joined by Umicore, as well as a battery company and an EV producer. It is designed with the direct input of responsible sourcing and supply chain experts from all participating companies, proactively addressing the growing need for cobalt value chain visibility.

The end-to-end collaboration between major cobalt industry players working in the DRC deploys various technologies, including blockchain and Zero-Knowledge Proofs, to link digital flows with physical material flows on the ground. The ground-breaking solution is supported by boutique technology studio Kryha, which is experienced in carbon footprint and metals traceability and known for projects with the World Economic Forum.

To meet the consortium's mission to ensure that all cobalt used in end products will be sustainably sourced, Re|Source integrates a comprehensive set of industrial sustainable mining and sourcing standards and frameworks, such as ICMM, RMI, IRMA, CIRAF¹, Copper Mark and others. The solution therefore also explores how aspects of the related GHG emissions along the value chain can be traced and disclosed.

Benedikt Sobotka, CEO of ERG and Co-chair of the Global Battery Alliance, said: "Eurasian Resources Group prides itself on being a leading cobalt producer globally, operating the second-largest standalone cobalt production facility with a design capacity of 24 ktpa. As part of our continued efforts to ensure cobalt is responsibly sourced and processed, a key focus for ERG has been collaborating with leading public and private organisations to respond to the growing battery market powering the energy transition and the low carbon economy, which is the biggest purchase order in history. Piloting the Re|Source solution is a vital milestone that brings us one step closer to unveiling the significant potential of batteries, while strengthening transparency and the sustainability of battery materials across the value chain – also a mission of the Global Battery Alliance, of which ERG is a founding member."

¹ International Council on Mining and Metals (ICMM), Responsible Mining Index (RMI), The Initiative for Responsible Mining Assurance (IRMA), The Cobalt Industry Responsible Assessment Framework (CIRAF)

In addition to EV supply chain majors, Re|Source is developed with the involvement of a broad group of industry advisors and stakeholders. The solution reflects their expectations about all aspects of sustainably sourced materials and is designed to be used by wide-ranging industry players.

Re|Source also has a direct link with the Battery Passport project of the Global Battery Alliance (GBA), through ERG, Umicore, Glencore and other Re|Source pilot partners who are members of the GBA. The Battery Passport is aimed at transforming the entire value chain to make battery production more responsible and sustainable. The member companies believe that these projects support each other and together they will deliver on the overarching agenda of increasing sustainability in the wider battery supply chain.

More information on Re|Source is available at www.re-source.tech.

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Sun Ruiwen, CEO of CMOC, said:

“Re|Source is a very exciting development in the global battery industry. As a global leading producer and trader of cobalt, CMOC and its trading affiliate IXM are committed to the responsible mining, processing and use of cobalt. We believe this initiative will help increase transparency throughout the value chain. In the backdrop of the global energy transition and China pledging carbon neutrality by 2060, the battery industry is growing and expanding rapidly. A transparent and responsible supply chain, bringing together all stakeholders with this joint effort, will give end users greater confidence in cobalt as a raw material.”

Ivan Glasenberg, CEO of Glencore, said:

“Blockchain technology offers us an unprecedented ability for traceability in the supply chain. Through this pilot, we are supporting the development of this tool for our customers who seek to understand and demonstrate the origin of the cobalt units in their products. But traceability is not enough on its own, it must be part of a wider industry effort to bring improvements to the entire cobalt supply chain. This starts with responsible sourcing compliance, for example through RMI; the collective use of wider ESG standards such as CIRAF and ICMM; and supporting the artisanal and small-scale mining (ASM) sector in the Democratic Republic of Congo (DRC) sector through multi-stakeholder initiatives like the Fair Cobalt Alliance (FCA).”

Marc Grynberg, CEO of Umicore, said:

“I am proud to support Re|Source in developing a technology solution to assure traceability in the entire battery industry. For many years, Umicore has been a pioneer in promoting a sustainable value chain by only offering battery materials of a certified and ethical origin. Today, we share our expertise within this innovative consortium and participate in the pilot to develop an industry-wide traceability technology, which is an important step towards a sustainable value chain for all batteries.”

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About Eurasian Resources Group:

Eurasian Resources Group (ERG) is a leading diversified natural resources group with integrated mining, processing, energy, logistics, and marketing operations. The Group operates in 15 countries and is a major employer in the industry.

ERG is the world's largest high-carbon ferrochrome producer by chrome content and among the principal copper and cobalt suppliers. It is also one of the largest suppliers of alumina and iron ore in Eurasia and the only producer of high-grade aluminium in the Republic of Kazakhstan.

In Kazakhstan, ERG represents one third of the metals and mining industry. It is also a key power supplier and a large railway operator in Central Asia. ERG manages production entities in Kazakhstan that are among the nation's foremost enterprises, including Kazchrome, SSGPO, Kazakhstan Aluminium Smelter (KAS), Aluminium of Kazakhstan, Eurasian Energy Corporation, Shubarkol Komir, Transportation Group TransCom, 3-Energootalyk and ERG Service.

In Africa, ERG mines and processes copper and cobalt ore and produces copper and cobalt hydroxide. It has recently launched Metalkol Roan Tailings Reclamation (RTR), a major tailings reprocessing operation in the Democratic Republic of the Congo.

The Group has further development projects in thermal coal, manganese, platinum, bauxite and fluorspar in South Africa, Zimbabwe, Mali and Mozambique. ERG controls its own supply chain on the continent through its company Sabot, a North-South Corridor logistics specialist.

In the State of Bahia in Brazil, ERG is pioneering an integrated mining and logistics project comprising the Pedra de Ferro iron ore mine, the Porto Sul deep-water port and the associated new FIOLE broad-gauge railway.

ERG is a founding member of the Global Battery Alliance launched on the platform of the World Economic Forum and dedicated to ensuring that there is an ethical and sustainable global supply chain for the lithium-ion batteries that help power the Fourth Industrial Revolution and a low carbon economy, through electric vehicles, renewable energy technologies and smartphones.