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STL 2023 ANNUAL REPORT ON RESPONSIBLE SOURCING

I. COMPANY INFORMATION

The Congolese company for the treatment of the Lubumbashi slag heap in the acronym “STL”, has its head office located at 04 Route Kipushi, city of Lubumbashi, Haut Katanga province in the DRC (11°40'51S, 27°28'00E).



STL started its activities in 2019, under the banner of the sole shareholder Gécamines, a commercial company wholly owned by the Congolese state. The feedstock comes from slag from the former Gécamines called the Lubumbashi plant.

The STL exploits waste from the Lubumbashi slag heap which it transforms into commercial products.

Its factory consists of an electrical smelter which produces:

White alloy that contains copper, cobalt, and zinc oxide as a by-product.

Our vision is to be a sustainable model

- Applications from women are encouraged
- Create added value for stakeholders
- Exceed expectations
- Adding value to the communities in which we operate
- Be a model for other mining companies
- Maintain profitability by applying HSE best practices

Our mission is to achieve our vision through our people and the communities in which we operate.

This report covers the period from October 2022 to December 2023. Subsequent reports will follow the calendar year.

II. SUMMARY OF THE RMAP EVALUATION

The plant underwent an initial RMAP assessment from July 6-8, 2021, carried out by the independent audit firm RCS global, and covering Cobalt, Copper and Zinc.

The evaluation period was July 1-30, 2021.

The corrective actions taken following this audit have enabled STL to appear on the list of compliant refiners since 2021.

The RMAP assessment re-audit took place from November 28 to 30, 2023, carried out by the independent audit firm Arche Advisors against the cobalt refiner's due diligence standard 2.0.

The evaluation period was from April 1, 2021 to October 30, 2023.

The scope of the assessment included Cobalt, Copper and Zinc, of which the CID numbers are respectively CID003266| CID003805 | CID003806.

III. STL MANAGEMENT SYSTEM

1. Management team

- **The Deputy Director General** has charge and responsibility for implementing the due diligence process. She is assisted by the directors. This college, as well as all factory agents, were informed about the duty of due diligence.
- **Human Resources Director:** Responsible for the application of codes of conduct and ethics ensuring a good working environment for employees for their physical and mental health as well as the implementation of the grievance mechanism.
- **Director of Compliance:** Ensures that STL's activities comply with established policies and international standards including the OECD due diligence principles.
- **Financial director:** ensures that the payment process for all remunerations, royalties, taxes relating to mining activity and to be paid to government institutions is transparent. In this context, he collaborates closely with the EITI
- **Director of Logistics:** Responsible for enforcing the Supplier Standard (assessment, mitigation and monitoring; contracts, etc.), which protects human rights and is aligned with international and OECD standards. He ensures that the shipping files for each material are updated.

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- **Production director:** Manage risks associated with the potential entry of external inputs into operating operations. Consolidation of traceability systems for slag entering the site and finished products. The strategy is the implementation of slag quality control procedures and monitoring of production data encoding.
- **Maintenance Director:** Responsible for the maintenance of operating tools such as carrying out calibration with registration of the various scales on site by approved organizations.

HSE Director (Hygiene, Safety & Environment): Ensures the safety and health of agents. The company's management system deals with production rules, employee health and safety issues in a detailed and appropriate manner depending on the activities in compliance with the laws and regulations in the DRC.

Social manager: Acts as a relay between STL and the community around us. The DRC mining code requires all mining companies to contribute a certain percentage of their revenue to community development projects in accordance with the "Cahier des Charges". The resulting fund is supervised by a committee composed of STL and representatives of the communities concerned, and is used for its intended purposes, for the benefit of the community. This conduct is part of our vision: "to add value to the communities in which we operate".

Training manager: organizes training for agents and other stakeholders.

All those responsible for the organizational structure mentioned above as well as the supervisors have followed rigorous and certified initial training in responsible mineral sourcing.

Furthermore, STL organized information and training sessions on responsible sourcing for its staff and stakeholders on site. Annual recycling is planned for everyone.

2. Company supply chain policy

STL's responsible supply management system includes the following different policies:

- Responsible supply chain policy [Company for the treatment of the Lubumbashi slag heap \(stlgcm.com\)](http://stlgcm.com). policy in accordance with Annex II of the OECD Guidance on Due Diligence for Responsible Supply Chains of Minerals from Conflict and High Risk Areas..
- The standard for suppliers [Company for the treatment of the Lubumbashi slag heap \(stlgcm.com\)](http://stlgcm.com). The responsible sourcing clause is included in all our supplier contracts.



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- Code of conduct and ethics [Company for the treatment of the Lubumbashi slag heap \(stlgcm.com\)](http://www.stlgcm.com). A document signed by all agents and which respects human rights.
- The grievance mechanism [Company for the treatment of the Lubumbashi slag heap \(stlgcm.com\)](http://www.stlgcm.com). Grievance management that allows stakeholders to talk and resolve their problems within the company and with the communities impacted by the company's activity.

The policies mentioned above have been approved by General Management, are widely disseminated to relevant stakeholders (employees, suppliers, customers, etc.) and available on the STL website (<https://www.stlgcm.com/policies/>).

3. Internal control systems – chain of custody

STL does not purchase slag from third parties and only uses slag from the LUBUMBASHI slag heap which is located within the confines of its industrial facilities and which constitutes its only source of supply of minerals.

The company has implemented a traceability system to ensure that mineral inputs can be traced throughout the entire process, from entry into the smelter to shipment of finished products.

The slag is taken from the slag heap by our mining service which supervises and indicates the authorized sampling locations.

The slag from the heap is transported to a temporary storage area using trucks where it is homogenized. After drying, the slag is continuously transferred on conveyor belts to an electric arc furnace. During melting, the zinc oxide is collected and packaged for final delivery. The molten alloy in liquid form will be transformed into granules. The alloy pellets are dried before packaging for final delivery.

Transportation of our finished products (white alloy and zinc oxide) from STL facilities to the port is the responsibility of the customer.

Each batch of mineral raw material and finished product is analyzed.

The material flow in the foundry operations is monitored at each stage by sampling systems, slag quality control procedures, identification of external inputs, detection of discrepancies, analyzes and material balances. The material count is carried out using material control software (SISP) which produces a metal-product balance for current operations. There are validation stages and regular verification by third parties.



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Procedure for exporting the STL's commercial mining product. Before export, a sample is taken from each bag, identified and sent to the STL laboratory for analysis; a part is kept for a minimum of 3 months in the event of a dispute. Each alloy bag is identified by a serial number generated by the computer system which will be written on the bag with its weight. After placing a seal, the bag is recorded in the database.

The information generated in all these stages is documented and retained.

4. Management review

The Due Diligence Management Working Group once a year carries out the management review relating to the management of the duty of care of the supply chain, and reports to General Management. This will examine the rationality, effectiveness and performance of the implementation of the company's due diligence system and present opinions and suggestions for improvement which will be considered by due diligence managers.

5. Grievance mechanism

The STL grievance mechanism, which is guaranteed anonymity, allows agents, or other stakeholders, to express their concerns, real or perceived, to resolve difficulties before they escalate.

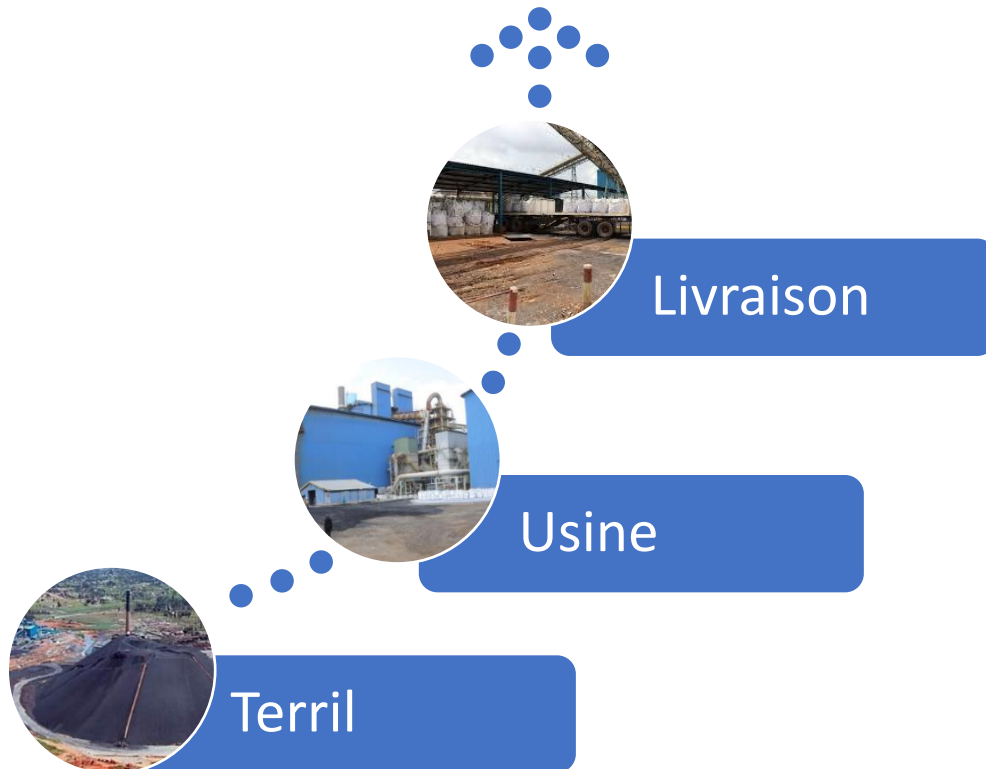
The grievance mechanism is also available to our employees and any parties who feel unable to raise an issue or complaint directly with their line manager or local personnel department.

To make it easier for our stakeholders to send us grievances, we use the following means:

- By email to: info@stlgcm.com
- By mail to: STL, 04 Route Kipushi, Commune of Lubumbashi, Haut-Katanga.
- Through the “suggestion boxes” available on the STL website, in the communities, near the main entrance of the STL and on the STL website.
- [Company for the treatment of the Lubumbashi slag heap \(stlgcm.com\)](http://stlgcm.com)

Records Management

All documents relating to responsible sourcing (administrative documents, procedures, complaints addressed to STL, reports etc.) will be archived for 5 years and kept in a database.



III. RISK IDENTIFICATION

The STL does not purchase slag from third parties, so there are no ore suppliers. The risks covered by the OECD Guide relate to operations inherent to STL and are managed directly via its own management systems.

Due to the proximity of this slag heap, the STL has visibility and control over potential major risks that could result from its ore supply.

The procurement policy is associated with a company risk register. It is a risk monitoring document based on a risk matrix, assessment and mitigation measures.

The risk register covers and addresses the risks identified in the context of our activities.



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The risk review is carried out twice a year. All identified major risks are reviewed to re-evaluate their relevance, score, rating and strategies which are based on mitigation plans. At the end of this process, we determine whether it is necessary to update them.

After each review, the risk management plan is updated and a new version is published, signed and communicated to the relevant internal stakeholders.

A report on risks is communicated annually to General Management

At STL, risks are therefore mainly linked to human rights, linked to insecurity given the difficult socio-economic environment in which STL operates.

However, community support measures have been put in place by STL (group of young people from surrounding neighborhoods ensuring the safety of the slag heap, etc.) or via the specifications (Entrepreneurship support for the creation of self-employment for young people, etc.)

Human rights and security

STL subcontracts security to private providers, who have undergone security training according to the international standard VPSHR (Voluntary Principles on Security and Human Rights). Refresher training is scheduled annually.

Suppliers (other than minerals)

We have set up a control and verification of the identity of service providers (logistics and security) operating on the site, using the same approach as mineral suppliers (KYC). In all our contracts there is a clause relating to responsible sourcing as described in the supplier standard published on our site.

payments to governments

STL supports the action of the EITI, which aims to contribute to transparency and good governance in the extractive sector in the DRC. This collaboration between the EITI-DRC and the mining companies of which the STL is a part is essential to guarantee responsible management of the DRC's natural resources and improve the well-being of local populations.

STL participates in the EITI process by transmitting during the collection of data payments of taxes, duties, royalties paid to the state; with a view to their disclosure in the publication of the EITI report. This report aims to provide transparent and reliable information on the revenues generated by the extractive sector in the DRC and their use by the government.

CAHRA

The identification of the CAHRA was identified based on the following resources:

- The Conflict Barometer Index (Heidelberg Institute for International Conflict Research).
- Good governance index
- Human Rights Index.
- US Human Rights Report
- World Justice Project
- Section 1502 of the Dodd-Frank Act.
- Regulation (EU) 2017/821 of the European Parliament and of the Council of May 17, 2017.

STL is located in a geographic area which, based on the various resources consulted, presents high risks in all areas.

We therefore conclude that STL is located in the CARHA. So, there is a red flag of mineral origin and transit.

We will update the resources used as well as review the CARHA determination once a year.

The company ensures permanent monitoring of risks through a constant presence on the site; supported by “Flash” reports detailing any incident on site and relayed to all staff.

IV. AUDITS

Internal

As an operator, we consider all assessments made on site to be on-the-ground assessments. To establish the corporate risk register, we cover the risks of our activities. This is carried out twice a year with updates. This allows us to observe the progress made.

By third parties

During the period covered by this report, the STL due diligence system has undergone two independent third-party audits.

- Audit carried out on behalf of a client by independent third parties (RCS), dated October 27-28, 2022. The audit was conducted in accordance with the following standards:
 - OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (3rd edition)
 - Chinese Due Diligence Guidelines for Responsible Mineral Supply Chain (Chinese Guidelines)



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The audit scope included the following elements:

Environmental management (noise and air emission assessments) signed page of the EITI declaration form, Training material and records for training of security providers on the Voluntary Principles of Security and Human Rights.

V. REPORT

The STL Supply Chain Due Diligence Report. is published once a year and can be viewed on the company's official website. Our company sincerely welcomes suggestions from all quarters on the responsible management of our cobalt supply chain.