



2023 Due Diligence Report

Introduction

Exercise of due diligence is the ongoing, proactive process that enables companies to ensure that they respect human rights, that they do not contribute to conflict, and that they respect international law and comply with national laws, including those relating to minerals supply.

The main purpose of this supply chain due diligence is to ensure that all persons acting on behalf of Kimin perform activities in an ethical way and in accordance with laws and regulations and with the standards. Kimin sets through its policies, guidelines, and rules; provide all our stakeholders with information on the progress made during the period of 1st of January 2023 up to 31st of December 2023 on the implementation of our responsibly sourcing and due diligence commitment, and to provide transparent information on the implementation of our due diligence management system.

Our due diligence system and policy have been designed in line with the expectations of the OECD Due Diligence for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, which is considered the best practice framework for responsible sourcing and due diligence in minerals supply chain.

This report is structured around the five steps of this framework:

- The establishment of a strong management system.
- the identification and assessment of risks in our supply chain.
- where risks are identified during step2, the design and implementation of a strategy to respond to identified risks.
- promotion of third-party audits along our supply chains, and independent audit of Kimin's own due diligence system.
- reporting on supply chain due diligence.

Company Name:	Type	
KISANFU MINING SAS	SUPPLIER <input checked="" type="checkbox"/>	CUSTOMER <input type="checkbox"/>
COMPANY/ORGANISATION DETAILS		
Registration Name	KISANFU MINING SAS	
Registered Address	588, ROUTE KIPUSHI, COMMUNE ANNEXE, LUBUMBASHI	



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Business Address	588, ROUTE KIPUSHI, COMMUNE ANNEXE, LUBUMBASHI
Address of Other Offices and Plant (If any)	VILLAGE KISANFU, SITE DE KISANFU, 55 KM A L'EST DE LA ,VILLE DE KOLWEZI, TERRITOIRE DE LUBUDI, DEMOCRATIQUE DU CONGO
Contact E-mail	info@kisanfumining-drc.com
Date of incorporation	15th FEBRUARY-2010
Business Registration Number	6-128-N57128 B
National Identification Number	RDC ID Nat: 6-128 N57128 B
Tax identification/Registration Number	RCCM: 14 B 1760
VAT Registration Number	A 1004150 Y
Web site	www.kisanfumining-drc.com

IRMAP Assessment Summary

Kimin has undergone a RMAP assessment on 9th June 2023. The assessment is valid for one year. The assessment period was from 8th June 2023 to 9th June 2023. The assessment was conducted by the Responsible Sourcing Audit Firm. The assessment summary report is public and available at: www.kisanfumining-drc.com.

Company Supply Chain Policy

To avoid the use of conflict minerals, which directly or indirectly finance, or benefit armed groups and/or involve other serious human right abuses in high-risk and conflict-affected regions, the company has developed a supply chain policy. The supply chain policy is fully aligned with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). It covers all of the risks identified in Annex II of the OECD Guidance and its geographic scope is global. The company is committed to addressing any Annex II risks if identified. The policy was reviewed and approved by senior management, which committed to support its implementation. The policy has been widely disseminated to relevant stakeholders (suppliers, customers, employees etc.) and is available on the company website at www.kisanfumining-drc.com



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Kimin HSE Policy

Doc: Ref: KMN.HSE.POI.001

Rev/Date: Jan 2024

Health, Safety and Environmental Policy

KIMIN is a mineral mining and processing company that strives to improve occupational health and safety policy. The company aims to prevent all incidents and accidents during its operations in a reasonably practical way and strives to minimize the hazards associated with the working environment.

The Company is committed to providing an incident, illness, and injury free workplace for all workers, contractors and visitors. This enables us to operate in safe manner that respects the safety and health of workers, and community in which we operate, while producing high quality product

"We work safely" is a guarantee that every employee has the right and responsibility to work in a safe and healthy environment to ensure his own future and that of his family.

Our process is based on Health, Safety and environmental standards with objectives to:

- Continually improve its workplace Safety, Health & Environmental performance through the setting and achievement of the objectives
- Utilise the risk management process, and ensure consistency with the nature of workplace activities and scale of Safety, Health & Environmental risks
- Educate co-workers, contractors to ensure that our standards are fully understood and integrated into work practices
- Comply with applicable legal requirements and other requirements to which the Company has subscribed.
- Prevent and minimize adverse environmental impacts, including waste, emissions and discharges from our operations
- Act in accordance with the established procedures and assigned responsibilities
- Continually improve the effectiveness of our actions and business processes

KIMIN Management guarantees to provide all necessary resources to ensure the successful undertaking of this policy, together with our commitment to the development and support of the people and local businesses to fulfil our ESG targets:

- Climate change mitigation
- Sustainable use and protection of natural resources.
- Transition to green energy.
- Pollution prevention and control.



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Kimin Due Diligence Management Systems

KIMIN aims to operate as a seamless organization that acts and look like one company and maximizes the benefits of standard and share approaches for every activity.

The Company objective is to maximize its value and long-term return to shareholders through a strategy of investing in large, cost competitive mines and businesses driven by the quality of each opportunity.

Wherever Kimin operates, due diligence, health and safety of our employees, and a contribution to sustainable development, are key priorities. We work as closely as possible with host countries and communities, respecting their laws and customs and ensuring a fair share of benefits and opportunities.

As reflected in our policies, Kimin is committed to responsible sourcing throughout its supply chain. Recognizing that risks of significant adverse impacts may be associated with the extracting, transportation, handling, and operation of minerals, when sourcing from Conflict-Affected and High-Risk Areas (CAHRAs), Kimin sets principles in its Responsible Sourcing Policy and continuously strengthens its management system for due diligence

Management Structure

Kimin follows through on its commitments in the supply chain policy and has developed an internal procedure for due diligence with the following aspects:

Kimin's COO is responsible for overseeing the due diligence program and risk management design and implementation. Kimin has assigned a due diligence program manager to coordinate the work of the relevant departments (including the Purchasing Department, Quality Department, Production Department and Warehouse Management Department) to ensure each department follows up on their roles and responsibilities to implement the due diligence program and report any red flags and potential risks identified. Kimin conducts due diligence management system training for key staff from all relevant departments required in due diligence program. If there is an update of the program, the company conducts additional training as necessary.

Internal Systems of Control

The company has established/updated its due diligence management system to be aligned with the OECD Guidance and RMAP. The company communicated the updated supply chain policy and sourcing requirements to all identified suppliers/ service providers. The company has incorporated due diligence requirements into legally binding agreements with direct suppliers/service providers. Kimin visits its direct suppliers/service providers every year, and includes due diligence requirements as part of the conversation.

The company refers to RMI's grievance mechanism to collect information on grievances from interested parties.



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KIMIN Sustainability Management Structure



In alignment with the framework, Kimin employees and contractors receive induction sessions and ongoing training on a range of compliance issues. Training includes guidance on important topics such as raising concerns, facilitation payments, the giving and receiving gifts and entertainment and dealing with public officials. We tailor our training and make it relevant for our employees by including real-life hypothetical scenarios that illustrate how legal and ethical concerns might manifest themselves in daily work activities.

To ensure the effective implementation of the Kimin due diligence framework, respective mine and treatment units has appointed due diligence coordinators whose role is to support the operations and employees in day-to-day business considerations.

The management structure at Kimin also includes senior Managers for finance, operations, Human Resources, Community Development, Occupational Health & safety, Environment, security, Procurement and Logistic.

In accordance with the recent Implementation on the OECD Guidance, Kimin’s policy has evolved to a risk-based approach to responsible sourcing and consequently does not exclude entire countries from its supply chain unless otherwise required by regulations (e.g., embargo, sanctions).

Human rights, social and environmental risks are identified through below dimensions, not mutually exclusive:



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Security and Human Rights

Lualaba is a highly populated area with a high poverty rate and Kimin requires a security approach which protects people and assets while upholding respect for human rights. We deploy internal and private security to conduct control and containment operations. There is also public security on site (Police des mines), as mandated under the DRC Mining Code. In line with our Human rights policy, Kimin is committed to the voluntary principles on security and human rights. Kimin applies the Voluntary Principles using 5 steps approach:

- Understanding the risks through cross-functional risk assessment
- Strong engagement with the security providers, incorporated in contractual requirements.
- Raising awareness through human rights training
- Internal control including mixed patrols on-site and incident monitoring.
- External monitoring vis engagement with community and concerned parties.

Child Labor

The presence of child labor in Lualaba area is a well-known issue, however it is related to ASM rather than to large-scale operations. Kimin has strict employee screening, ID check and access control measures to ensure that no one under the age of 18 is employed either directly or indirectly vis contractor/supplier.

Anti-corruption/Bribery

Our position on bribery and corruption is clear. We do not engage in corrupt conduct, and it is unacceptable to offer, pay, authorize, solicit, and accept bribes. The Kimin anti-corruption policy set out conduct expected of each of the employee so that we can respect applicable anti-corruption laws and secure our long-term presence as a responsible business in copper & cobalt operations.

All our employees, Managers, HODs, Supervisors, contractors and business partners are therefore required to take personal responsibility for implementing the policy and take part in training related to bribery and corruption risks.

We also conduct risk-based due diligence on third party to identify any concerns or red flags that may exist and to take steps to measure, manage, monitor, and mitigate the risks associated with these relationships.

Risk Management

Kimin does not purchase any third-party mineral, so there are no external suppliers of copper nor cobalt. All the materials processed at the treatment units are from Kimin owned operations. Kimin therefore has direct



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visibility and control over the OECD Guidance risks described in Annex II and manages them through its own policies and procedures. These are defined by the Sustainable Supply Chain and include the following:

- > Code of Conduct
- > Anti-corruption and anti-bribery Policy
- > Human Rights Policy
- > Sustainability Policy
- > Tax Policy

Kimin has defined expectations for its non-mineral suppliers/contractors which are specified in the Sustainable Supply Chain Code of conduct. These standards cover all the risks identified in Annex II of OECD Guidance. This applies to all the Kimin workers, suppliers/Contractors and are incorporated into supplier/service providers' contract.

Should potential risks be identified through further scheduled risk assessment activities, a risk management plan will be designed and implemented in collaboration with the suppliers and affected stakeholders, where appropriate.

Risk management plan refers to our Responsible Sourcing policy and the OECD Guidance. Actions are considered depending on the risk severity, they are closely monitored, and re-evaluated.

Risk Identification

Kimin is supplying raw materials from its own mine and has a robust process to identify risks in the supply chain. Firstly, referring to the risks in the company's supply chain policy, Kimin established a procedure to identify CAHRAs. The procedure includes the resources used, the criteria to define a "conflict-affected and high-risk" area as well as the frequency with which our determination is reviewed. The company uses the following resources to determine CAHRAs:

- The Heidelberg Conflict Barometer provides conflict maps, representing an annual snapshot of the presence of armed conflict.
- The INFORM Index for Risk Management provides country-level risk profiles relating to humanitarian crises.
- The RMI's Global Risk Map, which is a risk assessment tool that allows users to identify and compare governance, human rights, and conflict risk indices across geographic regions globally. Utilizing the internationally recognized indices and resources identified in the European Commission's [non-binding guidelines for the identification of conflict affected and high risk areas and other supply chain risks](#), the tool classifies geographic areas as low-, medium-, high-, and extreme-risk in an interactive and up-to-date world map.



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The tool also flags sanctions risks based on the United Nations, U.S. and E.U. sanctions lists. Users can view all country risk classifications at a global level, zoom-in to detailed indicators at a country or area level, and download the complete underlying dataset for further sorting and analysis outside of the tool.

Referring to its supply chain policy and external resources, the company has defined criteria and benchmark indicators to determine CAHRAs.

In October 2023, with third party support, Kimin conducted an on-the-ground mine site assessment. Through the Kimin mine field visit, a document check and interviews with mine workers, consultation with local communities and other stakeholders, the company assessed all the risks under Annex II of OECD Guidance and generated a mine site visit report.

In addition, Kimin supported the establishment of a community monitoring committee. Working with a local partner organization, training was provided to the monitoring committee members with a view to enabling the reporting of any risks or incidents in the supply chain. Generally, the community monitoring committee reported dissatisfaction on grievance investigation and corrective measures.

Risk Mitigation

Kimin's Supply Chain Policy defines three possible risk mitigation strategies in accordance with the OECD Guidance Annex II Model Policy. Risks identified in high-risk supply chains are mitigated as follows:

Kimin reports no mine as a high-risk sourcing supplier to the senior manager and continues to source from its own mine while implementing continuous improvement on risk mitigation plan.

Kimin consults its suppliers, contractors, customers, and other stakeholders on risk mitigation strategy to ensure its feasibility and effective. With all parties' agreement, the company develops a risk mitigation plan. As part of the improvement plan, our mine Management has taken remediation actions and set up a due diligence procedure to ensure no child labor, nor human right abuse case throughout the operations. Kimin hired a third-party assessment firm, which is an expert in OECD five steps framework, to visit our own mine site and confirmed that the risk mitigation is effective. Kimn ensures that it assesses risks on an ongoing basis by working in partnership with suppliers/contractors and other stakeholders (e.g. local community, NGO, customers, industry organization, consulting company) engaged in continuous risk monitoring at the mine site.



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AUDITING

Internal Audits

Internal Audits were conducted with below schedule and criteria:

Internal audit Date	Audit Criteria
11 to 16.03.2023 Mine & TU 19 to 22.06.2023 TU & Mine 28 to 30.09.2023 Mine & TU 07 to 09.12.2023 Mine & TU	Legal compliance Business Integrity Stakeholder engagement Child Labor/Forced Labor/Human Right Freedom of Association and collective bargaining Discrimination and Harassment/Gender equality Working condition (Occupational Health & Safety, Remuneration, Grievance Mechanism). Environmental Management (Resources management, Land acquisition and resettlement, cultural heritage, Biodiversity and protected areas, Indigenous people, waste management, Greenhouse gas (GHG)) Community Health & Safety Supply Chain Due Diligence Transparency & Disclosure
General conclusion upon audits findings:	Effective control measure through identified risks: Low

Third-party Audits

As part of our Responsible Sourcing program, we have designed an audit program which includes third-party auditing.



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KIMIN’s own due diligence system was subject to two independent third-party audits in 2023:

<p>RCS Global Company</p> <p>Mineral Supply Chain Mapping & Responsible Sourcing Annual Audit</p> <p>12 – 14 October 2023</p>	<p>RMAP CAP</p> <p>Responsible Mineral Initiative (RMI), Responsible Minerals Assurance Process (RMAP)</p> <p>12 – 14 October 2023</p>
<p>October 2023 sites</p>	
<p>Audit Criteria:</p> <p>OECD Due Diligence Guidance for Responsible Supply of Minerals from Conflict-Affected and High-Risk areas, 3rd Editions (OECD Due Diligence Guidance)</p> <p>IRMA Critical Requirements from the IRMA Standards for Responsible Mining v.1.0-</p>	<p>Audit Criteria:</p> <p>Responsible Mineral Initiative (RMI), Responsible Minerals Assurance Process (RMAP)</p> <p>OECD Due Diligence Guidance for Responsible Supply of Minerals from Conflict-Affected and High-Risk areas, 3rd Editions (OECD Due Diligence Guidance)</p> <p>IRMA Critical Requirements from the IRMA Standards for Responsible Mining v.1.0-June 2018</p>
<p>RMAP Audit 8 to 9 June 2023 RMI certification audit</p> <p>Audit Criteria:</p> <p>RMAP standards, developed to meet the requirements of the OECD Due Diligence Guidance; the Regulation (EU) 2017/821 of the European Parliament and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.</p> <p>Audit Conclusion: Audit Findings CAP closed, “certification granted”</p>	



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Payment to governments

We pay relevant and applicable taxes, royalties and levies required by local and national regulation in DRC. This includes local, national, sales and employment taxes, government royalties and license and permits fees. In addition, we contribute to local economies through our use of suppliers, employee wages and employee benefits, voluntary support of socio-economic initiatives such as health and education projects and infrastructure development. We welcome fiscal transparency, as it encourages the responsible management of revenues from extractives activities. We are a supporter of the Extractive Industry Transparency Initiative (EITI) and its principles of transparency and accountability.

Environmental & Social Governance

In order to mitigate impacts and ensure that measures are put in place to promote economic diversification and sustainable development of the villages of Kisanfu and Kawama in particular and the province of Lualaba in general, Kimin implements program that provides all a series activities aimed at improving also the experience daily life of the population going from the organization until the objectives are achieved social priority such as the project agro -pastoral.

Awareness campaign on STIs/AIDS and other epidemics

The project collaborates with local authorities and NGOs (Non-Governmental Organizations) established in the area, to allow the regular holding of sessions and development campaigns agricultural and awareness against sexual infections communicable diseases , AIDS and others epidemics such as cholera , tuberculosis ... Awareness and information posters addressed to workers are placed in places strategic locations on the site, such as camps and offices.

Offer job

To avoid social tensions in the local population, the project has a file including the contact details, qualifications and skills of each person. This file allows local skills to be prioritized in recruitment. Unskilled jobs will be priority offered to the local population. Kimin ensures “No Employment Fee payment” to guarantee obtaining any position through job offerings.

Environmental protection

Kimin implements awareness workshops for respect for the environment and its reasonable and responsible management. These workshops aim to prevent related risks.



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Kimin engages in internal annual reports to evaluate progress made in the implementation of its environmental and social management programs, to monitor environmental and social performance and to assess compliance with the standards of the Republic Democratic Congo.

In addition to the annual report, quarterly reports are products for the following aspects:

- quality of surface water.
- groundwater quality.
- air quality on sites.
- waste disposal facility residuals.
- settling ponds; and
- quality of drinking water .

The monitoring report environmental and social annex will examine the following aspects:

- quality of surface and ground water.
- air quality on sites;
- embankments sterile;

Control and transparency.

We maintain a Supply Chain Map of all our suppliers and service providers with information about the different tiers down to materials supplied from our own mine. To collect this information, we use software system to track every operation and material shifting data, we engage with our suppliers/service providers through, among others, sustainability and traceability questionnaires, digital platform, publicly available information, interviews, and on-site visits. All documents accompanying goods are also scanned and archived on our servers, guaranteeing computerized traceability between supplier's/service provider's document and our unique receipt numbers.

Community development

At the end of Law No. 18/001 amending and supplementing Law No. 007/2002 of July 11,2002 on the Mining Code, the Congolese legislator placed a very particular emphasis on the contribution of the mining sector to the development of communities impacted by mining activities. This contribution passes through three subnational payments including:

The specifications which is a document which summarizes a compromise between the company and the communities impacted by its activities. This compromise includes various basic infrastructures and their direct financing by the Company for the benefit of impacted communities. (Art. 285 septies CM)



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The mining royalty is drawn from monthly sales and calculated based on a formula well determined by the local mining administration and distributed according to a well-defined key for the central government, the province, and the decentralized territorial entity. (Art. 240-242 CM)

The minimum allocation of 0.3% which is drawn from the annual turnover of the company and calculated based on a formula clearly determined by the mining administration. (Art. 258 bis and 285)

The Kisanfu Mining S.A.S Company (KIMIN S.A.S.) contributes to the economic and social development of the surrounding villages and localities, the Lualaba province as well as the country in general.

In accordance with the laws of the country in the mining sector: the CODE AND THE MINING REGULATIONS, KIMIN signed a SPECIFICATIONS with the communities impacted by its activities dated July 1, 2020. And His Excellency the Governor of the Province of Lualaba has signed the order approving these specifications.

KIMIN is subject to the new provisions for the sustainable development of communities. This is how the implementation of its commitments contained in the specifications began as part of its SOCIAL RESPONSIBILITY.

To do this well, a foundation was created called FONDATION VIN MART to take care of the implementation of commitments for the development of communities, according to the timeline for the execution of projects from specifications to benefits. communities impacted by its activities.

This Specification which is coming to an end this month of July 2024, which in accordance with the provisions of the mining law in this area, new discussions must begin next June for the negotiations of a new Specification.

For the year 2023, Kimin has, according to the projects in the specifications, carried out only projects related to subsistence and market gardening

For subsistence farming: 40 hectares KISANFU, MIBANZE, KAWAMA, BWASALANGANA, KAWAMA, KAWALA, MUMBA

For market gardening: 50 hectares KISANFU, MIBANZE, KAWAMA, BWASALANGANA, KAWAMA, KAWALA, MUMBA

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<p>AGRICULTURE</p>	<p>Delivery of agricultural inputs and other seeds to farmers united in cooperatives for 40 Ha for subsistence farming and 50 Ha for market gardening in the villages: KISANFU, MIBANZE, KAWAMA, BWASALANGANA, KAWAMA, KAWALA, MUMBA</p>	<p>54 000 \$</p>
<p>VOLUNTARY ACTIONS</p>	<ul style="list-style-type: none"> - NUTRITION program to fight against the poor health of children in the villages KISANFU, MIBANZE, KAWAMA, BWASALANGANA, KAWAMA, KAWALA, MUMBA. This program has seen over 243 children regain their health - The ongoing construction of a modern dispensary with 11 rooms and a sanitary block, which will be fully equipped in the KAWAMA PAPSY village 	<p>24 000 \$</p>





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Nutrition Program

In conjunction with the local health authorities and programs, our team of nutritionists diagnose and treat children suffering from various degrees of malnourishment, allowing them to live healthier and longer lives.



Record Keeping System

The company requires that all records relating to the due diligence program are maintained Minimum for five years and that they be properly used and safely stored in our online company database.

Reporting on Risks beyond Annex II

We manage risks outside those identified by Annex II and use the RRA to report to our stakeholders on how we manage those issues.