



2022

Environmental, Social and Governance Report



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About this Report

The *Environmental, Social and Governance Report* (hereinafter “this report” or “ESG report”) provides an account of the performance of Tenke Fungurume Mining SA (hereinafter “TFM”, “we”, or “the company”) in terms of fulfilling environmental, social, and governance responsibilities in 2022. TFM is a subsidiary of CMOC Group Limited (hereinafter the “Group” or “CMOC”).

Information and data in the report are obtained from TFM’s official documents and statistical reports, as well as from annual GRI data collection.

This report was published on October 31, 2023, following review and approval by the CEO of TFM. This is the first ESG report published by TFM and covers all of the company’s operations. Data and information in this report reflect the reporting period from January 1, 2022 to December 31, 2022. Additional information that is relevant to the subject matter of this report and derived from events in 2023 prior to the publication date may also be included to ensure that stakeholders have full access to material information. Events after the reporting period are clearly identified as such in the body of the text. Readers can contact our Cooperation and Development Department at info@tfm.cmoc.com for inquiries. This report can be downloaded from the CMOC website (www.cmoc.com).

In 2018, CMOC designated the Board of Directors as the highest governance body for ESG matters, established a Strategic and Sustainability Committee at the Board level, and formulated a roadmap for a sustainability governance system. Since

2019, CMOC has continued to build, update, and implement this sustainable governance system in accordance with the roadmap. TFM abides by CMOC’s roadmap for a sustainability governance system and applies the Group’s 13 compliance and sustainability policies, namely the *Code of Business Conduct*, *Supplier Code of Conduct*, *Anti-Corruption Policy*, *Export Controls Policy*, *Economic Sanctions Policy*, *Human Rights Policy*, *Environmental Policy*, *Community Policy*, *Health, Safety and Environmental Policy*, *Employment Policy*, *Anti-Money Laundering Policy*, *Global Principles Concerning Privacy*, and *Responsible Production and Purchasing Policy*. These policies can be found on and downloaded from the official website of the Group (www.cmoc.com). In addition, TFM has also formulated its own policies and processes based on its actual situation and needs, including the *Supplier Code of Conduct*, *Employment Policy*, *Solicitation and Extortion Policy*, *Charitable Donations Policy*, *Regulations on Per Diem for Government Officials*, and *Regulations on Administrative Fees*.

Starting in 2017, CMOC has compiled and published an annual Group ESG report that also contains information about TFM. These reports can be found on and downloaded from the official website of the Group (www.cmoc.com).

In May 2023, Morgan Stanley Capital International (MSCI) upgraded CMOC’s ESG Rating from “A” to “AA”¹.



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About TFM



TFM is located in Lualaba Province in the Democratic Republic of the Congo (DRC). It is the world's second largest cobalt producer and one of the world's leading copper producers. TFM engages in exploring, mining, processing, refining, and selling copper and cobalt in a mining concession that covers over 1,500 sq. km. The concession's main products are copper cathode and cobalt hydroxide. TFM operates a large, high-grade copper deposit that is also home to one of the world's largest high-grade cobalt deposits.

CMOC holds 80% equity in TFM, while the Congolese state-owned company La Générale des Carrières et des Mines (Gécamines) retains a 20% stake. In 2022, TFM produced 254,286 tonnes of copper and 20,286 tonnes of cobalt. CMOC is a private holding company headquartered in the People's Republic of China that is primarily engaged in the mining, processing, and trading of base and rare metals. With its main business presence in Asia, Africa, South America, Oceania, and Europe, the Group is one of the world's largest producers of tungsten, cobalt, niobium, and molybdenum, as well as a leading copper producer. It is also a major manufacturer of phosphatic fertilizers in Brazil. Through its fully-owned subsidiary IXM, CMOC ranks among the world's top three base metals merchants. CMOC's vision is to be a highly-respected, modern, world-class resources company. The Group is listed on the Shanghai Stock Exchange (SHA: 603993) and the Hong Kong Stock Exchange (HKEX: 03993).

CMOC's ESG strategy is closely aligned with the Group's overall development goals. First, CMOC will fully integrate ESG management into its overall risk management and governance framework. Second, the Group will strengthen medium-term and long-term planning, improve ESG performance, develop new management systems for climate change, biodiversity and other issues, and bring the Group in line with international benchmarks. Third, the Group will strive to achieve world-class ESG performance and create favorable conditions for the Group to further access resources, markets, and financing. Guided by the Group's strategy, TFM's focus in recent years has been to benchmark leading international standards, enhance risk management capabilities, strengthen stakeholder engagement, continuously improve ESG performance, solicit third-party assurance and audits, and promote the development of responsible mineral supply chains in the renewable energy industry that offer greater transparency.

TFM is one of the largest mining companies in the DRC. In 2022, we contributed approximately US\$987 million in taxes and other charges to the national treasury and other government agencies. Since initiation of the project in 2006, we have contributed US\$4.768 billion in cumulative taxes and charges to the DRC. This includes:

- * Income taxes, royalties, and other taxes totaling US\$3.328 billion, including US\$849 million for the full year of 2022;
- * Customs duties and related taxes totaling US\$755 million, including US\$84.1 million for the full year of 2022;
- * Employee payroll taxes and related social security contributions totaling US\$625 million, including US\$52.71 million for the full year of 2022;
- * Fees for work permits, visas, and other related charges totaling US\$59.86 million, including US\$1.55 million for the full year of 2022.

In addition, we have continued to invest heavily in the development of local communities. Since 2006, TFM has invested a total of US\$265 million in community development projects, including US\$31.97 million in 2022. We also contribute 0.3% of our net proceeds from metal sales to the TFM Community Fund. Since becoming operational, it is estimated that TFM has contributed a total of US\$59.06 million to the fund, while cumulative contributions for 2022 reached US\$4.38 million. The TFM Community Fund is jointly managed by representatives of the Tenke and Fungurume communities, the provincial government, and TFM.

At the end of 2022, TFM had 3,415 full-time regular employees and 14,064 contractors. The large number of contractors was primarily attributable to ongoing construction activities. Of these 17,479 personnel, 16,839 were male and 640 (approximately 3.7%) female, while 15,382 (88%) were local citizens.



External Initiatives

CMOC is a member of the Chairing Bureau of the China Mining Association, Vice-President of the China Nonferrous Metals Industry Association, and Vice-President of the China Chamber of Commerce of Metals Minerals & Chemicals Importers & Exporters (CCCMC). CMOC is a member of the Responsible Minerals Initiative. It is also a sustaining member of the Cobalt Institute, and has appointed a representative to serve as Chair of the Executive Committee.

In 2022, CMOC joined the United Nations Global Compact (UNGC). In this context, Group CEO Ruiwen Sun has pledged to incorporate the Ten Principles of the UNGC into the Group's corporate strategy, organizational culture, and routine operations, as well as to work with stakeholders to address global challenges.

TFM actively implements the Group's commitments and is committed to supporting the UN's 17 Sustainable Development Goals, as demonstrated by the measures outlined in the various sections of this report. In addition, we are a member of the Extractive Industries Transparency Initiative in the DRC (EITI-DRC) and the Lubumbashi Working Group for the Voluntary Principles on Security and Human Rights (VPSHR).



Management Approach

External Assurance and Audits

TFM undergoes recurrent third-party audits to verify its alignment with applicable certification schemes in quality, environmental, health, and safety management, including ISO14001, ISO45001, and ISO9001.

In 2022, CMOC continued to seek external assurance on the progressive implementation of the Responsible Minerals Initiative's Risk Readiness Assessment (RRA), as well as on product control and supervision. CMOC retained the services of Corporate Integrity Ltd. for this purpose. During the assurance process, assurance specialists conducted interviews with the Group Vice President of ESG and TFM senior executives.

The expectations of our external stakeholders have also been evolving in recent years, especially in light of the growth of the renewable energy industry, resulting in increased scrutiny of sustainability risks in the cobalt supply chain. In order to make further improvements and provide more transparency for stakeholders, in 2022 TFM was audited by downstream customers against the RRA, and an action plan was drawn up following the audit.



Governance

Under CMOC's ESG management framework, responsibilities are divided among the Board of Directors (the Group's highest governing body), senior management, and individual operating sites. The CMOC Board of Directors (the Board) is responsible for risk oversight. The Board's Strategic and Sustainability Committee is responsible for formulating the Group's sustainability strategy. It also discusses with management the adequacy of measures to identify and manage sustainability-related material risks. At the executive level, the Vice President for ESG is responsible for sustainability matters. CMOC's ESG department is responsible for driving Board decision-making on sustainability matters, overseeing the implementation of the Group's sustainable development strategy, and monitoring and assessing sustainability-related risks at each of our operating sites.

At TFM, a Chief Partnership Officer (CPO) is responsible for ESG management and reports to both the company CEO and Group Vice President for ESG. We also have a dedicated ESG team that seeks to continuously promote the implementation of the Group's sustainable development strategy and policies at mining sites, and coordinate and supervise sustainable development risk management across relevant entities. These ESG-related entities include TFM's mining and process plants, as well as our human resources, community, HSE, security, contracting, supply chain, and legal departments. In addition to local DRC laws and regulations, TFM operates in compliance with international standards and good practices. We are subject to regular external audits of our environmental, health, and safety management systems, as well as more comprehensive reviews of ESG practices that are regularly conducted by the Group. In 2022, we conducted a comprehensive review to identify, prioritize, and mitigate prominent ESG risks. We also worked with DRC-based and international specialists to deliver various ESG projects, including human rights due diligence, illegal artisanal mining risk management, and training in the Voluntary Principles on Security and Human Rights (VPSHR).



Business Ethical Values

CMOC's *Code of Business Conduct (CBC)*, *Anti-Corruption Policy*, *Supplier Code of Conduct*, *Health, Safety, and Environment Policy*, and *Employment Policy* address the Group's positions on business ethics, including anti-corruption and conflicts of interest, as well as the promotion of safe and healthy workplaces, workplace equality, and the elimination of discrimination. All CMOC and TFM staff are required to undergo regular compliance training on the CBC and Anti-Corruption policies. These policies communicate the responsibility of individual employees and suppliers to report violations of the CBC, other Group policies, or the law. They also provide guidance for acting on that obligation, including use of the Group's whistleblower channel. TFM has also formulated its own *Employment Policy* and *Supplier Code of Conduct* that are tailored to the unique circumstances of the DRC. Moreover, our *Solicitation and Extortion Policy*, *Charitable Donations Policy*, *Regulations on Per Diem for Government Officials*, and *Regulations on Administrative Fees* clearly define rules for the acceptance of gifts, dining and entertainment, charitable donations, and direct support for government officials.

Management of Sustainability Risks

Our sustainable risk management system fully adheres to CMOC's sustainable risk management framework. First, we treat environmental, occupational health, safety, and social risks as a top priority and have taken diverse measures to mitigate such risks. TFM faces unique risks related to the natural, economic, social, and cultural circumstances of the DRC, including those pertaining to illegal artisanal mining, security and human rights, migration, and compliance. In particular, in recent years, a significant influx of migrants into the region has caused increasing pressure associated with illegal artisanal mining and population growth within the TFM concession. Second, the low level of socio-economic development and poor infrastructure in the DRC present a significant challenge for industrial operations. We choose to apply international standards in areas where local laws and regulations are weak or absent.

CMOC and all operating sites have established reporting systems and risk registers to mitigate major operational risks including sustainability risks, ensure clear communications across all levels, and timely escalate major risks to higher levels for resolution. TFM submits monthly reports to the Group Senior Executives on important ESG topics such as workplace safety, environmental protection, local communities, and security. In addition, the Group headquarters participates di-



rectly in the management of the TFM site and offers guidance and technical support in matters concerning material ESG topics, with a view to ensuring that ESG considerations are fully embedded within risk management, and to balance long-term development goals with short-term interests. For example, the Group headquarters recognized the importance of human rights management and illegal artisanal and small scale mining (ASM) at TFM, and in 2022 worked with TFM to conduct an human rights due diligence assessment and implement a baseline study and management system around illegal ASM risks.

By establishing risk registers, we are able to incorporate risk management into operational management processes by developing

and implementing action plans for the highest ranked risks, including ESG risks. Risk registers undergo semiannual review in order to update risk ratings and accompanying action plans and procedures, and are also checked and recorded by the Group's Internal Control and Audit department.

Our materiality assessments, stakeholder engagement, grievance mechanisms, risk registers, and due diligence assessments are processes that help in informing us of our key material issues and areas of risk, and to prioritize risk management activities.

Materiality

We conduct materiality assessments to determine the issues that could have the greatest impact on stakeholders, the economy, the environment, and society, as well as to identify material risks to TFM's business in terms of accessing capital, finance, and markets. Our materiality assessments were conducted by considering stakeholder feedback on priority issues according to the current understanding of the TFM management and ESG team, risk registers drawn up by our various functional departments, and

feedback from internal and external stakeholders. Notable stakeholder groups providing feedback on sustainability matters include employees, regulatory agencies, investors and financial institutions, downstream customers, communities, DRC-based and international experts, and human rights-focused NGO associations. We also considered professional recommendations from providers of audit and assurance services. These issues help shape risk management interventions, while ensuring we address the material concerns of stakeholders.

Highly material

Business ethics & transparency
Health & safety
Human rights
Security and human rights

Product stewardship
Environmental management
Tailings management
Community relations

Labor relations
Government relations
Suppliers/contractors management
Energy

Material

Economic value generated
Closure planning/reclamation
Biodiversity
Water

Climate change
Air quality
Waste/dangerous goods



Stakeholders

TFM regards stakeholder engagement as a critical tool in the management of risk and the creation of value for businesses under our management. Strategies for engaging with stakeholders are described in the “Community” section of this report. An overview of relations with stakeholders is presented below.

Stakeholder group	Areas of interest	Engagement methods
Employees and contractors	Competitive compensation and benefits Workplace health and safety Career development Protection of human rights	Meetings with union representation Collective bargaining agreements Safety and compliance meetings Training and capacity building Internal communications channels Grievance procedures Human rights due diligence External audits
Government and regulatory agencies	Compliance with applicable laws and regulations Creating economic benefits Workplace health and safety Benefits to stakeholder communities Environmental stewardship and social responsibility	Compliance reports Site visits and inspections Permit applications Meetings on compliance matters Direct meetings
Investors and financial institutions	Timely disclosures of relevant and accurate information Improving corporate governance Conducting business in compliance with laws and regulations Climate change	Press releases Sustainability reporting Site visits External audits Direct meetings
Communities	Local development Environmental stewardship and social responsibility Employment Opportunities to furnish goods and services Protection of human rights Land acquisition and resettlement	Scheduled community meetings Focus group meetings Notices of procurement opportunities Employment notices Grievance procedures Human rights due diligence External audits
NGOs	Investment in local development Participation in local community programs Environmental stewardship and social responsibility Protection of human rights Equity in sharing benefits	Annual sustainability reporting Direct meetings Contacts through industry groups External audits
Customers	Customer service Quality assurance Product stewardship Protection of human rights Environmental stewardship and social responsibility Climate change	Key account meetings Systematic communications Customer visits to operating sites Participation in trade associations Sustainability reporting External audits



Grievance Procedures

To maintain effective stakeholder relationships, we have dedicated systems in place to record and resolve stakeholders' concerns and compliance issues, including those related to employees, the environment, community investment, human rights, land use, and contractor management. TFM manages a community grievance system operated by members of the Community Liaison group, while employee grievances are handled through multiple channels of the compliance team, HR department, and local unions.

In 2022, we enhanced procedures for managing employee grievances and provided additional training to employees and contractors to raise awareness of existing grievance mechanisms. All community members, including TFM employees, may present grievances related to the impacts of our operations. In addition, community members can participate in the resolution of grievances through an independent mediation committee.

In 2022, approximately 46% of the complaints received by TFM were in the resettlement category, while 27% were associated with property damages. The increase in complaints can be primarily attributed to the expansion of the TFM activities and the corresponding increase in our business footprint, which now affects a larger area. In addition, the closure rate was also relatively low due to limited resources.

In light of these challenges, the TFM community team trained our dedicated grievance response group to liaise with various functional departments and expedite the handling of complaints. In the first half of 2023, our resettlement team continued to optimize complaints handling procedures, delivering a significant reduction in unresolved complaints related to resettlement as well as a marked improvement in efficiency. We also resolved all outstanding environment-related complaints carried over from 2022.

Reported grievances												
Site	Resettlement	Environment	Employment	Damages	Social/ community	Health/ safety	Human rights	Security	Land	Harassment, Discrimination & Injustice	Other	Total
TFM	296	124	1	173	1	3	4	3	0	31	8	644



Environment

TFM is committed to implementing the *Environmental Policy*, which is applicable to the entire CMOC Group. The environment is one of the most prominent ESG issues influencing TFM, covering climate change, greenhouse gas emissions, biodiversity, tailings management, energy, water management, air quality, and mine closure planning and rehabilitation. In accordance with the Group *Environmental Policy*, TFM is committed to complying with environmental laws and regulations applicable to our operations. We manage the extent of our environmental impact through risk-based approaches to material issues and adherence to international standards. In addition, we maintain a mature Environmental Management System (EMS) certified to ISO 14001 standards. We also invest in a range of projects to raise production efficiency, reduce the impact of our operations on the local environment, and meet the Group's environmental performance targets. In 2022, TFM spent approximately US\$13.38 million on environmental protection. We also provided necessary training for all employees and contractors in order to improve their knowledge of our environmental objectives and procedures.

In 2022, under the guidance of the Climate Change Vision, our parent company CMOC worked with an internationally-renowned sustainable development consultancy to develop the CMOC Carbon Neutral Roadmap, which defines strategic goals and specific action plans for peaking carbon emissions by 2030 and achieving carbon neutrality by 2050. In 2023, TFM established a carbon neutral working group, which is led by our CEO and comprises employees from relevant departments, including production, technical support, and project coordination. In the second half of 2023, we will formulate a carbon neutral implementation plan with a series of short-, medium-, and long-term goals based on our 2022 energy consumption and the Group-wide carbon neutral targets.



Tailings

At our mine operations, ore with valuable minerals is processed and broken into smaller pieces to recover the economic mineral. Any residual material that is left after the treatment and dressing of the ore – which involves crushing, milling, separation, screening, and flotation – is referred to as tailings. Tailings are composed primarily of non-ore bearing rock particles (typically fine sand and silt) along with process water with residual reagents. Most commonly, the tailings slurry is passed through a thickener or filter system to recover process reagents and water, before being hydraulically or mechanically transported to an engineered tailings storage facility (TSF). TSFs vary greatly in design, capacity, operation, and other factors, but are intended to safely and efficiently store tailings, usually in perpetuity. Construction and expansion of one or more TSFs is often an ongoing process over the operating life of the mine.

CMOC is keenly aware of the history of TSF failures and the catastrophic consequences for the public, the environment, and mining businesses involved, and understands that responsible tailings management is essential to preventing such catastrophes in the future. CMOC is also aware that changing climate and weather patterns require TSF governance and management to adopt an increasingly vigilant and safety-conscious approach to TSFs. CMOC maintains and continues to improve engineering, safety, and environmental programs to minimize the risks associated with tailings management for communities, the environment, and our operations.

CMOC maintains a set of standards and processes to mitigate risks associated with TSFs and water-retaining structures, including CMOC's *Corporate Governance Standard for Tailings and Mineral Residue Management*, *Tailings & Dams Quantitative Performance Objective (QPO) Reporting Procedure*, and the *Tailings & Dams Stewardship Team (TDST) Program*, and the *Regulations for Safe Operation of Tailings Storage Facilities*. These governance standards apply to all of CMOC's business units, including TFM.



CMOC's corporate standards and guidelines for tailings management address six key governance elements: (i) accountability, responsibility, and competency; (ii) planning and resourcing; (iii) risk management; (iv) change management; (v) emergency preparedness and response; and (vi) review and assurance. CMOC implements management strategies that include having qualified tailings managers at both the operations and corporate levels; retaining qualified consultants and assigning TSFs an Engineer of Record (EoR); designing, constructing, operating, and closing TSFs in accordance with international guidelines; implementing surveillance and monitoring programs; and performing systematic third-party reviews.

TFM currently has two tailings storage facilities, which are operated, maintained, and monitored in strict accordance with design standards and company procedures. Our TSF management priorities for 2022 included ensuring regular EoR communication and independent third-party audits. With the lifting of pandemic restrictions, we resumed biweekly meetings with EoRs, published regular TSF inspection reports, recorded and prioritized existing problems, allocated resources for remedial work, and implemented a closed-loop management strategy. We also accepted an independent third party review, performed gap analysis against recognized international standards, and formulated an improvement plan.



We also formulated an Emergency Action Plan (EAP) for our TSFs and water recycling tank in order to respond to and manage a range of potential emergencies. In 2022, our TSF, environment, fire safety, and community teams worked with members of the community to issue an action plan for conducting emergency drills. Following its release, we will conduct test drills in order to verify the scope and effectiveness of the plan and identify areas for improvement.



Reclamation

CMOC is committed to applying sustainability principles to the design, development, operation, and closure of its mining operations. Identifying strategies and planning for the closure of a mining or processing facility is of material importance for CMOC and the communities in which its operate, to ensure public safety, protection of the environment, and optimal land use in the post-operations phase. Where practicable, CMOC pursues progressive reclamation during the operational phase to reduce environmental impact. Actions to progressively revegetate disturbed surfaces at the Group's mining sites help to reduce erosion and dust emissions.

In 2022, the TFM Environment department implemented a plan to deliver the phased restoration of degraded sites in accordance with the 2007 Environmental and Social Impact Assessment (ESIA 2007). Over the course of the year, we restored 26,300 square meters of vegetation, including 21,300 square meters of slopes adjacent to the sound berm, which were reforested with miombo woodland, as well as 5,000 square meters of slopes surrounding the ROM pad using fresh topsoil collected during the construction of a neighboring cobalt parking facility . The slope has been permanently restored with spontaneous vegetation, which provides effective protection against wind and water erosion.

Due to our ongoing mining activities, most sites are not yet available for reclamation. Over the coming year, our Environment and Mining Operations teams will work together to formulate phased backfilling and reclamation targets in line with our closure plan. We also plan to restore berms and slopes alongside our haulage roads in order to increase the sustainability of our operations.



Biodiversity



Due to the nature of the mining industry, biodiversity has always been a key focus of environmental management at CMOC. In order to establish a unified vision, goals, and plans for biodiversity protection at the group level and build a clearer performance planning and monitoring system, CMOC formulated the biodiversity vision in 2021, which commits to “ensure no net loss of biodiversity from operations by continuously improving management and implementing mitigation measures.” Guided by this vision, in the future CMOC will gradually develop key implementation strategies and establish a framework of core indicators to improve data aggregation, monitoring, and review.

As stated in CMOC’s *Environmental Policy*, CMOC is committed to developing internationally recognized practice strategies for managing areas of potential environmental sensitivity and high biodiversity value identified as being impacted by the operations. The environmental impact assessment process is key to ensuring that the effects of our activities on biological diversity are appropriately recognized and mitigated. These programs are founded on baseline assessments of biological resources in the areas of planned operations, which are described in terms of species composition and species of concern, as well as supporting habitats at local, regional, and if appropriate, global levels. Baseline descriptions allow accurate identification of impacts anticipated from greenfield or brownfield project development. Accurate impact definition in turn drives application of the mitigation hierarchy in typical stages, such as “avoid, reduce, mitigate, and offset” and the subsequent development of biodiversity management plans if needed.

TFM manages biodiversity in accordance with CMOC’s biodiversity vision and policy framework. We align with internationally recognized practice frameworks, including the guidelines and standards of the International Finance Corporation (IFC), notably IFC Performance Standard 6 on Biodiversity Conservation and Living Natural Resources. Biodiversity is also enshrined in our environmental policy, which contains a commitment to “making a continuous contribution to preserving biodiversity”. In 2022, we updated our procedures for calculating net gains and losses in biodiversity in order to obtain a more accurate assessment of changes in biodiversity within our mining concession. These assessments will be used to inform our biodiversity management policies, align with best practices, and deliver on our commitment.

At TFM, the leading biodiversity conservation issue continues to be associated with plants adapted to the local soil and climate with naturally occurring high concentrations of metals. Over the years, TFM has set up nurseries and seed banks for the copper flora as part of biodiversity conservation work in the mining area. Together with the University of Lubumbashi, we have also carried out in-depth research on the copper flora, including conservation methods and suitable growing conditions. Our pioneering work on heavy-metal-tolerant plants and their conservation has greatly improved scientific understanding in this field. In 2022, TFM continued its biodiversity programs and donated 2,000 seedlings to Luabala province, and cultivated more than 2,500 plants, part of which contributed to the program to claim areas for progressive revegetation, and another part donated to local communities during various festivities.



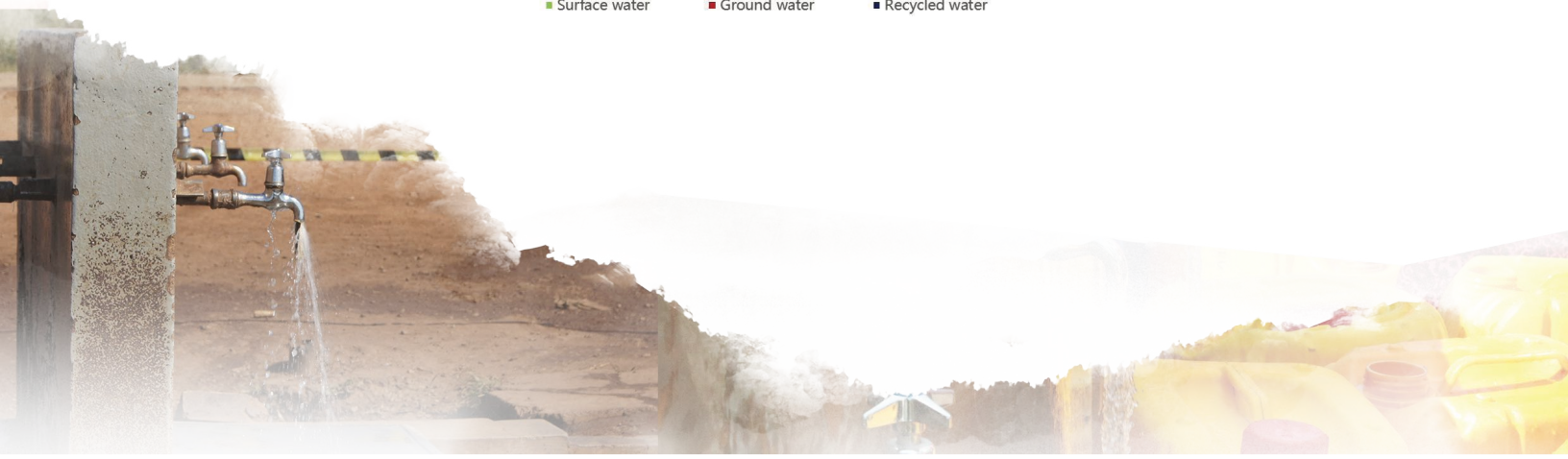
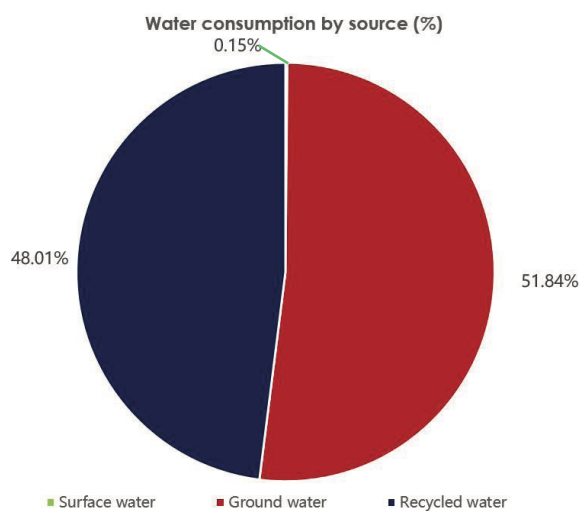
Resource Management

TFM is committed to the responsible use and management of resources and the minimization of waste generation. We recognize the value of responsible stewardship of these elements to our business and the communities in which we operate.

Water

Water is an essential resource for the mining and processing of ores, and sustainable water sourcing is a basic strategic need common to our business and the surrounding communities. We use water for mineral processing, environmental protection, and supplying drinking water. The efficient management of water resources is critical to our business. In 2022, TFM used a total of 14.3 million cubic meters of water (primarily groundwater and recycled water, in addition to a small amount of surface water). In 2022, our total water use intensity was 1.59 cubic meters per tonne of processed ore.

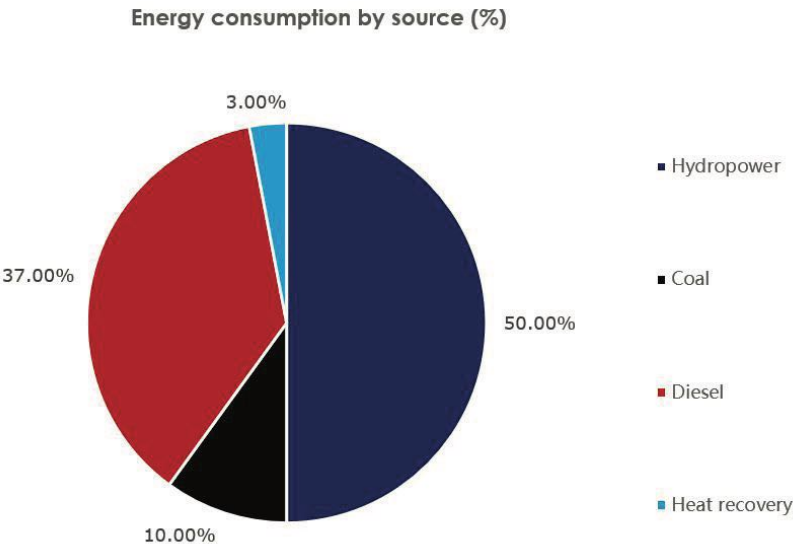
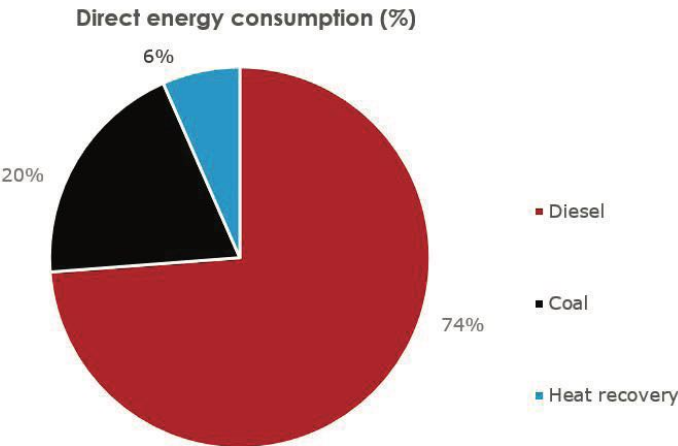
We regularly monitor the level and quality of surrounding water bodies to prevent water contamination from our operations. To improve the management of our water resources, we established a water management team in 2023 and issued a new Water Management Procedure, which stipulates the duties of the Environment department and our various production teams in relation to the use and conservation of water resources. Based on this procedure, the Environment department will conduct regular monitoring to ensure the efficient use of water.



Energy

Large-scale mining and metallurgy require significant amounts of energy. Most of our energy is obtained indirectly through purchased electricity generated by hydropower. This is supplemented by direct sources through the burning of coal and diesel, as well as from heat recovery.

In 2022, our total energy consumption was 1,929,322 MWh, while total energy intensity was 0.21 MWh per tonne of processed ore. In terms of direct energy consumption, 73.8% was sourced from diesel, 19.6% from coal, and 6.6% from heat recovery. In 2022, we generated 6.4 MWh of electricity using recovered heat from acid plants. 100% of our indirect energy was sourced from hydropower, with renewable sources accounting for 52.7% of overall energy consumption.



Emission Management

CMOC is committed to reducing pollutant emissions and the environmental impact of emissions by continuously improving its environmental management system. In accordance with CMOC requirements and targets, we have designed an environmental management system that complies with relevant DRC and international laws and regulations, and implement appropriate control measures for exhaust emissions and waste discharge to ensure compliance with local environmental standards and international good practices. In 2022, we did not receive any environmental penalties in relation to our operations.

Air quality

The main sources of exhaust gas from our operations are conventional vehicles and industrial processes, which produce nitrous oxides, sulfur oxides, and particulate matter.

The main concern at our mining operations is the emission of particulate matter. Potential sources of particulate matter include mine transportation, ore transfer, blasting, crushing, fugitive dust, and other industrial processes. We use wet suppression, dust collection, water spraying, and other preventive measures in dust-generating processes. We also implement control measures for road dust, such as spraying unpaved roads with water or dust suppressants and limiting vehicle speeds, as well as monitoring the air quality of the operating area and other sensitive surrounding areas. In 2022, we upgraded our on-site PM10 monitoring equipment to enable automatic, online monitoring in real time.

In 2022, our emissions of nitrous oxides, sulfur oxides, and PM10 particulate matter amounted to 2,370 tonnes, 1,422.3 tonnes, and 6,585.3 tonnes, respectively. Due to the increase in gasoline and diesel consumption driven by higher stripping volumes in our open pit mines, the emissions intensity (tonnes per tonne of processed ore) increased to 2.636×10^{-4} for nitrous oxides and 1.582×10^{-4} for sulfur oxides. Over the coming years, we will continue to adopt energy efficient technologies and increase our processing capacity to improve our performance.



In 2022, we upgraded our on-site PM10 monitoring equipment to enable automatic, online monitoring in real time

Waste management

Our main waste product is tailings and waste rock from processing and mining activities. In 2022, TFM generated 9.3 megatonnes of tailings and 166.9 megatonnes of waste rock. The company manages this waste in accordance with applicable laws and standards. Waste storage facilities are designed and built to minimize risks pertaining to slope stability, geochemical hazards, health and safety, and environmental impact.

Other waste generated at our operations is classified into non-hazardous and hazardous waste. We manage waste from our business activities to minimize the amount that requires disposal. We both treat waste on site with approved equipment, and also transport it off site for recycling, storage, or disposal. In 2022, we generated 9.95 kilotonnes of non-hazardous waste, and 5.07 kilotonnes of hazardous waste. We will explore the source reduction of hazardous chemicals and proactively seek greener alternatives. We continue to improve waste recycling rates, ensure the proper disposal of solid waste, reduce our environmental impact, and promote the circular economy by recycling scrap metal from mining sites, recycling waste smelter dust, and reducing and recycling hazardous waste.



Waste	2022 amount (kilotonnes)	Density (tonnes per processed unit of ore)	Waste category
Non-hazardous waste	9.95	1.107×10^{-3}	Scrap metal; household waste (disposable goods, kitchen waste, office paper, etc.); swill; ferromolybdenum slag; coal cinder; calcium slag
Hazardous waste	5.07	5.644×10^{-4}	Used oil, hydrocarbon/water emulsion; ground phosphate rock; acid sludge; mud; spent catalysts; waste oil drums



Carbon-Neutral Transition

In January 2022, CMOC formulated its *Climate Vision*, which specifies the following aims: “We will incorporate climate change into the company’s ESG governance framework. The Strategic and Sustainability Committee of the Board will be responsible for monitoring implementation and establishing a top-down framework for managing the company’s response to climate change. We will work together with international and domestic stakeholders and make our due contribution to achieving a carbon neutral world.”

Guided by the *Climate Vision*, CMOC collaborated with a leading international sustainability consultancy to produce a carbon-neutral roadmap, which was approved by the Board in March 2023. Based on historical emissions, the company’s future growth strategy, and the Net Zero Emissions vision laid out by the International Energy Agency (IEA), CMOC forecast the future trajectory of its carbon emissions and defined its strategic goals and action plan. For more information on the Group’s carbon neutral roadmap, please refer to the *CMOC Carbon Neutral Roadmap and Action Plan*, which is published separately by the Group.

Based on the aforementioned forecasts, CMOC formulated a carbon-neutral strategy comprising the following commitments:

- ✓ To support the goals of the *Paris Agreement*, namely to limit global warming to 1.5°C above pre-industrial levels.
- ✓ To achieve peak Scope I and Scope II emissions by 2030.
- ✓ To achieve net-zero Scope I and Scope II emissions by 2050.
- ✓ To reduce Scope III greenhouse emissions.

In 2023, TFM will produce a carbon neutral action plan under the leadership of the CEO. The plan comprises a series of short, medium, and long-term targets based on the requirements and objectives of the Group-wide carbon neutral strategy, with a view to achieving peak carbon emissions by 2030 and net-zero emissions by 2050.

In 2022, our total greenhouse gas emissions measured on a CO₂ equivalent basis were approximately 583,839.9 tonnes, or 0.065 tonnes per tonne of processed ore, all of which constituted Scope I emissions. These emissions were primarily generated from the burning of diesel for powering mining machinery and haulage fleets, as well as coal and limestone for the operation of our quicklime plant.



Employees

At the close of the 2022 reporting period, we had 3,415 employees across our operating site, as well as 14,064 contractors. The large number of contractors was primarily attributable to ongoing construction activities. Local citizens accounted for approximately 88% of the workforce, of whom 25.83% were under the age of 30, 62.31% were aged between 30 and 50, and 11.85% were over 50. 48.96% of employees were employed in production, 9.19% in quality control and R&D, 16.81% in management and administration, and 25.04% in finance and sales roles. Approximately 3.7% of the workforce was female.

In our labor relations, TFM aims to comply with the requirements of ILO Conventions, DRC labor laws and regulations, and the CMOC *Employment Policy*, and to establish fair



employment mechanisms. Our DRC employees are represented by a total of 10 unions and are covered by a collective bargaining agreement, which was developed in consultation with union leadership and includes provisions which stipulate that further consultation is required in the event of major amendments to DRC labor laws. We also provide our employees with market-based wages and benefits in accordance with legal requirements, including health insurance, life insurance, and maternity leave.

We employ an international workforce with employees and contractors from 26 different countries. For this reason, we have incorporated cross-cultural communication skills into our key capacity building areas in order to improve integration between staff of different nationalities and cultures. We also cultivate and promote local managers, organize a range of staff activities during major holidays, and provide French and Chinese language classes to help our DRC and Chinese employees communicate more effectively.

All employees are required to complete an annual performance appraisal, during which we measure their contribution to the company using transparent performance indicators and ensure that they are fairly compensated for their work. We also offer a diverse range of incentives, such as allowances, loyalty bonuses, and health and safety awards. In 2022, we introduced production-based bonuses and launched a milestone-based incentive scheme for ongoing construction and expansion projects in order to motivate employees and encourage them to develop solutions to intractable challenges.

TFM strives to provide a safe and healthy working environment for its employees and is committed to maintaining fair labor relations, promoting equality, and making continuous improvements to its career development framework. In 2022, the overall turnover rate among TFM employees and contractors was 15.46% (3.64% for employees, and 17.91% for contractors).

Safety



CMOC's occupational health and safety policies reflect its commitment to preventing harm to employees and reducing negative impacts on the environment and local communities. CMOC has also established a Group-level HSE Committee, which has made continuous improvements to HSE management practices. In 2022, CMOC issued and updated a series of procedural documents to consolidate its existing HSE management framework, including the *Group HSE Handbook* and the *Emergency Response Measures*. In 2022, no work-related fatalities or new cases of occupational illness were reported at our TFM operation. We also reported a drop in the lost time injury rate (LTIR) and total recordable incident rate (TRIR), and completed the certification of our safety management system in accordance with ISO 45001 requirements.

At TFM, we established our own HSE Committee in 2017 in order to ensure our safety protocols meet or exceed DRC regulatory requirements concerning occupational health and safety, prevent workplace accidents and illnesses, and improve working conditions for our employees. In 2022, we made some changes to the HSE Committee to comply with applicable legislation. The new committee consists of 44 members, including 20 permanent members, 20 alternative members, and 4 statutory members. In 2022, the HSE Committee completed a range of tasks as part of its legally mandated mission to improve occupational health and safety, including workplace safety inspections, monitoring and assessing the implementation of occupational health and safety measures, encouraging employees to respect health and safety regulations, providing training to raise employees' awareness of occupational hazards, participating in internal and external audits, and drafting the TFM HSE annual report for submission to the DRC government.

At our TFM operation, 2022 was a year of unprecedented challenges in terms of safety management. These challenges included accommodating ongoing construction activities alongside existing operations, the large geographical area of the mining site, significant numbers of new staff, and frequent simultaneous operations. TFM is committed to applying the same standards and requirements to all new and existing projects. This includes controlling access to the premises by employees, contractors, and equipment, and monitoring areas which are critical to construction work and existing operations, as well as key processes and high-risk activities.

In view of the aforementioned challenges, we implemented a range of measures to improve our safety management capabilities. For example, all new employees are required to complete training in safety-related modules, followed by a post-training assessment. For construction activities, we strictly implement existing safety protocols, conduct thorough analysis of safety risks before commencing work, and issue licenses for high-risk jobs in strict accordance with the relevant procedures. We also take appropriate disciplinary action against employees and contractors who violate our zero-tolerance policy. In 2022, TFM commissioned a number of external independent audits. Where deficiencies were identified, we formulated an action plan and implemented a closed-loop management strategy. We also encourage exchanges between industry peers. In November, a team of three TFM employees visited the Northparkes mine site in Australia to learn about best practices and identify ways in which they could be incorporated into TFM's HSE management system.



Safety performance at TFM is measured according to established benchmarks, such as our Total Recordable Incident Rate (TRIR) and Lost Time Injury Rate (LTIR). In 2022, TFM reported 27 recordable incidents from a total of 39,309,779 hours worked, equating to a TRIR of 0.69 per million hours worked. There were 3 lost time injuries, equating to an LTIR of 0.08 per million hours worked. There were also 28 lost days due to work injury. No work-related fatalities were reported.



Occupational Health



The processes used in the mining and smelting industry present a range of occupational health hazards, including dust emissions, noise, toxic and hazardous gases, and exposure to mechanical vibrations. We are committed to creating a safe and healthy work environment for our employees and partners in order to prevent occupational illnesses.

AT TFM, we have established comprehensive mechanisms for managing occupational health issues, including the identification of occupational health hazards, adopting engineering measures to eliminate or mitigate occupational health hazards at source, requiring employees to work in shifts



to reduce exposure times, mandating the use of personal protective equipment, and monitoring the health of employees before, during, and after their period of employment or prior to their transfer to another post to prevent occupational contraindications and ensure they are in a fit state of health.

Dust and hazardous gases are the primary threats to employee health, and originate from drilling, blasting, ore loading and transport, crushing, and other handling during the production process. To reduce employees' exposure to

harmful dust, some of our mitigation efforts include the wetting or sealing of roads, the installation of dust collection systems next to dust-producing machinery and processes, technical controls such as increasing automation in ore transportation, crushing, and packaging to minimize employees' exposure to dust, and requiring employees to wear personal protective equipment such as dust respirators while working in open-pit or underground mines or other

environments with a high risk of dust exposure. All employees undergo regular occupational health checks to monitor their state of health, which is recorded in an occupational health file. In the case of processes which produce toxic or hazardous gases, employees are given appropriate respirators to prevent exposure.

Chronic exposure to noise from transportation, crushing, and milling of ores is another threat to employee health. In light of these risks, we monitored noise levels next to major sources of noise, installed warning signs to inform employees of occupational health hazards, implemented technical measures such as the installation of vibration- and noise-reducing systems and sound-proofed rooms, and provided employees with appropriate hearing protection based on their level of exposure, including ear plugs and ear defenders.



In 2022, our HSE department designed large safety posters in collaboration with the process plant and publicity department. The posters are displayed throughout the process plant and help operating personnel to visualize which types of personal protective equipment are required in different work areas.

Employment



TFM is committed to offering a diverse, open, inclusive, and trusting workplace that respects the rights of employees, ensures equal employment, and promotes fair competition and personal development. We strictly comply with Group-level regulations and local legislation, and have formulated a comprehensive Employment Policy as well as a series of employment-related procedures.

Labor relations

We respect the rights of all employees, and strive to provide an environment that ensures fair treatment and good working conditions. The company has a comprehensive compensation program that provides employees with a salary and benefits that are consistent with market standards and relevant laws and regulations, including but not limited to pension and medical plans. Working hours and holiday entitlements are set according to local laws and collective bargaining agreements. Employees also have access to internal grievance mechanisms through which they can report and resolve workplace complaints or concerns. Our *Employment Policy* recognizes our employees' rights to freedom of association and collective bargaining.

We are committed to improving engagement with employees in order to enhance labor relations. Our workers are represented by 10 major DRC trade union organizations. We maintain close contact with union representatives by providing dedicated onsite mailboxes for unions to report employee concerns and grievances, and by holding monthly and quarterly meetings to discuss employee and company concerns.

Equal employment

In keeping with the principle of equal employment, TFM recruits and hires personnel through various means including open recruitment and competitive employment, and provides diversified and equal career development opportunities for employees. As stated in the CMOC *Employment Policy* and *Human Rights Policy*, we do not allow any employment discrimination based on race, ethnicity, religion, gender, age, sexual orientation, gender identity or other factors. We also adhere to the principle of fair employment and make employment decisions based on genuine job requirements, including remuneration, training, and promotion.

In the DRC, which suffers from a high rate of unemployment, we prioritize community-based recruitment to help local people find stable employment opportunities. For example, the human resources department works closely with the community department to advertise vacancies and organize village recruitment fairs aimed at encouraging local residents to apply for positions within the company, as stipulated in our community hiring procedures. We also require our contractors to conduct community recruitment, as stipulated in our company procedures. In 2022, the TFM community department helped 1,396 local residents to find stable employment.

TFM is committed to gender equality. We treat male and female employees equally, safeguard the health, safety, and wellbeing of all employees, promote women's career advancement by enhancing their education and training, and raise community awareness through community programs and campaigns. TFM also supports the Women in Mining – DRC (WIM DRC) initiative, which aims to end all forms of discrimination against women in the DRC's mining sector and promotes the inclusion of gender issues in the DRC's national development strategy. Since 2019, TFM employee Dorothée Masele has served as President of the WIM DRC.

In 2023, we published a *Gender Equality Policy* and *Policy on the Protection of Vulnerable Groups*, and established a new Women's Committee to provide female employees with more opportunities to express their views and opinions and participate in our management and decision-making.

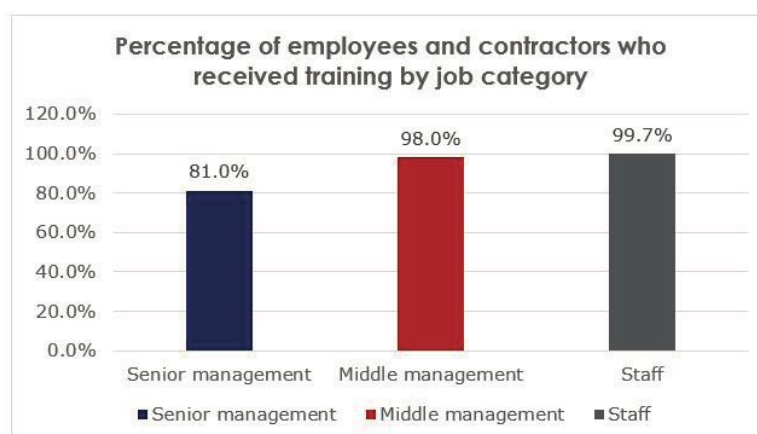
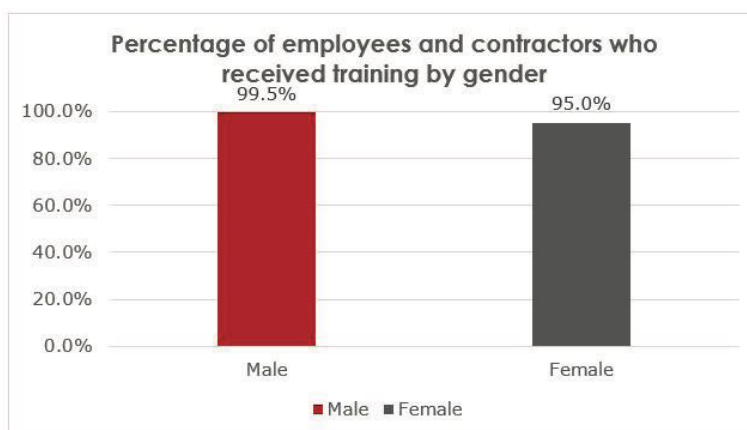


TFM employee
Dorothée Masele



Training and Career Development

In accordance with the CMOC *Employment Policy* and the TFM *Employment Policy*, we operate a differentiated talent development program that provides our employees with in-house training, rotation across units and departments, incentive-based development plans, and internal mobility channels based on recruiting, internal competitive selection, and referral. Guided by people-oriented principles and our growth strategy, we offer multiple paths for career development with space, tools, and opportunities for growth. In 2022, 99.3% of TFM's workforce received training, with each employee receiving an average of 24.2 hours of training.



TFM provides training in 30 different modules, including health and safety, compliance, emergency response, hoisting and rigging, mobile machinery, forklift operation, high risk activities, language skills, contractor safety monitoring, and HSE management. In 2022, 17,358 employees and contractors participated in training, equivalent to 99% of the total workforce.

In addition to our internal training schemes, we also sponsor employees to participate in external training in order to enhance their occupational skills and management competencies. In 2022, we sponsored a range of external training programs covering topics such as environmental management, corporate social responsibility, community development, and health and hygiene. We also run an internship program to provide internship opportunities for local and international students and expand our pipeline of mining talent. In 2022, we accepted 79 interns, including 3 from universities outside the DRC, 17 from local high schools, and 59 from local universities.

Community

CMOC's *Community Policy* is applicable to all of the Group's operations. The Group is committed to conducting activities in a manner that promotes positive and open relationships with local communities and supports the achievement of the United Nations Sustainable Development Goals (SDGs). In addition, CMOC engages with and invests in communities affected by its mining operations, using multiple channels to collect their feedback and concerns. CMOC develops infrastructure, supports health, safety, and education efforts, and provides local employment and business development opportunities with a view to building relationships at all levels of community, from local to national, by making long-term positive contributions and effectively mitigating adverse impacts from its operations.

In addition to complying with the Group-level *Community Policy* and management regulations, TFM implements community relations programs in line with local laws and regulations, and seeks alignment with international good practice frameworks such as Performance Standard 5 of the International Finance Corporation and the Risk Readiness Assessment (RRA) of the Responsible Minerals Initiative.

In the DRC, our TFM operation is located near rural villages, agricultural land, and two towns which have steadily undergone significant population influx and urbanization in recent years. According to current estimates, the population of the urban and rural areas within TFM's 1,500 km² concession is around 400,000, which represents a seven to eight-fold increase since the beginning of the project. The growing migrant population from other regions of the DRC has had a significant impact on the traditional way of life, and has also presented challenges for our community work. The sustainability programs at this site aim to address acute community development priorities, complement government development plans, and promote positive relations between community stakeholders and the company while balancing the limited human and material resources of the company with the needs of the rapidly growing migrant population.

In 2022, we continued to implement the *Scope Statement for Community Development*, which was signed by our TFM operation and the local community on January 20, 2021 and commits to invest US\$31 million in community development over a five-year period, targeting eight priority needs: health, education, economic development, roads and bridges, electricity, sports, infrastructure, and telecommunications. In 2022, community work at the TFM site continued to focus on community liaison activities, health, education and youth development, agricultural and economic development, and infrastructure.

In addition, our TFM operation continued to invest 0.3% of net revenue in the Social Community Fund (SCF), which was created through contributions from TFM and responds directly to community priorities in the areas of infrastructure, education, health, and income generation. From its inception in 2009 through December 2022, the SCF has received contributions of US\$59.06 million, of which US\$4.38 million was given in 2022. 54% of the total contributions to the SCF were made after CMOC's acquisition of TFM (2017-2022). However, disruptions to exports at the TFM site during the second half of 2022 led to a delay in the implementation of some of the projects outlined in the Scope Statement, as well as a drop in SCF contributions.

Stakeholder Engagement

Active engagement with stakeholders is a common element in successful community relations and in managing social risk related to our operations. Community relations are actively managed at various levels of engagement that may include local government agencies, traditional leadership, community groups, industry associations, non-governmental organizations (NGOs), the media, and individuals that may have a broad array of interests in our operations. An important aspect in maintaining effective community relations are our systems for logging and responding to community concerns, such as issues concerning the environment, social investment, human rights, land acquisition, and the recruitment of employees. Our stakeholder engagement channels also include regular and ad-hoc meetings, community liaison programs, and community grievance mechanisms, which help us to better understand the interests, concerns, and goals of our stakeholders.

TFM engages with stakeholders on a regular basis in order to better understand their interests, concerns, and goals. TFM's stakeholders include national authorities, chieftainships, and members of civil society. TFM also holds quarterly meetings with stakeholders, which serve as the primary means of gaining input on the community's priority development needs. In 2022, the quarterly meetings were attended by 219 stakeholder representatives, providing the company with the opportunity to inform the community about its mining activities and construction projects, as well as respond to concerns received by the community liaison officer. In addition, the company organizes visits to neighboring villages to engage directly with local residents and improve relations. In 2022, we visited 37 of the 122 settlements within the TFM concession.

TFM also maintains a community liaison department, which staffs permanent liaison offices in the community. Each region

has a designated TFM community liaison officer, who is responsible for holding routine meetings with key stakeholders, receiving community input on company actions, and serving as the primary communication channel between local residents and TFM. In 2022, in view of the growing population, TFM recruited a number of volunteer messengers in local villages, who are responsible for reporting the latest developments within the community. The company also organizes consultations and awareness campaigns for specific projects and for issues which are of concern to the community.

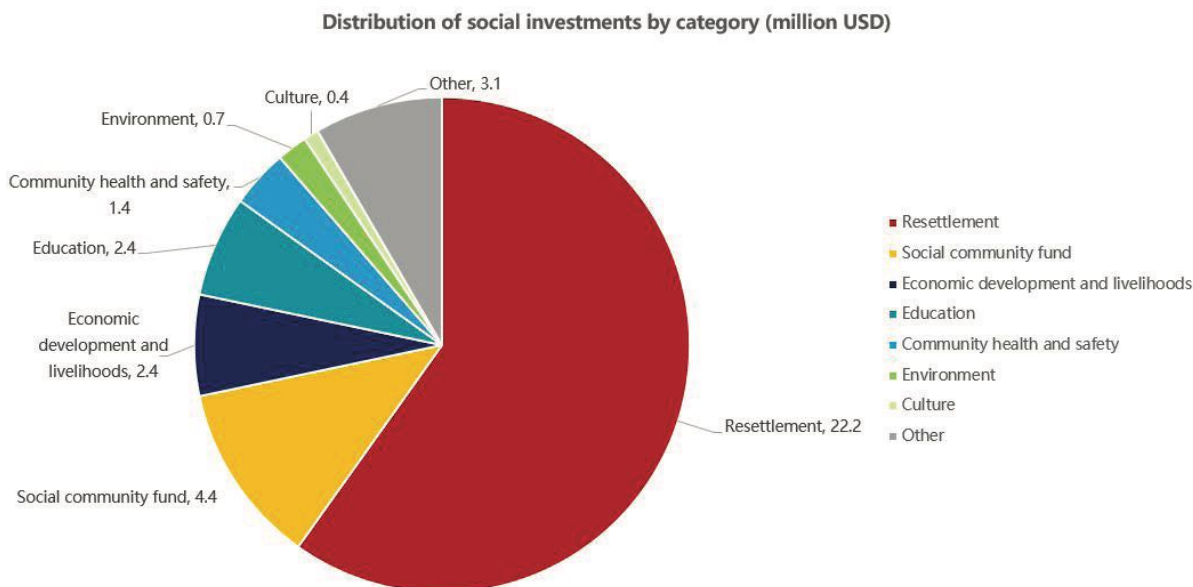
In 2022, such consultations and awareness campaigns were organized on several issues, including implementation of the Scope Statement, emergency response drills at tailings storage facilities, safety measures around the site perimeter, community recruitment, and biodiversity. TFM's community grievance system is operated by members of the Community Liaison department, and all community members including TFM employees may present grievances related to the impacts of our operations. All grievances are received and tracked by an IT management system. Community residents can also participate in the grievance resolution process through an independent mediation committee, 60 percent of whose members are local residents.

In general, TFM enjoys positive relations with the neighboring community. However, we are also aware of the challenges faced by the region. These include the establishment of new settlements driven by the continued expansion of the two major towns and neighboring villages, social tensions caused by illegal artisanal miners who congregate in the villages surrounding mining sites, and an increasing number of opportunists who pose a threat to the safety and stability of local communities. In response, TFM has strengthened its engagement with the local government, local community leaders, civil society organizations, and other mining companies in order to develop joint strategies for mitigating risks.

Community Development

TFM's investment approach is based on priority community needs and includes direct investment and contributions to community foundations. Our community investments are also centered around the United Nations Sustainable Development Goals (SDGs), with a particular focus on goals 1 (No poverty), 2 (Zero hunger), 3 (Good health and well-being), 4 (Quality education), 5 (Gender equality), 6 (Clean

water and sanitation), 7 (Affordable and clean energy), 8 (Decent work and economic growth), and 9 (Industry, innovation, and infrastructure). Investments are typically made in the broad categories of education, healthcare, economic development, infrastructure, the environment, and resettlement. In 2022, TFM invested a total of US\$36.4 million in community projects.



Education

Support for education from primary school through to university is a high priority for stakeholder communities. TFM is committed to expanding access to basic education and reducing drop-out rates. We are also committed to improving higher and vocational education to help young people secure a better future. In 2022, TFM donated over \$US2.44 million to educational programs.

In 2022, TFM continued to support six recently constructed primary schools within the mining concession area, subsidizing teachers' salaries and school operations to help the new



Wilson Makuya was among the first cohort of students to receive a scholarship from TFM's university scholarship program. In 2017, he was admitted to the Faculty of Economics and Management at the Université Protestante de Lubumbashi, where he recently completed a Master's degree with Great Distinction. The TFM scholarship funds the academic, travel, medical, and accommodation expenses of students from the local community.

schools become self-sufficient. In addition, we are currently implementing a range of other projects listed in the Scope Statement, including a vocational school, primary schools, and sports fields. Since 2006, we have built 28 schools for the local community through a combination of the TFM Social Community Fund, Scope Statement projects, and land acquisition and restoration projects.

TFM is also committed to improving vocational education opportunities for local young people. Over the past decade, TFM's Community Development department has provided annual scholarships to local students who are admitted to the Technical Institute of Mutushi. In 2022, scholarships were awarded to 44 students, including 19 female students. In addition, TFM's university scholarship program, which is funded by the TFM Social Community Fund, continued to provide financial assistance to local young talent. Since 2016, the program has funded the studies of 89 university students (including 21 female students) at universities across Haut-Katanga and Lualaba provinces.





Community health and safety

Members of the local community comprise the majority of our workforce. For this reason, community health and safety has a direct impact on the stability and productivity of our workforce, and also constitutes a material risk in terms of the potential social and human rights impacts. In view of these risks, we have designated community health and safety as one of our key investment priorities, and monitor performance very closely. In 2022, TFM invested approximately \$US1.4 million in community-based health projects, addressing a range of priority needs.

Communities near our TFM operation may suffer from malaria and other diseases due to the lack of medical and healthcare facilities. The lack of medical treatment and municipal infrastructure can also lead to other illnesses. In recent years, the growing migrant population has led to an increase in communicable diseases that have the potential to affect the health of local residents and TFM employees. Our health support projects help to mitigate these risks by addressing the priority needs of local communities. In 2022, TFM's efforts include the construction of new healthcare infrastructure, skills training for healthcare professionals, disease surveillance and control, and expanding access to clean drinking water.



One of the key projects in TFM's Scope Statement is the construction of the Fungurume general referral hospital. In 2022, we completed a feasibility study and received planning permission from the government. The new 200-bed hospital will benefit around 400,000 residents in the Fungurume Health Zone.

In recent years, TFM has continued to monitor the incidence of communicable diseases in the local community, such as malaria, HIV/AIDS, cholera, and sexually transmitted infections, and assist with efforts to control their spread. In 2022, we took a range of measures to reduce the incidence of malaria. In addition to spraying approximately 3,500 rooms with mosquito repellent, we also identified 10,676 mosquito breeding sites in community and applied larvicide at all sites where we detected malaria-infected mosquitoes. The company also conducts an annual malaria survey of local schoolchildren, and runs an insect laboratory that conducts research into the effectiveness of residual insecticides on various surfaces and malaria vectors. In 2022, Léonard Ngwej Mutshid, head of the company's vector control department, was awarded a PhD in public health for his work in this field.

TFM has also continued to support the "SafeTstop" HIV/AIDS awareness and testing initiative for truck drivers. In 2022, around half of all truck drivers who stopped at the TFM site took part in voluntary testing, 5.9% of whom tested positive for HIV. We distributed over 27,000 condoms to truck drivers. In addition, we assisted the local NGO Lamuka with an HIV awareness campaign for 2,961 residents of neighboring communities (including 1,306 high-risk individuals such as sex workers, truck drivers, taxi drivers, and police officers). Approximately 45,000 condoms were distributed as part of the campaign.



Economic development and livelihoods



As the majority of our workforce comes from local communities, self-sufficient communities where people's economic needs are met are important for providing a stable workforce and ensuring a favorable environment for business activities. For this reason, a leading issue for all communities near our mine operations is the creation of new opportunities for economic development. Our programs are directed at building capacity to address existing economic drivers, such as agriculture and local business development. Other initiatives are aimed at promoting economic diversification, with a particular focus on building the capacity of women. In 2022, TFM invested approximately \$US2.44 million in projects directed towards economic development and the enhancement of livelihoods.

Given that our TFM operation is in an area where agriculture is important to the local economy and to household food security, one of our key areas of developmental support is in the agricultural sector. In 2022, we implemented six livelihood projects from TFM's *Scope Statement for Community Development*. First, we continued our maize credit project, providing support to 1,626 farmers over 1,500 hectares of agricultural land, compared with 650 hectares in 2021. In 2022, a total of 8,655 tonnes of maize was harvested, which corresponds to an average yield of 5.77 tonnes per hectare. Second, we helped local communities to raise livestock by supporting 320 families with goat rearing. Third, we introduced measures to build capacity for a local Songhai agricultural development center. Fourth, we provided four local agricultural and livestock cooperatives with essential infrastructure. Fifth, we constructed a modern farmers' market in the village of Nguba. Finally, we helped local women to form cooperatives and participate in income-generating activities.



Since 2006, we have installed almost 200 wells (including standard and solar-powered wells) in 123 neighboring villages in order to prevent and reduce transmission of waterborne diseases such as cholera and typhoid. The wells provide a source of clean drinking water for around 300,000 residents, and are managed and maintained by cooperatives comprised of members of the local community. TFM is responsible for the maintenance of solar-powered pumps.



In addition, the TFM Social Community Fund (SCF) introduced a pilot scheme in the village of Zakeo (situated within the TFM concession) to promote rural development based on savings and loans associations (VSLAs). The new scheme will enable members of the local community to learn about savings and loans associations, as well as receive technical training on agriculture and the processing of agricultural food products. After completing training, communities will be able to access funding from savings and loans associations and tailor agricultural activities to local needs and circum-

stances. At the recommendation of TFM agronomists, farmers from the village of Zakeo established their own savings and loans association, through which they saved a total of \$4,000 over a five-month period between June and November 2022. Thanks to this remarkable financial achievement, the villagers were able to access SCF-funded agricultural resources and irrigation equipment, which will be used to support local vegetable farming and animal husbandry. Following the end of the pilot project, the SCF plans to expand the scheme to a total of 10 villages within the TFM concession area.



In November 2022, 120 women and a small number of men from local development associations, the Fungurume community, and Bayeke Chiefdom participated in a workshop on female entrepreneurship organized by the Congolese NGO REPAFE (Network for the Empowerment of Women). 20 of the participants have been appointed as trainers and ambassadors, who will be responsible for sharing their entrepreneurial skills with members of the local community.





Land Acquisition and Resettlement

All of CMOC's mining operations require acquisition of land to accommodate mining, processing, and administrative needs. The acquisition of land follows procedures derived from site policies that in turn reflect relevant laws and regulations in the areas where operations are located. Across all operations, land acquisition methods reflect internationally accepted good practice principles of stakeholder consultation and negotiated settlement based on fair market valuation.

The land acquisition at TFM is guided by international good practices, notably Performance Standard 5 of the International Finance Corporation (IFC), which helps protect the livelihoods and rights of affected populations that are vulnerable due to poverty and lack of formal title to the lands they occupy. In 2022, TFM's main land acquisition was parcels of land covering 1,788 hectares that were acquired for construction work. In total, 83 project affected households were resettled in other communities with assistance from TFM. In addition, 2,713 project affected persons received economic compensation for their land and other resources, but were not required to relocate. Since the beginning of mine development in 2006, TFM has physically displaced 1,523 households, of which 742 households have been relocated to newly built residential areas. An additional 781 households have been assisted with resettlement in Fungurume, Tenke, and other communities. During the 2022 agricultural year, we helped to restore the livelihoods of 1,990 displaced farmers under our livelihood restoration program.

As part of our broader social and environmental risk mitigation plan for TFM, resettlement action plans are an activity with inherent risk, and so the TFM resettlement program is subject to external audit on a biennial basis, during which performance is evaluated in terms of alignment with internal and external policies, continuous improvement, redress of issues, and overall community acceptance of our resettlement program. In 2022, TFM hired the consultancy ERM to conduct an on-site audit of the resettlement program, and developed an action plan based on the auditor's recommendations.

Human Rights

In January 2022, CMOC updated its *Human Rights Policy*, which is applicable to the entire Group, so as to better meet evolving stakeholder expectations. In the second half of 2022, CMOC engaged international consultants to begin developing a "responsible production/sourcing management system" in accordance with the *OECD Guidance*. The system focuses on the identification, mitigation, and reporting of human rights and conflict-related risks in the supply chain, and was completed in the first half of 2023. CMOC has also incorporated human rights risk identification and evaluation criteria into its group-wide risk register. As a CMOC subsidiary, TFM actively manages human rights in accordance with group-wide human rights policies.

All TFM employees and contractors are required to complete induction training and annual refresher training, which includes a module on the company's human rights policy. In 2022, the TFM training department updated its human rights module to improve awareness of all human rights-related topics, including discrimination and harassment, gender equality, child and forced labor, the right to free association, working hours and pay, and grievance mechanisms. All employees and contractors are made aware of the complaints hotline and encouraged to report human rights violations immediately. The company has appropriate procedures in place for investigating and dealing with reported violations. Human rights grievance and investigation procedures are also applied to the local community. In 2022, 94% of TFM employees and 99% of contractors received training in human rights policies.



In addition, human rights provisions are contained in all of TFM's contracts and the *TFM Supplier Code of Conduct*. TFM's contract department has incorporated the evaluation of social indicators such as supplier safety, environmental performance, and human rights into its supplier rating and risk assessment system. CMOC's *Human Rights Policy* and TFM's *Zero Tolerance Rules* treat employees and contractors as equals.

With the TFM expansion project now underway, a large number of construction contractors have moved onto the mine site over the past two years. We are fully aware of the increased occupational health, safety, and human rights risks associated with contractors. Therefore, TFM has taken extra steps in the following areas to further mitigate human rights risks for contractors: (i) Relevant functional departments at TFM have strengthened the inspection and supervision of all contractors, including in relation to employee codes of conduct, labor contracts, salary payments, working hours, labor unions and employee communication, safety training and distribution of protective equipment, and compliance training; (ii) TFM has stepped up the use of incremental penalties that depend on the results of regular inspections or degree of supplier risk exposure, including written warnings, regular corrective action, temporary suspension and corrective action, and contract termination; (iii) TFM has strengthened training on and promotion of the company's *Human Rights Policy*, *Zero Tolerance Policy*, and complaints hotline; and (iv) TFM has encouraged contractors to enshrine employees' right of free association and right to earn a living wage in their contracts.

In order to further strengthen TFM's human rights management system, CMOC hired international human rights experts to conduct human rights due diligence (HRDD) on TFM in the second half of 2022. The goal of the project, which is expected to be completed in 2023, is to support TFM in developing a long-term strategy for the protection of human rights in line with its internal policy commitments and international standards. The project will also build internal capacity in key sectors and strengthen cross-functional governance structures at TFM to support ongoing HRDD. In addition, conducting HRDD will support stakeholder engagement and communication, enabling TFM to further demonstrate its human rights-related commitments and actions to external stakeholders.

In 2022, we completed an initial identification of the human rights risks and impacts associated with TFM based on internationally recognized human rights. This covered risks and impacts on workers' rights, community members, and cross-cutting issues applicable to both of these groups. In the first half of 2023, we have engaged in deeper and broader stakeholder engagement to build consensus on the human rights issues highlighted through HRDD. Next, we will refine and implement the human rights risk management action plan based on the findings and recommendations of our due diligence and improve the corresponding management system.



Security and human rights

In the copper-mining region of southeastern DRC, significant artisanal mining takes place. Many migrants have congregated around privately owned mines to engage in illegal artisanal mining activities. To protect company assets and personnel and to maintain access control for our active operations, we have hired security staff and private security contractors for all of our sites in the DRC. These agents and private contractors are unarmed, have no law enforcement capacity, and are primarily engaged in surveillance and the operation of mine access control points and production sites.

Enforcement of national mining law within the TFM concession, with reference to the legal extraction of minerals, is the responsibility of the Mines and Hydrocarbons Police (PMH), a branch of the national police. Though autonomous in their operations, the PMH operate under terms of a contract with TFM's security contractor that addresses concerns such as the nature of support provided by TFM. The contract makes explicit reference to TFM adoption of the VPSHR, including directives on how to follow up on allegations of human rights violations.

TFM implements the *Voluntary Principles on Security and Human Rights* (VPSHR), which help guide companies in maintaining the safety and security of their operations while encouraging respect for human rights. TFM provides training to its security staff, the personnel of private security contractors, and PMH officers on key elements of the VPSHR. Private security firms are also subject to due diligence at the contracting stage, including human rights aspects. In 2022, 99% of TFM's 146 direct-hire security employees and 2,034 private security contractors received VPSHR training. A total of 182 PMH officers were stationed in the TFM concession, all of whom received VPSHR training.

In recent years, due to a massive influx of migrants, TFM and surrounding communities have faced the challenge of increasing illegal artisanal mining in our concession and adjacent areas. This has led to a sharp deterioration of security in local areas due to rising crime rates and accidents associated with unsafe artisanal mining practices. In June 2019, the DRC government decided to deploy the armed forces (FARDC) in the region to disperse illegal artisanal miners and address the problem of crime. The FARDC and police have the unilateral right to access and undertake their activities on mining concessions under the relevant laws that apply to them. As of December 2022, there were still approximately 141 soldiers stationed within the TFM concession and in adjacent areas. Fully aware of the potential human rights risks associated with the military deployment, TFM contacts the government and military leaders whenever new soldiers are deployed in order to communicate its human rights policy, including its adherence to the VPSHR and policies governing the use of arms. TFM does not engage directly with the armed forces, does not participate in any military operations, and does not provide any assistance that can facilitate military operations.

TFM's security, community, and external relations departments continually track and record all security incidents at the concession, and provide humanitarian assistance and conduct human rights investigations when necessary.





In November 2022, DCAF and Justicia organized VPSHR training courses for company management, public and private security personnel, and community stakeholders.

To increase understanding among TFM staff about human rights and security issues in the mining industry and to foster peaceful community relations, from October 31 to November 4, 2022, we invited the Geneva Center for Security Sector Governance (DCAF), a Swiss think-tank, and Justicia, a Congolese NGO responsible for Katanga Province's Working Group on Voluntary Principles for Security and Human Rights to the TFM site to provide training on VPSHR. The course was attended by more than 50 employees from the company's management and various departments, as well as 80 community members. In addition, a range of security officers, TFM trainers, representatives of public security services such as mine police, territorial police, and the Armed Forces of the Democratic Republic of the Congo, private security companies, and other community stakeholders also attended. Furthermore, in the spirit of promoting regional exchanges and cooperation, Minmetals Resources (MMG) also participated in the training and shared its extensive experience in managing community relations.

As part of our efforts to promote and implement the VPSHR, TFM regularly participates in the meetings of the Lubumbashi VPSHR Working Group, and exchanges information and views with the various stakeholders involved. This working group, composed of government representatives, mining companies, and human rights NGOs aims to facilitate communication among stakeholders, create a climate of mutual trust, and adopt coordinated and participatory solutions to address security and human rights challenges at mining sites.

In response to the security and human rights issues caused by the build-up of illegal artisanal miners in the vicinity of TFM, as well as broader community tensions and regional security issues, CMOC has strengthened its cooperation with the Better Mining initiative. Better Mining is committed to continuously monitoring the safety, environmental, human rights, and compliance performance of legal artisanal and small-scale mining (ASM), and has extensive knowledge of the artisanal mining sector in the DRC.

At the end of 2022, we engaged the Better Mining team to conduct a baseline socio-economic survey of illegal artisanal miners in the vicinity of TFM, which will inform a review of our policies and processes, and capacity building. We continue to maintain dialog with the government and call on them to establish more legal ASM mining areas; strengthen communication and build consensus among various community stakeholders with respect to the risks of illegal ASM; reduce the risk of child labor in ASM by supporting basic and vocational education within the community; and diversify the local economy through community investment and by encouraging illegal artisanal miners to pursue legal economic activities.

Product

TFM's main products are cobalt hydroxide and copper cathode. Cobalt is primarily used in lithium-ion batteries, which are essential components for the battery and electric vehicle industries; copper is widely used in every aspect of our lives, and is an important component of the clean energy transition, including the development of solar panels, wind turbines, energy storage, electric vehicles, and supporting infrastructure.

The minerals used in our production processes are sourced exclusively from our mining concession. The manufacturing, transport, and use of our metal materials may pose environmental and social risks to the ecosystem and people within our supply chains. We address these risks, as well as those in the upstream and downstream value chain, with policies and due diligence procedures.

Supply Chain Management

We consider environmental and social risks in our supply chain where we need to source input materials and services to support our operations. CMOC's sustainability policies serve as requirements for supplier management systems across all the Group's operations, covering matters such as health and safety, human rights, anti-corruption, codes of conduct, employment practices, environmental management, and community relations. In 2022, TFM continued to execute these policies, developing and improving procedures and systems for managing business partners in accordance with risk exposure.

As outlined in our *Responsible Production and Sourcing Policy*, *Human Rights Policy* and *Supplier Code of Conduct*, the risks of adverse impacts associated with extracting and handling minerals from conflict-affected and high-risk areas are likely to be some of the most significant risks within our portfolio. We will therefore continue to develop processes to address these risks. We are also committed to upholding international standards of diligence and conduct to mitigate these risks, and in particular, to conduct due diligence on mineral suppliers in accordance with the OECD Guidance.

In the second half of 2022, CMOC appointed an international consultancy to commence the development of a responsible production and sourcing management system for the entire Group in line with the OECD Guidance. The new system focuses on the identification, mitigation, and reporting of supply chain risks listed in Annex II of the OECD Guidance. As the DRC constitutes a high risk area, we strictly comply with the requirements of the aforementioned system. For more information, refer to the TFM *Due Diligence Report on Responsible Mineral Supply Chains at the end of this report*.

Human rights and corruption are pivotal areas of concern in relation to our contractors and suppliers. We conduct due diligence of suppliers and contractors to screen for violations of applicable laws and company policies governing anti-corruption or human rights. During the screening process, a subset of these contractors is subject to site visits during which safety, environmental, and employment policies and programs (and their implementation) are reviewed. The screening phase site visits also provide valuable insights into the practical aspects of equipment, tools, and readiness to perform the proposed scope of work.



With respect to employment practices by contractors, TFM pays special attention to policies pertaining to the legal working age of their employees, and their compliance with the Labor Law of the DRC. TFM ensures that there is a zero-tolerance approach to underage labor through recruitment, onboarding, and training procedures.



As construction at TFM proceeds, the number of engineering contractor personnel at the mine site has increased significantly since 2020. We are fully aware of the challenges this brings to site management and are constantly improving our contractor management systems. We have strengthened hierarchical management of on-site contractors and introduced an annual assessment mechanism that tracks HSE performance, human rights, and other social indicators. Our HSE, administrative, engineering contract, and other departments regularly conduct joint inspections of on-site contractors and apply incremental penalties depending on their inspection outcome and risk exposure. Penalties include written warnings, regular corrective action, temporary suspension and corrective action, and contract termination.

In 2022, TFM prioritized labor management and human rights training for contractors. To this end, we invited experts from the provincial labor department to provide on-site training for contractors, and ensured that all contractors participated in annual refresher training.

TFM encourages the use of local suppliers in order to maximize opportunities for local employment and economic development. In 2022, local suppliers accounted for 20% of total procurement expenditure. The proportion of local suppliers is lower than other CMOC subsidiaries due to economic disparities between the DRC and the other regions in which CMOC operates. TFM will continue to promote the development of the local economy, and in particular small and medium-sized community businesses, through methods such as tax contributions, community investment, and local tendering.

Product Stewardship

Our management systems dealing with product stewardship addresses the quality, compliance, and sustainability risks associated with our products and processes, including occupational health and safety, environmental management, quality control/quality assurance, traceability, and labeling in accordance with the Globally Harmonized System of Classification and Labeling of Chemicals. These systems ultimately protect the interests of our clients and may enhance access to preferred markets for TFM products.

In the DRC, our product assurance is largely driven by compliance needs derived from international trade, transport, and material classification schemes of the countries and regional

associations through which product is transported and consumed, with special regard to cobalt hydroxide.

The Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulation of the European Union, for example, addresses the production and use of chemical substances and their potential impacts on both human health and the environment. REACH requirements directly drive the classification and labeling processes for our cobalt hydroxide, which also consider the requirements of up to 12 additional countries that may be involved in the transport and final disposal of our product.



At our TFM site in the DRC, all of our copper and cobalt is labelled with traceability system to enable traceability from the mine to the process plant.

TFM also has a set of special responsibilities related to product stewardship associated with the sustainability of its supply of cobalt hydroxide to global markets. The DRC hosts a large number of unregulated artisanal miners as well as customers for their product, a situation that has led to high-profile international concerns around the risks of child labor, workplace health and safety, and human rights in the cobalt supply chain from that country. The TFM operation manages this risk through a set

of product control and custody procedures to ensure that it mines, processes, and sells only those minerals that originate from its own operations. These procedures are in turn guided by the requirements of responsible and sustainable management as described in this report. TFM does not purchase or process ore from any other source. These procedures include specific actions to dispose of illegally mined ore confiscated by government authorities within the TFM concession. After

being confiscated by mine police, the company stores, reports, and periodically buries illegally mined ore in waste rock piles. These burial sites are unmarked and cannot be identified by any other means, ensuring that the ore cannot be recovered for another purpose. TFM has a complete system to track the copper and cobalt products produced at its operations through the points of transfer and to the ultimate point of delivery to its customers. Due to the importance of monitoring and maintaining these procedures while managing TFM's mineral supply chain, TFM regularly undertakes independent assurance of the company's product control and custody procedures. TFM operates a zero-tolerance policy on child or forced labor, employing only people who have reached the legal working age. In 2022, we found no violation of any laws or regulations regarding child or forced labor.

In addition, CMOC strongly believe that higher transparency along the value chain will



increase the sustainability of the cobalt supply, which is essential for the battery industry. In order to achieve this goal, in 2019 CMOC and its trading company IXM joined Glencore and ERG in the ReSource consortium, which uses a blockchain platform to trace the origins of cobalt and ensure responsible procurement. The ReSource consortium was subsequently joined by Umicore, and has received support from other companies in the materials sector including Norilsk Nickel and Johnson Matthey, as well as the Responsible Mining Initiative and the Cobalt Institute. It is also a partner of the Battery Passport program launched by the Global Battery Alliance (GBA). During a 2022 pilot project, ReSource used cutting-edge technology including blockchains and

zero-knowledge proofs to pioneer a new solution that provides end-to-end, real-time tracking of physical material through the supply chain, enabling it trace to 100% of the cobalt used in batteries. The new solution meets the battery passport data and traceability requirements defined in the GBA battery passport rulebooks on Greenhouse Gas Emissions (GHGs), Human Rights, and Child Labor. TFM is also currently moving forward with the pilot of the ReSource program.

At TFM, quality and safety issues related to the products satisfy various national regulations, as well as the ISO 9001 Quality Management System scheme.



Business Ethics and Transparency

CMOC is committed to a high level of business ethics practices, and pledges to act with integrity and to respect the laws and regulations of the places in which it does business. In 2022, TFM continued to implement the CMOC *Code of Business Conduct*, *Anti-Corruption Policy*, *Anti-Money Laundering Policy*, and other relevant policies. As stated in the CMOC *Code of Business Conduct*, "Corruption and bribery will not be tolerated and will result in disciplinary action, including termination, as well as possible civil and criminal consequences for the offending individual(s)". With the support of CMOC, TFM annually trains employees and suppliers to abide by international and local laws and regulations that forbid bribery of government officials and others, including the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act, and the Criminal Law, Anti-Unfair Competition Law, and Anti-Money Laundering Law of the People's Republic of China. Training is mandatory for all TFM employees deemed as occupying positions having potential for corruption risk. Employees, contractors, and other stakeholders have access to CMOC's whistleblower channel and the TFM grievance system to report any suspected cases of bribery or corruption. In 2022, approximately 1,325 mid to senior-level managers from TFM and our contractors completed online training in four different modules, namely "Ethics and Code of Conduct", "Global Anti-Bribery and Corruption", "Diversity, Equity, and Inclusion", and "Global Workplace Harassment".

In 2022, CMOC strengthened measures to identify instances of bribery, corruption, and other misconduct in view of the large number of new construction projects and the corresponding risk of fraud among the company's employees, including the TFM workforce. In the same year, the Group's anti-corruption and internal control and audit departments appointed a Chief Audit and Supervision Officer at TFM to conduct routine inspections and monitor compliance with the Group's integrity policies in relation to key positions and processes with a heightened risk of corruption, such as tender and procurement processes for major construction projects. CMOC has also established a global anti-corruption whistleblowing system, which offers numerous channels for reporting alleged

wrongdoing. The Group undertakes to receive, register, hold, and investigate all such reports in strict confidence; this includes protecting the identity of whistleblowers and witnesses, as well as any data or supporting evidence which they may provide. In addition, CMOC prohibits any form of retaliation against whistleblowers and witnesses. All internal and external reports of misconduct are investigated, assessed, and handled by the anti-corruption department. CMOC also conducts unscheduled visits and spot checks to investigate and reduce the risk of fraud and misconduct throughout the Group and its various business units, including TFM. For confirmed cases of fraud or misconduct, appropriate disciplinary action is taken and any suspected criminal activity is referred to the relevant judicial authorities.

In addition to implementing Group-level compliance policies, TFM has formulated a series of its own policies and procedures tailored to local needs and circumstances, including the Solicitation and Extortion Policy, Charitable Donations Policy, Regulations on Per Diem for Government Officials, and the Regulations on Administrative Fees, which clearly define rules for the acceptance of gifts, dining and entertainment, charitable donations, and direct support for government officials. All of our contractors and suppliers are screened by a third-party platform before onboarding to minimize the risk of corruption. Our legal compliance team audits all government payments to ensure compliance with legal regulations, and submits a quarterly compliance report to the CEO.

TFM continues to be a member of the Extractive Industry Transparency Initiative (EITI) at the national level, and submits information on payments to the national treasury and other government agencies each year in accordance with EITI-DRC requirements. TFM also continues to disclose taxation payments and information on the company's operations on a quarterly basis. A TFM representative is a member of the EITI-DRC National Committee, which represents industry concerns and participates in EITI reporting projects and disclosure work. Complaints from stakeholders are accepted and handled through the CMOC and TFM grievance mechanisms.

In 2022, there were no criminal, administrative, or civil proceedings brought against TFM pertaining to corruption, bribery, blackmail, fraud, or money laundering.

Data Overview

EMPLOYMENT		2022
Total number of employees		3,415
Total number of contractors		14,064
Number of employees and contractors by gender		
Female		640
Male		16,839
Number of employees and contractors by age		
Under 30 years old		4,515
30~50 years old		10,892
Over 50 years old		2,072
Turnover rate		
Turnover rate of employees		3.6%
Turnover rate of contractors		17.9%
Turnover rate of employees and contractors by gender		
Female		6.2%
Male		15.8%
Turnover rate of employees and contractors by age		
Under 30 years old		20.3%
30~50 years old		14.2%
Over 50 years old		10.5%
SAFETY		
Fatalities		0
Total recordable injuries		27
TRIR		0.69
Total lost time injuries		3
LRIR		0.08
TRAINING		
Rate of employees and contractors trained		99.3%
Rate of employees and contractors trained by gender		
Female		95.0%
Male		99.5%
Rate of employees and contractors trained by job category		
Senior management		81.0%
Middle management		98.0%
Staff		99.7%

TRAINING		2022
Training hours of employees and contractors		
Training hours of employees and contractors		24.2
Training hours of employees and contractors by gender		
Female		18.4
Male		24.4
Training hours of employees and contractors by job category		
Senior management		24.1
Middle management		21.0
Staff		24.9
EMISSIONS AND DISCHARGES		
Total greenhouse gas emissions (thousand tonnes)		583.8
Intensity of total GHG emissions (tonnes per tonne of processed ore)		0.065
GHG emissions- scope1		583
GHG emissions- scope2		0
Total NO _x emissions (thousand tonnes)		2.4
Total SO _x emissions (thousand tonnes)		1.4
Total PM emissions (thousand tonnes)		6.6
Total emissions of hazardous waste (thousand tonnes)		5.1
Intensity of hazardous waste (tonnes per tonne of processed ore)		5.644x10 ⁻⁴
Total emissions of non-hazardous waste (thousand tonnes)		9.9
Intensity of non-hazardous waste (tonnes per tonne of processed ore)		1.107x10 ⁻³
Total amount of tailings and waste rock (million tonnes)		176.2
Waste rocks		166.9
Tailings		9.3
WATER CONSUMPTION		
Total water consumption (million cubic meters)		14.3
Intensity of water consumption (cubic meters per tonne of processed ore)		1.59
ENERGY CONSUMPTION		
Total energy consumption (MWh)		1,929,322
Intensity of energy consumption (MWh per tonne of processed ore)		0.21
COMMUNITY INVESTMENT		
Total (USD millions)		36.4
SUPPLY CHAIN MANAGEMENT		
Proportion of local suppliers at TFM		20%

Standards and methodologies used in calculation:

1 Greenhouse gases include carbon dioxide, methane, nitrous oxide and sulfur hexafluoride. The data calculation was based on the *2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories* issued by the United Nations Intergovernmental Panel on Climate Change.

2 NO_x SO_x PM data sources were monitoring systems installed or third-party commissioned for monitoring. The calculation was based on factors from the Technical Air Pollution Resources issued by the U.S. Environmental Protection Agency, and the *2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories* issued by the United Nations Intergovernmental Panel on Climate Change.

3 The Hazardous waste was classified according to “hazardous waste” as stipulated in the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal* as mentioned in the *Guidelines on Reporting of Environmental Key Performance Indicators* published by the HKEX. The data sources were the relevant records and ledgers.

4 The non-hazardous waste was all waste that does not fall within the definition of “hazardous waste” of the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal*. The data sources were the relevant records and ledgers.

5 Water consumption: the data sources were monitoring systems installed or third parties commissioned for monitoring.

6 Energy consumption: the calculation was based on purchased electricity and fuel consumption and the relevant conversion factors issued by the International Energy Agency.

Annex 1: Responsible Mineral Supply Chain Due Diligence Report

Introduction

This report provides information on mineral supply chain due diligence for TFM. It focuses on the scope of the OECD Due Diligence Guidance for Responsible Supply Chains from Conflicted-Affected and High-Risk Areas (the "OECD Guidance"). Information in this report reflects the reporting period from January 1, 2022 to December 31, 2022. Additional information that is relevant to the subject matter of this report and derived from events in 2023 prior to the publication date may also be included to ensure that stakeholders have full access to material information.

TFM acknowledges human rights, health & safety, and environmental risks associated with its operations and supply chain and integrates ESG considerations into its operational decisions. As part of its commitment to ensuring ethical and responsible business conduct in its operations and supply chain, TFM has established a Responsible Production Management System ("RPMS") in line with the CMOC Group policies and international good practices described in the OECD Guidance.

By implementing these frameworks, TFM follows a robust approach to managing responsible production risks and improving ESG performance across the mineral value chain. The RPMS allows TFM to achieve greater transparency, build stronger relationships with business partners, and meet the expectations of our external stakeholders regarding risk management and data sharing.

1. Responsible Minerals Assurance Process (RMAP) Assessment Summary

TFM had its first third-party audit under the Responsible Minerals Initiative ("RMI") Responsible Minerals Assurance Process ("RMAP") on June 5-7, 2023. The audit was conducted against the RMI Cobalt Refiner Due Diligence Standard (2021) and the Joint Due Diligence Standard (2021) for Copper, Lead, Molybdenum, Nickel and Zinc ("JDDS"). As of September 2023, TFM has entered the first period to implement a corrective action plan (CAP) and address audit findings. The non-conformances

identified related to the Responsible Production and Sourcing Policy not covering inadequate occupational health and safety conditions and a written summary of CMOC's CAHRA determination procedure. Successfully addressing these issues will allow TFM to be included on the RMI RMAP Conformant Smelter list.

TFM's RMI identification number is CID003429/CID003795.

2. Management System Overview

2.1. CMOC Group Responsible Production Management System

CMOC's compliance and sustainability policies set out the key principles and performance expectations that all CMOC operations follow, including TFM. [Group policies](#) relevant to responsible supply chain management include Responsible Production and Sourcing Policy, Code of Business Conduct, Supplier Code of Conduct, Human Rights Policy, Anti-Corruption

Policy, Anti-Money Laundering Policy, and Economic Sanctions Policy. In addition, CMOC maintains a grievance mechanism that is accessible to all stakeholders to raise concerns, without fear of retaliation, regarding the circumstances of extraction, trade, handling, and export of minerals in the Group's operations and supply chain.

CMOC is committed to the ethical and sustainable business practices in its operations and supply chain, and expects our suppliers and partners to share our commitment. Based in the Democratic Republic of the Congo (DRC), TFM is one of the world's leading producers of copper and cobalt. The sourcing, manufacturing, transport, and delivery of these metal materials may pose environmental and social risks to the ecosystem and people within those supply chains. Our group policies and due diligence procedures at our operating sites are the core of our management system allowing us to proactively manage these risks in our own operations and supply chain.

CMOC's commitment is defined in the Responsible Production and Sourcing Policy (the "RPSP Policy") which was published in May 2023 and is progressively being implemented. This RPSP Policy applies to all CMOC's global mining, processing and trading operations and its suppliers of mined and/or recycled material intended for the production of metal products.

Guided by the RPSP Policy, CMOC has established a Responsible Production Management System ("RPMS") based on internationally recognized standards including the OECD Guidance. The RPMS comprises a set of policies, procedures, and tools to identify, assess, mitigate, monitor and report on risks in its operations and supply chain. The Responsible Production Procedure (the "Procedure") is a key component of the RPMS which outlines a step-by-step process for CMOC to manage OECD Guidance Annex II risks in its operations and report on responsible production. The procedure follows the OECD Guidance 5-step framework for risk-based due diligence in the mineral supply chain. The risk scope of the RPMS aligns with the Annex II of the OECD Guidance (see below table).

OECD Annex II Risks	Description
Serious Human Rights Abuses	Any forms of torture, cruel, inhuman and degrading treatment, any forms of forced or compulsory labour, the worst forms of child labour, other gross human rights violations and abuses such as widespread sexual violence, war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
Direct or Indirect Support to non-state Armed Groups or Private Security Forces	Illegal taxation or extortion by non-state groups or public or private security forces, illegal control of mine sites, transportation routes or upstream actors by non-state armed groups or public or private security forces
Financial Crime Associated with Minerals Extraction and Trade	Bribery and fraudulent misrepresentation of the origin of minerals, money-laundering, non-payment of taxes, fees and royalties due to governments

The CMOC Group VP in charge of ESG has the overall authority over the group-wide RPMS. Each operation has a Head of Environmental, Social and Governance (ESG) areas who reports to the site CEO and the Group VP in charge of ESG. This function shall oversee responsible production risk management and ensure RPMS implementation at the operation level.

2.2. TFM's policy and approach

TFM does not purchase or process any third-party minerals or metals, the risks in scope of the OECD Guidance are within TFM's own operations. These risks¹ are managed through TFM's Responsible Production Management System which aligns with CMOC's group-level policies while reflecting its specific operational context. TFM applies CMOC Responsible Production and Sourcing (RPSP) Policy which expresses TFM's commitment to uphold responsible business practices in its operations and supply chain, and implement the RPMS.

The CMOC RPSP Policy outlines our commitment to continuously carry out appropriate due diligence in the mineral supply chain and ensure responsible production of minerals in line with the OECD Guidance. This Policy is consistent with CMOC's commitments to ethical business conduct and to respecting human rights as outlined in the CMOC Code of Business Conduct, Human Rights Policy, Anti-Corruption Policy and Supplier Code of Conduct.

¹ Risks in scope are defined in Annex II of the OECD Guidance and include serious (human rights) abuses, support to non-state armed groups, support to (illegal) security forces,

The Responsible Production Procedure is a key component of the RPMS which outlines a step-by-step process for CMOC to manage the OECD Guidance Annex II risks in its operations and report on responsible production. TFM also has underpinning standards and procedures further reflecting operational context of the DRC, such as those on bribery and extortion, charitable donations, support for government officials, and on security and human rights.

The TFM Chief Partnership Officer (CPO), who is also the site head of ESG, is responsible for overseeing the implementation

of TFM's RPMS and dedicated managers or committees are responsible for implementing the relevant programs, such as human rights due diligence program and the grievance mechanism. Under the supervision of the site head of ESG, each function/responsible department oversees the process to identify, analyze and assess related risks based on the local context and monitor the control measures and mitigation plan. The OECD annex II risks are assessed and mitigation plans are made and implemented.

2.3. Training

TFM employees receive induction and annual training on the group- and site-level policies and standards, including CMOC's Code of Business Conduct, Responsible Production and Sourcing Policy, Anti-corruption Policy and other CMOC and TFM policies. This includes guidance on important topics such as health and safety, human rights, grievance mechanisms, facilitation payments, anti-bribery and corruption and

dealings with public officials. All employees and contractors are required to complete induction training and annual refresher training at least once a year. In addition, specific trainings are carried out within departments where high risks are identified, such as the training on Voluntary Principles on Security and Human Rights (VPSHR) for the private and public security forces.

2.4. Internal systems of product control and custody

We use a set of product control and custody procedures to ensure that TFM mines, processes, and sells only those minerals that originate from its own concession and that are mined by its own operations. We have a process to determine, record and confirm the ores are mined from our pits and to weigh for each batch of mineral feeds into the process plant. All information about the weight of the incoming material is stored in the database. The product control and custody procedures also include specific actions to dispose of illegally mined ore confiscated by government authorities within the TFM concession. After being confiscated by mine police, the company stores, reports, and periodically buries illegally mined ore in waste rock piles. These burial sites are unmarked and cannot be identified by any other means, ensuring that the ore cannot be recovered for another purpose. In addition, TFM has a complete system to track the copper and cobalt products produced at its operations through the points of transfer and to the ultimate point of delivery to its customers.

Before leaving TFM for exporting, each individual cobalt bag is sealed and tagged with bar codes, and each bundle of copper cathodes is also labelled with bar codes. The codes contain all necessary information for the traceability of the products. The bags or bundles are loaded on trucks, securely locked and the cargo is covered with tarpaulins. The overland transport to port is overseen by CMOC and its logistic contractor who have a tracking system to monitor the truck's journey to export and subsequent shipping ports. Appropriate security escorts and checks along the road ensure a secure chain of custody.

Due to the importance of monitoring and maintaining these procedures while managing TFM's mineral supply chain, TFM regularly undertakes independent assurance of the company's product control and custody procedures.

2.5. Grievance mechanism

CMOC maintains a [grievance mechanism](#) that is accessible to all stakeholders to raise concerns, without fear of retaliation, including those related to employees, the environment, community investment, human rights, land use, and contractor management. Through the group- and subsidiary-level grievance channels, any grievances linked to or suspected violations of the law or CMOC's policies including Code of Business Conduct, Responsible Production and Sourcing Policy, Supplier Code of Conduct, Human Rights Policy, Anti-Corruption Policy can be reported anonymously.

At the Group level, complaints are investigated and resolved by the compliance team, anti-corruption department, or ESG department depending on the nature of the complaint. All mining operations and the trading arm IXM also maintain dedicated grievance systems that can receive and register concerns from employees, the community, and other stakeholders, which are then tracked through the various stages of being addressed and resolved.

2.6. Record keeping system

CMOC has a Group level Archives Management Policy which outlines our commitment and handling of the various types of information and its appropriate protection during its life cycle.

TFM has its own Archives Management Policy which requires

TFM also has local level grievance mechanisms which allow all community members, including TFM employees and contractors, to present grievances related to the impacts of our operations. TFM manages a community grievance system operated by members of the Community Liaison group, while employee grievances are handled through multiple channels of the compliance team, HR department, and local unions. Training is provided to employees, contractors and local community to raise awareness of existing grievance mechanisms. In addition, community members can take part in the resolution of grievances through an independent mediation committee. Both the community and employee mechanisms incorporate zero tolerance for retaliation against those raising concerns.

Information obtained through these grievance mechanisms inform the overall risk assessment and responsible sourcing process.

that all records relating to its due diligence programme should be maintained for a minimum of 10 years. Certain types of documents must be maintained for more than 10 years in accordance with DRC law.

3. Risk Assessment and Mitigation

At TFM all the materials processed are from its own production and there are no third-party sources of minerals or metals. Risks within the scope of the OECD Guidance are therefore entirely related to TFM's own operations and managed directly through its own management systems.

In line with CMOC's comprehensive risk management procedure which includes the assessment of OECD Guidance Annex II risks, TFM conducts semi-annual risk assessment, documents the results in a risk register and reports on the results

to the senior management. Tools used in our risk assessment are diversified, including materiality assessment, incidents/grievances reports and analysis, stakeholder engagement, media monitoring, NGO reports and expert studies, as well as on-the-ground due diligence assessments. Where we identify significant risks, we engage with relevant stakeholders and develop risk mitigation plans. We monitor the risk mitigation through regular evaluation of progress towards the set KPIs following specific timeframes.

As part of the risk assessment process, CMOC and its affiliates conduct country risk assessment to confirm whether the operation (or the supplier of ore if any) is based in a conflict-affected or high-risk area (CAHRA). For this purpose, we use the Consult Before Trade (CBT) List developed by IXM (CMOC's trading arm), which determines CAHRA list from three perspectives: 1) credit, 2) insurance, and 3) compliance and human rights. These three perspectives have the following considerations to obtain our CAHRA list which is generally updated at least annually:

1) Credit risk

- S&P / Moody's / Fitch rating
- International Property Rights Index
- Euler Hermes Economic Research
- Coface Economic Studies

2) Insurance risk

- Ordinary risk (marine/cargo) insurance policy (latest update) - Global Cargo Watch List (GCWL)
- Political /War risk insurance policy (latest update)
- Charterer's Liability Policy (latest update)

3) Compliance and human rights risk

- Economic Sanctions – OFAC, EU, UN, SECO etc.
- Bribery & Corruption – Transparency International etc.
- Transparency (tax) – OECD / EU lists mentioned below, and EITI etc.
- AML/CFT – FATF monitored jurisdictions / EU high-risk 3rd countries
- Conflict Affected and High-Risk Areas (CAHRAs) – Conflict, Governance, Human Rights
- Commission Recommendation (EU) 2018/1149 – non-binding guidelines for the identification of conflict-affected and high-risk areas and other supply chain risks under Regulation (EU) 2017/821 of the European Parliament and of the Council:
- ESG country ranking/rating
- Other useful open information sources across these risk areas

The Democratic Republic of the Congo is considered to be a conflict-affected and high risk area in our CBT List based on our methodology informed by a number of credible international indices across human rights, conflict and governance risk areas. It should be noted that TFM is located in the Lualaba province where there is no active armed conflict. However, in the copper-mining region of southeastern DRC, significant artisanal and small-scale mining ("ASM") takes place. Many migrants have congregated around privately owned mines to engage in illegal artisanal mining activities. This situation has attracted attention of international stakeholders due to concerns related to the risks of child labor, workplace health and safety, and human rights abuses in the cobalt supply chain from that country.

The illegal ASM activities on and around TFM's concession also introduce security and safety challenges for both the ASM miners themselves and TFM workers, as well as our community members. To address identified risks, CMOC is developing a set of internal procedures and tools, including a comprehensive stakeholder engagement procedure allowing to proactively address ASM-related risks in the concession area, collect credible data on the risks, including through on-the-ground assessments and ultimately provide greater transparency to our stakeholders on risk mitigation measures. For further information on how CMOC addresses these risks, please see the following sections.

3.1. Human Rights Management

CMOC Human Rights Policy applies to all its operations including TFM. CMOC and TFM level policies and procedures, such as the Code of Business Conduct and the Employment Policy, have clear stipulations on zero tolerance on child labor, forced labor and any serious human rights abuses. TFM's policies and procedures on recruitment, contracting, and the grievance systems are fully implemented, communicated, and monitored to ensure the compliance with the group policies and international standards.

In 2022-2023, to further strengthen TFM's human rights management system, CMOC hired international human rights

3.2. Security and Human Rights

There is no presence of non-state armed groups in TFM's concession. TFM does not participate in any military operations, and does not provide any assistance that can facilitate military operations.

To protect company assets and personnel and to maintain access control for active operations, TFM has hired security staff and private security contractors. These agents and private contractors are unarmed, have no law enforcement capacity, and are primarily engaged in surveillance and the operation of mine access control points and production sites.

Enforcement of national mining law within the TFM concession, with reference to the legal extraction of minerals, is the responsibility of the Mines and Hydrocarbons Police (PMH), a branch of the national police. Though autonomous in their operations, the PMH operate under terms of a contract with TFM's security contractor that addresses concerns such as the nature of support provided by TFM. The contract makes explicit reference to TFM adoption of the Voluntary Principles on Security and Human Rights (VPSHR), including directives on how to follow up on allegations of human rights violations.

To mitigate risks of human rights abuses when dealing with security contractors, TFM implements the Voluntary Principles on Security and Human Rights (VPSHR), which help guide companies in maintaining the safety and security of their

experts to conduct human rights due diligence (HRDD) on TFM. The goal of the project is to support TFM in developing a long-term strategy for the protection of human rights in line with its internal policy commitments and international standards. The project will also build internal capacity in key sectors and strengthen cross-functional governance structures at TFM to support ongoing HRDD. In addition, conducting HRDD will support stakeholder engagement and communication, enabling TFM to further demonstrate its human rights-related commitments and actions to external stakeholders. For further information on TFM's HRDD, please see the section "Achievements" later in this report.

operations while encouraging respect for human rights. TFM provides training to its security staff, the personnel of private security contractors, and PMH officers on key elements of the VPSHR. Private security firms are also subject to due diligence at the contracting stage, including human rights aspects. In 2022, 99% of TFM's 146 direct-hire security employees and 2,034 private security contractors received VPSHR training. A total of 182 PMH officers were stationed in the TFM concession, all of whom received VPSHR training. These training are provided both by internal trainers and external experts, which include MONUSCO and the Geneva Center for Security Sector Governance (DCAF) in the past three years.

As part of its efforts to promote and implement the VPSHR, TFM regularly participates in the meetings of the Lubumbashi VPSHR Working Group. This working group, composed of government representatives, mining companies, and human rights NGOs aims to facilitate communication among stakeholders, create a climate of mutual trust, and adopt coordinated and participatory solutions to address security and human rights challenges at mining sites.

In order to strengthen the VPSHR risk management, in 2023, the company invited an international consultant to provide training to trainers from TFM security department and private and public security forces. TFM also conducted a VPSHR risk assessment and developed an action plan.

3.3. Financial Crime and Payments to Governments

CMOC has related policies including the CMOC Code of Conduct², Supplier² Code of Conduct, Anti-Bribery Policy and Anti-Money laundering Policy, which apply to all affiliations including TFM. CMOC Internal Control and Audit Department conducts internal audits and inspections on a regular basis to identify any corruption risks. Every year CMOC and its subsidiaries, including TFM, provide annual anti-corruption training for the management and contractors.

TFM has also developed and implemented its own policies such as Bribery and Extortion Policy, Charitable Donations Policy, Regulations on Business Travel Support for Government Officials, and the Regulations on Administrative Fees. These policies clearly define rules for the acceptance of gifts, dining and entertainment, charitable donations, and direct support for government officials.

In our operations in the DRC, corruption remains a pivotal area of concern. We conduct due diligence of suppliers and

contractors to screen for violations of applicable laws and CMOC policies governing anti-corruption. We use third-party platforms to conduct supplier vetting and due diligence, and inform all new suppliers and customers of CMOC's Code of Business Conduct, Anti-Corruption Policy, Anti-Money Laundering Policy, and other compliance requirements. These requirements are all included in the contracts. TFM legal and compliance department submits a compliance analysis report to the site CEO at a quarterly basis.

As a member of the Extractive Industry Transparency Initiative (EITI) in the DRC, TFM submits annual reports to EITI and publishes quarterly press releases on government payments.

As stated above, a grievance mechanism is provided at TFM and CMOC level to receive, record, handle and respond to any grievances related to the violations of CMOC policies and commitments regarding financial transparency and business integrity.

4. Achievements

4.1. Human Rights Due Diligence

Between October 2022 and July 2023, a Human Rights Due Diligence (HRDD) process was conducted by external experts at TFM. The HRDD process included an assessment and prioritization of the human rights risks, impacts and salient issues of TFM in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs). This revolved around two visits to the TFM site and communities with extensive and constructive engagement with key stakeholder groups, over 350 stakeholders participated in and provided feedback for the HRDD process.

In terms of the tangible outcomes of the HRDD process, TFM has assigned a senior management member for governance and management of their ongoing HRDD process. Further-

more, a Human Rights Action plan is being developed based on an integrated approach that is based upon TFM's management plans and systems for Human Resources, Health and Safety, Contracts & Procurement and Global Supply Chain to manage the key workers' rights risks, and for Community, Resettlement and Security to manage the key community members' human rights risks. In the HRDD process, we also identified several critical human rights priorities that would benefit from multistakeholder initiatives. In this regard, TFM has an important opportunity to demonstrate leadership and leverage through collaboration with other industrial peers, customers, civil society organizations and home governments.

² "Supplier" is defined as a business that provides goods or services to CMOC. A Supplier may include suppliers, contractors, consultants, vendors, their sub-contractors and any other contracted third parties.

4.2. ASM management program

In response to the security and human rights issues caused by the build-up of illegal artisanal miners within and around TFM's concession, as well as broader community tensions and regional security issues, CMOC has strengthened its cooperation with the RCS Global Group's (an SLR company) Better Mining initiative ("Better Mining"). Better Mining is committed to continuously monitoring the safety, environmental, human rights, and compliance performance of legal artisanal and

small-scale mining (ASM) and has extensive knowledge of the artisanal mining sector in the DRC. At the end of 2022, we engaged the Better Mining team to conduct an independent baseline study focused on assessing the risks and impacts associated with illegal ASM activity within and around the TFM concession, which will inform the development and review of our policies and processes, risk management plan, and capacity building on ASM-related topics.

5. Challenges

One of the key challenges in the implementation of our RPMS is the influx of migrant workers from other parts of the country, which leads to increases in illegal ASM activities and violent interactions between ASM miners and security forces on the TFM concession. The in-migration also brings negative impacts on community members, including rise in criminality, diseases, harassment and gender-based violence.

To address this challenge, TFM continues to work with our stakeholder engagement platforms, traditional leaders, local government, and NGOs to mitigate the negative impacts, and consider developing a local working group and action plan dedicated to managing and mitigating risks of in-migration.

With the lasted suggestion from our HRDD process, TFM will advocate to the government for a coordinated regional development plan that contributes to the formalization of ASM, reduces incentives for in-migration by providing viable livelihood options outside of ASM, and enhances community health and safety, local employment, and human rights protection.

In addition, the contractor management will remain a challenge as the TFM expansion project is now underway and a large number of construction contractors have moved onto the mine site over the past two years. We are fully aware of the increased occupational health, safety, and human rights risks associated with contractors.

6. Forward-Looking Statement

In the framework of CMOC's RPMS, TFM will continue to regularly review the responsible production management system, as well as to monitor and evaluate the risk mitigation measures.

Considering that supplier/contractor management remains a key challenge for the company, TFM will continue to proactively engage with suppliers especially on-site contractors to build their capacity in health and safety, human rights and anti-corruption areas.

In order to mitigate the ASM related risks, we will continue the collaboration with the Better Mining team to complete

the risk management program for illegal ASM activities on our concession. In addition, the company will continue to support multi-stakeholder initiatives such as VPSHR and the Fair Cobalt Alliance to address this broad and complex human rights challenge. We will continue to maintain dialogue with the government and call on them to establish more legal ASM mining areas; strengthen communication and build consensus among various community stakeholders with respect to illegal ASM risks; reduce the risk of child labor in ASM by supporting basic and vocational education within the community; and diversify the local economy through community investment and by encouraging illegal artisanal miners to pursue legal economic activities.

Annex 2: RRA content Index

RRA Issue Area	Location/Remarks
1. Legal Compliance	Management Approach, Product , Annex 1
2. Business Integrity	Management Approach, Product, Annex 1
3. Stakeholder Engagement	Management Approach, Community
4. Business Relationships	Product, Annex 1
5. Child Labor	Employees, Product
6. Forced labor	Employees, Product
7. Freedom of Association and Collective Bargaining	Employees
8. Discrimination	Management Approach, Community
9. Gender Equality	Employees, Community
10. Working Hours	Employees
11. Remuneration	Employees
12. Occupational Health and Safety	Employees, Product
13. Grievance mechanism	Management Approach, Community
14.Environmental Risk Management	Environment
15. Greenhouse Gas (GHG) Emissions	Environment
16. Energy Consumption	Environment
17. Freshwater Management and Conservation	Environment
18. Waste Management	Environment
19. Tailings Management	Environment
20. Pollution	Environment
21. Biodiversity and Protected Areas	Environment
22. Mine Closure and Reclamation	Environment

RRA Issue Area	Location/Remarks
23. Community Health and Safety	Community, Product
24. Community Development	Community
25. Artisanal and Small-Scale Mining	Community, Product, Annex 1
26. Human Rights	Community, Annex 1
27. Security and Human Rights	Community, Annex 1
28. Indigenous Peoples' Rights	Community
29. Land Acquisition and Resettlement	Community
30. Cultural Heritage	Community
31. Due Diligence in Mineral Supply Chains	Product, Annex 1
32. Transparency and Disclosure	Management Approach, Product



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