




Responsible Sourcing Policy

Ambatovy | March 2023



	REFERENCE: GENL-ESG-POL-0000-0001-EN	Approved by: CEO Approval date: March 2023	
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Introduction

Ambatovy's vision is to be recognized as a successful and responsible producer of high-quality nickel and cobalt that creates lasting value for all stakeholders and that contributes to sustainable development in Madagascar.

This includes engaging stakeholders and benefiting communities, operating ethically and responsibly, striving to meet the highest standards, providing a safe and rewarding workplace, and demonstrating responsible environmental stewardship.

Responsible sourcing is one of Ambatovy's critical commitments; it highlights important social, ethical and environmental considerations with regards to our products and our supply chain. The effective date for this policy is March 1, 2023.

Objectives

This Responsible Sourcing Policy describes the key principles for responsible sourcing applied by Ambatovy. It reflects our company values and is aligned with best practice and international standards.

The Policy should be read in conjunction with Ambatovy's Integrity Guide as well as relevant policies applying to specific areas, including Ambatovy's Human Rights Policy, HSECQ Policy, Suppliers Code of Conduct, Security Policy and other company documents listed in Appendix 1.

Scope and Accountability

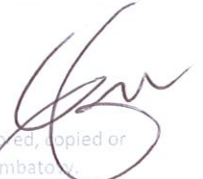
This Responsible Sourcing Policy applies to all Ambatovy's activities, including the activities of all its directors, officers and employees (collectively referred to as "Employees"). It also applies to applicable contractors, subcontractors and suppliers.


Ambatovy's Senior Management has overall responsibility for the implementation of this Policy.

Ambatovy's ESG Director has day-to-day responsibility for overseeing the implementation of this Policy and for coordinating activities, in collaboration with other relevant Divisions and Departments.

Our Commitments

- We recognize the risks of significant adverse impacts which may be associated with the extraction, trading, handling, and exporting of minerals from conflict-affected and high-risk areas (CAHRAs).
- We recognize that we have a responsibility to respect human rights and not contribute to conflict.
- We are committed to responsible sourcing and we do not engage in any action which contributes to the financing of conflict.
- We comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.



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- We will evaluate on a regular basis and update our assessment as to whether our mineral feed is sourced from or transits through a CAHRA.
- We commit to implement the five-step due diligence process as defined in Annex I of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 3rd Edition ("the OECD Guidance") which includes:
 - **Establish strong company management systems;**
 - **Identify and assess risks in the supply chain;**
 - **Design and implement a strategy to respond to identified risks;**
 - **Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain;**
 - **Report on supply chain due diligence.**
- We will neither tolerate nor profit from, contribute to, assist or facilitate the commission by any party, of any of the risks associated with the extraction, transport or trade of minerals specified in Annex II of the OECD Guidance. These include but are not limited to:

- **Regarding serious abuses associated with the extraction, transport or trade of minerals:**

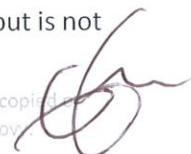
We do not tolerate, profit from, contribute to, assist with or facilitate the commission by any party of:


- ✓ any forms of torture, cruel, inhuman and degrading treatment;
- ✓ any forms of forced or compulsory labour (which means work or service which is extracted from any person under the menace of penalty and for which said person has not offered themselves voluntarily);
- ✓ any form of modern slavery, including forced labour and the worst forms of child labour (as defined by the International Labour Organization);
- ✓ employment to anyone under the national minimum legal age for employment;
- ✓ other gross human rights violations and abuses such as widespread sexual violence;
- ✓ war crimes or other violations of international humanitarian law, crimes against humanity or genocide.

We will immediately suspend or discontinue engagement with contractors or suppliers where we identify a reasonable risk that they are committing or are linked to any party committing these abuses.

- **Regarding direct or indirect support to non-state armed groups:**

We do not directly or indirectly support non-state armed groups, through the extraction, transport, trade, handling or export of minerals. "Direct or indirect support" to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not



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limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

- ✓ illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain, and/or
- ✓ illegally tax or extort money or minerals at points of access to mines sites, along transportation routes or at points where minerals are traded, and/or
- ✓ illegally tax or extort intermediaries, export companies or international traders.

We will immediately suspend or discontinue engagement with contractors where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups.

○ **Regarding public or private security forces:**

We do not provide direct or indirect support to public or private security forces that illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.

We recognize that the role of public and private security forces at our Mine and Plant Sites, in surrounding areas and along transportation routes should be solely to maintain the rule of law, including safeguarding human rights; providing security to our employees, our equipment and our facilities; and protecting the Mine and transportation routes from interference with legitimate extraction and trade. Moreover, in our agreements and contracts with public and private security forces, we require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights (VPSHR). In particular, we require that these security providers take steps to conduct pre-employment screening in order to ensure that individuals that are known to have been responsible for gross human rights abuses will not be hired, and to provide comprehensive training.


○ **Regarding bribery and fraudulent misrepresentation of the origin of minerals:**

We do not offer, promise, give or demand any bribes, and we resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to the Government for the purposes of extraction, trade, handling, transport and export of minerals.

○ **Regarding money laundering:**

We support efforts and contribute to the effective elimination of money laundering where we identify a reasonable risk of money laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.



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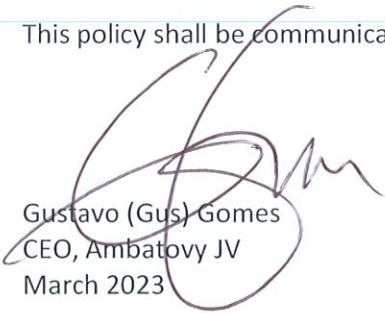
○ **Regarding the payment of taxes, fees and royalties due to the Government:**

We ensure that all taxes, fees, and royalties related to mineral extraction are paid to the Government and we disclose such payments in accordance with the principles set forth under the Extractive Industries Transparency Initiative (EITI), to which Madagascar adheres and in which Ambatovy actively takes part.


○ **Regarding risk management of bribery and fraudulent misrepresentation of the origin of minerals, money-laundering, and the payment of taxes, fees and royalties due to the Government:**

We commit to engage with suppliers, central, regional or local governmental authorities, international organizations, civil society groups and affected third parties, as appropriate, with a view to preventing or mitigating risks of adverse impacts.

This policy shall be communicated, understood and applied within the organization.



Gustavo (Gus) Gomes
 CEO, Ambatovy JV
 March 2023

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Appendix 1

Additional Resources

Internal

- Our Mission, Vision, Values
- Integrity Guide
- Human Rights Policy
- Health & Safety, Environment, Community and Quality (HSECQ) Policy
- Code of Conduct
- Suppliers Code of Conduct
- Security Policy
- Sustainability Commitment

External

- Extractive Industries Transparency Initiative
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 3rd Edition
- UN Sustainable Development Goals
- UN Guiding Principles on Business and Human Rights
- Voluntary Principles on Security and Human Rights
- Children's Rights and Business Principles

REVISION.

Version	Date	Description
1	13/03/2023	Creation of the Document

