

1 BACKGROUND

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 benefits communities, operating ethically and responsibly, striving to meet the highest standards, providing a safe and rewarding workplace, and demonstrating robust responsible sourcing approaches.

2 PURPOSE:

This Policy describes the key principles for Responsible Sourcing applied by Ambatovy. It reflects our company values and its aligned 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, Risk Management Policy and other company documents.

3 SCOPE:

This Policy applies to all Ambatovy's activities from the Senior Management down to the general workforce contractors, subcontractors and suppliers at Mine and Plant sites.

4 DEFINITIONS:

- Conflict-affected and high-risk areas (CAHRAs): Conflict-Affected and high-risk areas where serious abuses associated with extraction, transport or trade of minerals; direct or indirect support to non-state armed group; direct or indirect support to public or private security forces; bribery and fraudulent misrepresentation of the origin of minerals; money laundering; non-payment of taxes, fees and royalties to government in accordance with the principles set forth under the EITI are likely to exist. They are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or Insurgencies, civil war, etc...
- High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.
- EITI: Extractive Industries Transparency Initiative: a framework of multilateral cooperation facilitating responsible resources development leading growth and poverty reduction by preventing corruptions and conflicts through enhancing transparency of money flow from extracting industries involving development of oil, gas and mineral resources to the

governments of resource producing countries.

- OECD Guidance: General Term for the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains on Minerals from CAHRA areas.

5 OUR COMMITMENTS

- Ambatovy recognize the risk 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).
- Ambatovy recognizes its responsibility to respect human rights and not contributing to conflict.
- Ambatovy is committed in ensuring that raw materials are sourced in a way that minimizes harm to the environment. This includes preventing biodiversity loss, reducing pollution and minimizing carbon footprints, and promoting responsible mining practices.
- Ambatovy is committed to responsible sourcing and avoid engaging in any action which contributes to the financing of conflict.
- Ambatovy will evaluate on a regular basis and update its assessment as to whether our mineral feed is sourced from or transits through a CAHRA.
- Ambatovy commits 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; and
 - report on supply chain due diligence.
- Ambatovy 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:

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

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

- ✓ Any form of torture, cruel, inhuman and degrading treatment;
- ✓ Any form 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 child labour (as defined by the International labour organization) in their operations;
- ✓ Employment to anyone under the national minimum legal age for employment;
- ✓ Other gross human rights violations and abuses such as widespread sexual violence; and
- ✓ War crimes or other violations of international humanitarian law, crimes against humanity or genocide.

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

5.2 Regarding direct or indirect support to non-state armed actors:

We do not directly nor indirectly support non-state armed groups, through the extraction, transport, trade, handling or export of minerals. "Direct or indirect support" to non-state armed group through the extraction, transport, trade, handling or export of minerals includes, but is not 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 mine sites, along transportation routes or at points where minerals are traded, and/or; and
- ✓ 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.

5.3 Regarding public or private security forces:

We do not directly nor indirectly 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 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 be responsible for gross human rights abuses will not be hired, and to provide comprehensive training.

5.4 Regarding bribery and fraudulent misrepresentation of the origin of minerals:

We do not offer, promise, give or demand bribes, and will 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 purpose of extraction, trade, handling, transport and export of minerals.

5.5 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.

5.6 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 Industry Transparency Initiative (EITI), to which Madagascar adheres and in which Ambatovy actively takes part.

5.7 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 of preventing or mitigating risks of adverse impacts.

5.8 Regarding additional risks:

Ambatovy establish its HSESCQ policy and Social and Risk Management framework, in order to build, promote, and maintain a strong culture in order to prevent Environment, Occupational Health & Safety incidents and losses among people, contractors, suppliers and community partners.

In light of the Cobalt Refiner Supply Chain Due Diligence Standard (Version 2.0), we ensure that our occupational health and safety and workplace conditions are adequate to maintain physical and mental health of our direct and indirect employees.

6 ROLES AND RESPONSABILITIES

- Ambatovy's Senior Management has overall responsibility for the implementation and the respect of this Policy.
- Ambatovy's CEO has responsibility for overseeing the implementation of this Policy.

- In coordination with Supply Chain and HR Training Departments, the HSESQ MS Department ensures that training is provided to all Ambatovy's employee and other parties relevant to the implementation of this Policy.
- The Responsible Sourcing Policy is one of Ambatovy's important commitments, the Policy highlights company's strong risk management in the context of social, ethical and environmental considerations, with regards to our product and our supply chain.
- This Policy Shall be Communicated internally and publicly available, understood and applied within the organization.

7 SUPPORTS DOCUMENTS.

- Integrity Guide;
- Human Rights Policy;
- Health& Safety, environment, Community and Quality Policy;
- Risk Management Policy;
- Harassment on Working Premises Policy;
- Safety Procedures, HS-301 Enterprise Risk Management; HS 902.401- Fitness for Work;
- Code of Conduct;
- Supplier Code of Conduct;
- Security Policy and Procedures;
- Extractives Industries Transparency Initiative;
- ILO Declaration on Fundamental Principles and Right at Work;
- OECD Due Diligence Guidance for Responsible Supply Chain of Minerals Form Conflict-Affected and High-Risk Areas, 3rd Edition;
- Cobalt Refiner Supply Chain Due Diligence Standard, Version 2.0;
- Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc, Version 3;
- Loi N° 2024-014 du 14 Aout 2024 Code de Travail ;
- UN Sustainability Development Goal;
- UN Guiding Principles on Business and Human Rights;
- Voluntary Principles on Security and Human Rights;
- Children's Right and Business Principles;



RESPONSIBLE SOURCING POLICY

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8 REVISION

Revision	Date	Pages	Reason
1	13/03/2023		Document creation
2	20/09/2023		Revision 1
3	February 2025	1, 4 and 6	Clarification of Roles and Responsibilities according to RMAP Standard

9. DISTRIBUTION

Distribution		
<input checked="" type="checkbox"/> Company general Use	<input type="checkbox"/> Restricted	<input type="checkbox"/> Confidential

10. APPROVAL

Mark Zaborowski
Président Directeur Général

Approved by Mark Zaborowski- CEO Ambatovy JV

Signature and Date

