



**Ambatovy Due Diligence (“OECD Step 5”) Report**  
**Covering the Period: 1<sup>st</sup> of January 2025 to 31<sup>st</sup> of December 2025**

Prepared for the Responsible Minerals Initiative  
Responsible Minerals Assurance Process (RMI-RMAP)

2025





## FOREWORD

For 2025, Ambatovy maintains its vision: “to be recognized as a responsible and successful producer of high-quality nickel and cobalt that creates lasting value for all stakeholders while contributing to sustainable development in Madagascar. In line with this commitment, Ambatovy fully supports the Responsible Minerals Initiative’s Responsible Minerals Assurance Process (RMI-RMAP) and adheres to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as the Cobalt Refiner Supply Chain Due Diligence Standard. This engagement still aligned with the global context in Nickel and Cobalt in the world.

### 1. Company Information

- a. Ambatovy is a joint venture between Sumitomo Corporation (Japan) and the Korea Mine Rehabilitation and Mineral Resources Corporation (KOMIR). Ambatovy is a fully integrated project with a laterite mine, operated by Ambatovy Madagascar S.A (AMSA) in Moramanga, supplying through a 217km pipeline, raw ore to the metallurgical plant operated by Dynatec Madagascar S.A (DMSA) in Toamasina. AMSA and DMSA, established and incorporated in Madagascar and which, together, are responsible for the day-to-day operations.
- b. RMI CID number for Cobalt: 003232  
RMI CID number for Nickel: 003968
- c. The company’s Mine Site is located just north of the town of Moramanga, Madagascar, approximately 80 km east of the country’s capital. The company’s Plant Site, comprised of a Processing Plant and a Refinery, is located at Toamasina, Madagascar. A 217 km closed Pipeline connects the Mine with the Refinery and is operated exclusively by Ambatovy. An auxiliary office in Antananarivo provides administrative, legal and communications support to both locations and serves as a liaison with government offices and international organizations as well as with the media and business sectors. Ambatovy also operates a port facility and a Tailings Management Facility.
- d. The outcomes of the refinery are qualified as a Class 1 (99.9 %) Nickel briquettes and pure (99.9%) Cobalt or powder. By-product of the refining process are Ammonium Sulphate and Copper Zinc alloy. No external ore is introduced. The ore body at our Mine consists of two lateritic ore deposits, entirely and exclusively located in Madagascar: the Ambatovy and Analamay deposits. The nickel and cobalt feed, sourced solely from our own mining operations. The ore is delivered as slurry from the Mine to the Plant Site through the 217 km closed pipeline.
- e. This is the Ambatovy fourth “Step 5” due diligence reports. The period is from January 1, 2025 to December 31, 2025. The re-audit by RMI is scheduled for 23<sup>rd</sup> to 24<sup>th</sup> of February 2026.

### 2. Responsible Minerals Assurance Process (RMAP) Assessment Summary

- Date of first RMAP assessment: April 13, 2022 (Validity: One year)
- Assessment period for the first RMAP assessment: December 6, 2020 - December 6, 2021
- Date of last RMAP assessment: March 25 – 26, 2025 (Validity period: One year)
- Most recent assessment period: August 01, 2023 – February 28, 2025.



- Assessment firm: UL Responsible Sourcing
- URL link to the most recent RMAP assessment report: [RBA-Online](#).

### 3. Company Supply Chain Policy

- a. The first version of our Responsible Sourcing was subsequently approved by Ambatovy's Senior Management in March 2023 and posted publicly on Ambatovy's website. Updated version was approved and posted in February 2026. To support this Policy, the company applied and communicate also its Supplier Code of Conduct, the Health & Safety, Environment, Community and Quality Policy, the Human Rights Policy, the Integrity Guide and the Security Policy.
- b. Ambatovy publish all relevant policies for current and future partners. It is available in our website under the following link: [Our Policies - ambatovy](#).

### 4. Company Management System

#### a. Management Structure.

Ambatovy is committed to upholding the principles outlined in its Responsible Sourcing Policy and Supplier Code of Conduct. As due diligence and responsible sourcing involve multiple departments, overall responsibility for policy implementation lies with Ambatovy's Senior Management.

Ambatovy's CEO is accountable for overseeing the implementation of the Responsible Sourcing Policy.

The Technical Services Directorate at DMSA identifies and plans the monthly production schedule, starting with the required ore transfer from the Mine Site (AMSA) to the Processing Plant (DMSA), ensuring the necessary refined product is delivered to customers while considering all operational parameters. A dedicated team is responsible for daily monitoring, inventory management, and reporting on all ore transactions up to the final qualified product.

The Marketing department, supported by the Supply Chain, Legal, and HR Training teams, ensures the planning and execution of Ambatovy's policy-related training programs. These include training on the Human Rights Policy, Fraud, Bribery and Corruption (FBC) training, Risk Management, Grievance Mechanisms and the Responsible Sourcing Policy.

Every year, Ambatovy ensure the monitoring of its performance in Fraud, Bribery and Corruption (FBC), Grievance mechanisms, Contractor Management and Health, Safety, and Environment (HSE) performance. Action plans are followed up by the relevant departments including Legal, Supply Chain, HR, Social Investment and Community Engagement (SICE) and HS teams, using internal software tools.

The company's Management System was deemed compliant in the last RMAP Assessment and will continue to ensure compliance in each subsequent annual assessment. Ambatovy's approach to addressing the OECD's main risks is outlined in Section 5 below.

## b. Internal Systems of Control.

Ambatovy is committed to adhering to the five-step due diligence process outlined in the OECD Guidance. Regarding Responsible Sourcing, Ambatovy underwent a re-certification process under RMI-RMAP and was declared conformant for both Nickel and Cobalt in October 2023. Specifically, Ambatovy maintain its commitment to:

- Establishing or maintaining strong company management systems. Environmental and Occupational Health and Safety Management Systems have been implemented at both DM and AM sites since the start of operations. To strengthen its commitment to quality and enhance its market presence, DM pursued certification of its Quality Management System in accordance with ISO 9001:2008 and was certified by AFNOR in March 2014. The ISO 9001 certification was successfully maintained through the transition to ISO 9001:2015 and remained valid until 2023. In line with its continuous improvement approach and to further support Occupational Health and Safety and Environmental performance, DM underwent ISO 9001:2015 re-certification, as well as ISO 45001:2018 and ISO 14001:2015 certification audits in June 2023. Certifications for all three management systems were granted by AFNOR in September 2023. Subsequently, annual surveillance audits for ISO 9001, ISO 45001, and ISO 14001 were conducted in August 2024 and September 2025. All certifications were successfully maintained. The next re-certification audit is planned for 2026 within the same scope.
- Identifying and assessing risks in the supply chain and designing and implementing a strategy to respond to such risks (see section below).
- Carrying out independent third-party audits at identified points in the supply chain. Ambatovy underwent a field audit for re-certification by an external auditor assigned by RMI in Q1 2026.
- Conduct internal audit related to ISO 9001, ISO 14001 and ISO 45001 compliance, Human Rights, Voluntary Principles on Security and Human Rights (VPSHR) and all company policies compliance for both AMSA and DMSA.
- Reporting on supply chain due diligence. This report is the fourth report and it mirrors the reporting template provided by RMI.

## c. Record and document keeping.

Ambatovy adheres to ISO 9001 requirements for “documented information”. Depending on the nature of the records, different times are followed for different types of records (see procedure: IMS-PRO-001, last updated August 2, 2024. For OECD related documents, a retention time-frame of five years is maintained.

Archiving is done digitally on Secured Company Drives. Records and documents of interest across the company are stored on the company drive, allowing company-wide access. Other documented information is kept on secured departmental drives.

## 5. Risk assessment

The foundation for Ambatovy's RMI-RMAP assessment is based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as the Cobalt Standard.

The case of the Ambatovy's supply chain is unique, as it involves a single-source supply chain, mined exclusively by Ambatovy in Madagascar, transported by Ambatovy, processed and refined by Ambatovy, with no third-party ore entering the supply chain. This critical aspect was point explicitly verified by the external RMI-RMAP auditor.

Both the Ambatovy Mine Site and Plant Site operate in Madagascar. Ambatovy outlines the process for determining whether Madagascar is classified as a Conflict-Affected and High-Risk Area (CAHRA) in its procedure IMS-PRO-009. An annual CAHRA assessment is conducted, and periodic monitoring is performed to ensure the assessment remains valid and that Madagascar's classification has not changed.

Since Ambatovy's supply chain for Nickel and Cobalt ore is unique, with only one supply chain operated and owned exclusively by Ambatovy in Madagascar, the Know-Your-Supplier process is not applicable.

In annual basis, Ambatovy ensure to realize the risk assessment of the risk identified in the OECD Due Diligence Guidance Annex II. The following section outlines how Ambatovy ensure the 2025 assessment and addresses the risks identified in the OECD Due Diligence Guidance Annex II, which could have significant adverse impacts associated with the extraction, trade, handling, and exportation of minerals globally, particularly from conflict-affected and high-risk areas. These risks include:

**a) Serious abuses associated with the extraction, transport or trade of minerals.**

Ambatovy's chain of custody and traceability is straightforward, as it involves only a single supply chain originating from the Ambatovy mine. Transport is assured through a closed slurry pipeline, which is also owned and controlled by Ambatovy. Volumes of ore are measured by weight and flow at both the Mine Site, where the ore enters the Pipeline, and at the Pipeline exit, where the slurry enters the processing facility. The refinery works in tandem with the processing facility, which must be constantly adjusted based on the quantity and quality of ore passing through the Pipeline. The refined end-products are sampled and analyzed in the on-site Ambatovy-owned laboratory. Packaging is done according to customer specifications, accompanied by the necessary supporting documentation. The final product is placed in locked, sealed and clearly marked containers, and transported to the Port for export under Ambatovy's security. Upon arrival at the Port, the product enters a government-controlled and secured customs area, prior to shipping. Shipping is done by third parties under contract with Ambatovy and is accompanied by a Bill of Lading and other supporting and contractual documents identifying the product. Ambatovy's responsibility ends when the product docks at the port of destination, where the customer responsibility begins.

Ambatovy has implemented its Human Rights Policy to ensure that all stakeholders involved in the processes are free from abuse, covering both AMSA and DMSA operations. Additionally, Ambatovy conducts regular internal audits to ensure compliance with its policies. These internal audits may be carried out by Ambatovy internal auditors, Sumitomo internal auditors, or and SCM ALBI auditors.

**b) Child labor.**

Ambatovy categorically prohibits all forms of child labor, including not only the worst forms but any form of child labor, in line with serious human rights abuses. The company closely adheres to Malagasy law and ensures that no individual under the age of 18 is hired. This policy applies to all Ambatovy employees as well as contractor employees. Identity checks are rigorously performed by our Human Resources department as part of the recruitment process.

**c) Grievance Mechanisms.**

Ambatovy has a comprehensive and policy on workplace harassment and has implemented a robust grievance system to address any concerns from employees, contractors, suppliers or the wider community.

The following departments are responsible for handling grievances:

- The HR department is tasked with receiving, investigating, and resolving all grievances from both AMSA and DMSA employees.
- The Social Investment and Community Engagement (SICE) department manages grievances from external stakeholders, including the community, local authorities, and neighboring residents. A dedicated phone number is available for external stakeholders, and for those in rural areas, the SICE department has identified key contacts along the Pipeline and around all Ambatovy sites. Grievance forms are accessible through these contacts, enabling issues to be escalated to Ambatovy dedicated staff.
- In addition, a whistleblower system is in place, accessible for all employees, contractors or communities, which provides online access for reporting: [Ambatovy Whistleblower powered by Convercent](#). This process is overseen by the Compliance Committee.

Physical ‘red boxes’ are also strategically placed at all Ambatovy sites and offices, allowing anyone involved in project to report human rights violations, harassment, or any non-conformances with company policies.

All Ambatovy grievance mechanisms are tracked to ensure that each complaint is properly registered and handled according to the internal procedures. The outcomes and resolutions of grievances are communicated to the complainants. Ambatovy also reports publicly on grievances in its annual sustainability report, which can be found on the Ambatovy website at <https://ambatovy.com/en/media/reports/>).

Regarding the handling of grievance, any received grievance was not identified as critical nor high risk for Ambatovy. No red flags were identified.

**d) Direct or indirect support to non-state armed groups.**

In annual basis, the company run the CAHRA procedure in order to evaluate the risk of conflict in Madagascar. It was been determined that the entire country does not have non-state armed groups nor Moramanga and Toamasina, even if the situation in the south of Madagascar (Toliara) related to armed robbery group is still maintain.

**e) Public or private security forces.**

Ambatovy maintain its contracts security to the same private security companies in 2023, it means to HAP and G4S.

Security does not have jurisdiction outside of Ambatovy properties which include Mine Site, Plant Site, tailings facility, ammonia storage site, port, private airstrip, and administrative offices.

For security outside these areas, Ambatovy works in coordination with Law enforcement, and the authority, including the gendarmerie, police and military, and closely the follow up the referred to the court.

Both public and private security personnel undergo training in line with the Voluntary Principles on Security and Human Rights (VPSHR) international standards. Refresher training sessions are scheduled every six months by the Security Management team. A biweekly meeting is held with all Site Managers of the private security companies, along with the presence of the Commander in Chief from each law enforcement, in partnership with the Ambatovy Project within our premises area.

External audit was conducted in October 2025 (by AFNOR), and an internally audit by HSEQ Management System. As a result, no non-conformities were identified regarding Security VPHSR within the Security Contractor Management

**f) Bribery and fraudulent misrepresentation of the origin of minerals.**

Bribery and other forms of corruption are strictly prohibited and may result in immediate dismissal and potential legal action. Ambatovy is governed by its Integrity Guide, which details various forms of bribery and corruption, including the bribery of government officials and policies regarding gifts.

The production process is managed as a unique and controlled operation. The monthly production report confirms that all extracted ore from the Mine Site is through the refining structure. Ambatovy operates two laboratories to ensure the quality and traceability of the ore, which is crucial for both process efficiency and mineral origin verification.

Since 2023, Ambatovy has enhanced communication, training, and awareness efforts regarding Fraud, Bribery and Corruption compliance for AMSA and DMSA employees, as well as contractors. Training has been completed to ensure employees understand how to respond appropriately to any undue solicitations. Ambatovy employees and external stakeholders are encouraged to reports any suspicion of Bribery and Fraud into the whistleblower system.

**g) Bribery and Corruption in Reporting to Government.**

As an EITI candidate country since February 2008, Madagascar continues to promote transparency in the extractive sector. During the reporting period, the Company remained actively engaged in the EITI Madagascar process through its participation in the National EITI Committee, which brings together representatives from government, extractive industry companies, and civil society.

Key activities carried out during the year include:

- Submission of the EITI 2022 Report;
- Active participation in meetings of the National EITI Committee, including:
  - Validation of the 2024 accounts;
  - Approval of the revised budget;
  - Approval of the 2026 budget, together with the 2026 work plan;
- Official submission of the English and Chinese versions of the Mining Code, as well as the handover to EITI of the voluntary disclosure reporting platform, developed in collaboration with the United States Embassy;
- Training of Finance Department personnel responsible for reporting obligations on the use of the voluntary disclosure platform;
  - Participation of the Company's Moramanga-based representatives in the awareness-raising workshop on mining legislation held in Ambatondrazaka

**h) Money laundering.**

Given the nature of Ambatovy's unique, company-owned, and operated supply chain, as well as the specific characteristics of the mineral (e.g., nickel and cobalt), the risks associated with money laundering are considered highly unlikely.

**i) Payment of taxes, fees and royalties due to governments.**

A specific unit within Ambatovy's Finance department is charged with ensuring full and proper payment of all taxes, dues and royalties due to the Government of Madagascar. Ambatovy publishes the total amounts paid each year in its Annual Sustainability Report. In 2025, payments to government totaled US \$28.0 million compared to US \$43.6 million in 2024 and US \$89.4 million in 2023.

**j) Risk of conflict, severe human rights abuses, money laundering and mineral fraud.**

The first CAHRA assessment to determine whether Madagascar should be considered a conflict-affected and high-risk area as per the OECD guidance was realized in late 2021/early 2022. Annual update and review were realized in 2023.

In 2025, after annual review, as Madagascar was not listed in to the Dodd Frank Act list and the European Union CAHRA list, Madagascar is not classified as CAHRA.



Regarding the CAHRA procedure updated in 2024, by using the CAHRA assessment tool including the risk assessment of the risks identified in the OECD Due Diligence Guidance Annex II, considering the General situation in Madagascar in 2025, the review concluded that Ambatovy AMSA and DMSA, does not source from, produce in, or transit through any CAHRAs.

In addition, all suppliers, contractors or providers should pass through the due diligence process. The objective is to assess its reliability, financial stability and others criteria related to human rights, conflict and fraud, bribery and corruption.

Regarding the result of the 2025 risk assessment performed, no red flag not high risk was identified for Ambatovy. The result of this assessment is reviewed and discussed during the annual Due diligence Management Review.

## 6. Conclusion

A dedicated, inter-departmental team is tasked with tracking the implementation of Ambatovy's Responsible Sourcing Policy.

This team works across various departments to ensure that Ambatovy's policies on Responsible Sourcing, Human Rights, Security, Integrity and HSECQ are maintained and continuously improved.

The primary method for tracking performance and recommending improvements is through annual internal audits and external RMI audits.

In addition, Ambatovy conducts an annual re-assessment of conflict and human rights risks through its CAHRA assessment tool. No red flag was identified during the 2025 risk assessment.

Any significant changes and the corresponding mitigation measures will be highlighted, with recommended mitigating actions presented to Senior Management. The results will be published in the annual Due Diligence Report and referenced in the annual Sustainability Report



*This report covers the period from January 1, 2025 to December 31, 2025.  
It was established in January 2026, reviewed and updated in February 2026.*