

## **1 BACKGROUND**

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 raw ore to the metallurgical plant operated by Dynatec Madagascar S.A (DMSA) in Toamasina through a 220km pipeline,. Together, AMSA and DMSA operate under the unified name "Ambatovy."

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 benefitting communities, operating ethically and responsibly, striving to meet the highest standards, providing a safe and rewarding workplace, and demonstrating robust responsible mineral sourcing approaches, notably in compliance with the Organization for Economic Co-operation and Development (OECD) guidelines regarding mineral sourcing.

## **2 PURPOSE:**

This Policy outlines Ambatovy's commitment to responsible mineral mining and sourcing, aligning with our core values. Together with the Ambatovy Human Rights Policy, it adheres to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

## **3 SCOPE:**

This Policy covers all Nickel and Cobalt produced by Ambatovy, from the ore transfer activities at the Mine Site (AMSA) to the Plant Site (DMSA). It applies to all personnel, including senior management, employees, contractors, subcontractors, and suppliers involved in these operations.

## **4 DEFINITIONS:**

- Conflict-affected and high-risk areas (CAHRAs): Conflict-Affected and high-risk areas are 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 to 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.
- RMI: Responsible Minerals Initiative
- RMAP : Responsible Minerals Assurance Process
- HSECQ Policy: Occupational Health and Safety, Environment, Community and Quality Policy

## 5 PRINCIPLE:

### 5.1 General Principle

- 5.1.1** Ambatovy Minerals S.A. (AMSA) serves as the exclusive supplier of raw ore to Dynatec Madagascar S.A. (DMSA). Ambatovy ensures that all ore transfer activities from the mine to the plant adhere strictly to its established policies and operational procedures.
- 5.1.2** Ambatovy is committed to responsible mineral mining and sourcing and avoid engaging in any action which contributes to the financing of conflict.
- 5.1.3** All contractors or subcontractors interacting with AMSA and DMSA will be audited on a regular basis to ensure the respect of this Policy.

### 5.2 Ambatovy Raw material Due Diligence Management System

- 5.2.1** 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".
- 5.2.2** Ambatovy recognizes the risk of significant adverse impacts which may be associated with the extraction, handling, transport, trading and exportation of minerals from conflict affected and high-risk areas (CAHRAs), that is why Ambatovy ensures on a regular basis and at least once a year to evaluate whether Madagascar, Moramanga or Toamasina have a risk to be classified as CAHRA.
- 5.2.3** Ambatovy ensures a periodic review of its raw mineral risk assessment regarding the risks described in annex II of OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the risk related

to the Occupational Health and Safety, Environment and Community regarding the Ambatovy HSECQ Policy.

**5.3 Our Commitment regarding the risk associated with the extraction, handling transport, trade and exportation of minerals specified in Annex II of the OECD Guidance.**

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, handling transport or trade and exportation of minerals. These include but are not limited to:

**5.3.1 Regarding serious abuses:** We do not tolerate, nor by any means profit from, contribute to, assist with 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.

**5.3.2 Regarding direct or indirect support to non-state armed actors:** we do not directly nor indirectly support non-state armed groups, through the extraction, handling transport, trade, 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.

**5.3.3 Regarding public or private security forces:** We do not directly nor indirectly support 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 be responsible for gross human rights abuses will not be hired, and to provide comprehensive training.

**5.3.4 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.

**5.3.5 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.

**5.3.6 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.

#### 5.4 Our Commitment to the Environment

5.4.4 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.

#### 5.5 Our Commitment to the Health & Safety and Community

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

5.5.5 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.

**5.6 Our Risk management regarding the risk associated with the extraction, handling, transport, trade and exportation of minerals specified in Annex II of the OECD Guidance and in our occupational Health and Safety, Environment and Community Policy.**

- 5.6.1** In terms of prevention, Ambatovy will conduct due diligence of its supply chain of raw materials and assess the risk for AMSA contractor and subcontractor prior to entering into contractual agreements.
- 5.6.2** **Regarding risk management of serious abuse:** 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.
- 5.6.3** **Regarding risk management of direct or indirect support to non-state armed groups:** 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.
- 5.6.4** **Regarding risk management of public or private security forces:** We will immediately adopt and implement a risk management plan with mine and plant suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces as identified in paragraph 5.3.3. In such cases, we will suspend or discontinue engagement with the suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan.
- 5.6.5** **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, to improve and monitor their performance with a view of preventing or mitigating risks of adverse impacts through measurable steps taken in six months. We will suspend or discontinue engagement with suppliers after failed attempts at mitigation within six months from the adoption of the action plan, in accordance with the specific position of their company in the supply chain.
- 5.6.6** **Regarding our risk management of Occupational Health & Safety, Environment and Social,** Ambatovy follows its HSECQ Policy and the OHS, Environment and Social Management Systems in place. In case any employee, contractor or a subcontractor breaches Ambatovy Policies, disciplinary measures will be enforced, in line with internal procedures and Compliance Committee terms of reference.

**5.7 Monitoring of transaction**

- 5.7.1** All ore from the Mine Site is transported to the Plant Site via a dedicated 220 km pipeline. To maintain transparency and accuracy, a) chemical analyses are conducted by Ambatovy's internal laboratory team, b) transaction quantities are recorded for each batch and shift, from mine planning to processing, across all operational departments, c) the Metallurgical Accounting Department reviews and analyzes these records on a daily and monthly basis.

## **5.8 Training**

**5.8.1** Ambatovy will continuously provide training to the personnel working in the ore supply chain from the mine to the plant site and ensure that they have sufficient knowledge and experience of due diligence management system and about this policy.

## **5.9 Public reporting**

**5.9.1** Ambatovy publishes on an annual basis the step-five due diligence system report. The report will be publicly communicated on Ambatovy corporate website: [www.ambatovy.mg](http://www.ambatovy.mg) .

## **5.10 Managing documents**

**5.10.1** Ambatovy Raw materials due diligence system will follow the Document Control procedure and respect the timeline of records to ensure a good traceability of its ore sourcing and the due diligence management system.

**5.10.2** This policy will be at least every three years reviewed and updated as necessary in case of change in the organization or in the raw materials due diligence system.

## **5.11 Independent Third party**

**5.11.1** Ambatovy ensures on a regular basis an external audit by an independent third party to evaluate the effectiveness of raw materials due diligence system and to maintain its Responsible Mineral Initiative certificate.

## **5.12 Communication of this Policy**

**5.12.1** This Policy Shall be Communicated internally and externally to our suppliers relevant to mineral extraction, handling, transport, trade and exportation. It will be publicly available, understood and applied within the organization.

**5.12.2** 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, Environment Code of Conduct, and other company documents.

## **6 ROLES AND RESPONSABILITIES**

- Ambatovy's CEO has responsibility for overseeing the implementation of this Policy.
- Ambatovy's Senior Management has overall responsibility for the implementation and the respect of this Policy.
- The Metallurgical Accounting Service ensures all transaction traceability from the Mine to the Plant site and records the evidences according to the Normative policy and the Document control procedure.

- The lab team ensures the control of raw materials and all process control results and ensures a good recording according the Normative policy and the Document control procedure.
- In coordination with Supply Chain and HR Training Departments, the Senior Management develops the training modules to ensure a good understanding and the respect of this policy.

## **7 SUPPORTS DOCUMENTS.**

- UN Guiding Principles on Business and Human Rights;
- 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;
- ILO Declaration on Fundamental Principles and Right at Work;
- Extractives Industries Transparency Initiative; Harassment on Working Premises Policy;
- Loi N° 2024-014 du 14 Aout 2024 Code de Travail ;
- UN Sustainability Development Goal;
- Voluntary Principles on Security and Human Rights;
- Children's Right and Business Principles;
- Ambatovy Integrity Guide;
- Ambatovy Human Rights Policy;
- Health& Safety, Environment, Community and Quality Policy;
- Risk Management Policy
- Safety Procedures, Enterprise Risk Management; Fitness for Work procedures;
- Code of Conduct;
- Supplier Code of Conduct;
- Security Policy and Procedures;

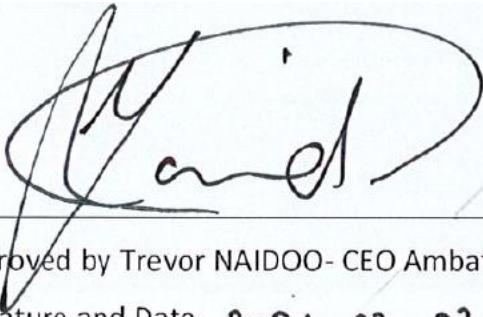
## 8 REVISION

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
4	May 2025	1,2, 3, 4 and 6	Clarification of the Background about AMSA and DMSA. Update of the purpose adding the international standard reference Review of the scope adding more details of the scope Review of the Principles giving more structured detailed and adding the timescales for disengagement or progressive improvement through mitigation in case of breach of the policy. Update of the role and responsibilities.
5	December 2025	8	Update CEO name

## 9. DISTRIBUTION

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

## 10. APPROVAL



Approved by Trevor NAIDOO- CEO Ambatovy JV

Signature and Date 2026-02-03