

STL STEP 5 ANNUAL DUE DILIGENCE REPORT 2024



Société Congolaise pour le traitement
du Terril de Lubumbashi

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1. Company Overview

Société pour le Traitement du Terril de Lubumbashi (STL) is a state-owned company headquartered at 04 Route Kipushi, Lubumbashi City, Haut Katanga Province in the DRC. STL processes historical slag from the former Gécamines operations using pyro- and hydro-metallurgical processes. STL's core products include copper cathode, cobalt hydroxide, zinc oxide (by-product), and germanium concentrate.

CID Numbers: CID003806 | CID003805 | CID003266

2. Reporting Framework and Scope

This report has been prepared in line with Step 5 of the OECD Due Diligence Guidance and the RMI Joint Due Diligence Standard. It provides an overview of STL's responsible sourcing efforts over a one-year period (January 2024 to December 2024) and includes updates on supply chain controls, risk management, and stakeholder engagement. This version was approved by senior management on December 2024. In accordance with Section 5.5 of the RMI Joint Due Diligence Standard, this report includes the company's policy reference, the structure of its due diligence system, risk identification and mitigation measures, red-flag analysis outcomes, stakeholder engagement updates, and the application of key reporting principles (accuracy, clarity, comparability, reliability, timeliness).

3. RMAP Assessment

An independent RMAP audit was conducted by Arche Advisors from 28–30 November 2023, covering the period from 01 April 2021 to 03 October 2023. The audit scope included cobalt, copper, and zinc assessed on the JDD standard. STL's conformance summary is published on our website: www.stlgcm.com. The individual responsible for RMI is the blind

4. Policies and Due Diligence System

STL's due diligence system includes the following key policies and documents:

- The Responsible Supply Chain Due Diligence Policy (aligned with OECD Annex II)
- Supplier Standard which is a code and responsible sourcing clause
- Code of Conduct and Ethics (signed by all employees)

- Grievance Mechanism and related access tools
- Chain of Custody and Material Control Procedures

5. STL Management system

The appointed RMI representative holds primary responsibility for implementing the due diligence process. She is supported in this role by the General Manager and the Directors. STL benefits from a robust and experienced management team that ensures strong governance and strict adherence to ethical mining practices. Our leadership has played a pivotal role in shaping responsible sourcing policies and driving operational excellence. To maintain a good supply chain due diligence STL team is comprised of :

- **Human Resources Manager:** Responsible for the application of the Code of Conduct and Ethics, and the grievance mechanism, and protecting vulnerable people.
- **Compliance Manager:** Ensures that STL's activities comply with DRC standards and assists in establishing policies, reviewing contracts, and implementing international standards including the OECD due diligence principles.
- **Finance Manager:** Promotes financial transparency by publishing the companies' paid taxes on our STL website (e.g. EITI) and making sure STL is compliant with the financial payments.
- **Logistics Manager:** Responsible for the implementation of the supplier standards and STL's responsible supply chain due diligence policies (assessment, mitigation and monitoring; contracts, etc.) and removing any supplier that faults on our due diligence process.
- **Pyro and Hydro production Managers:** Manage risks related to the potential entry of external inputs into the pyro and hydro plant operations. They assist in flagging human resources issues within their departments and implement HSE standards for healthy work environment.
- **Maintenance Manager:** In charge of the maintenance of all equipments and machinery. Inside maintenance there are subdivision of sections such

as electrical, instrumentation, mechanics etc. These sections assure, appointed planned maintenance and quality control on the supply of equipments and machinery via internal and external inspections.

- **HSE (Health, Safety & Environment) Manager:** Ensures the safety of employees, and the work environment. Making sure STL employees, visitors, contractors etc. are adhering to the HSE standards. Inductions, training are organised by this department, and inspections are conducted to flag shortcomings.
- **Social Manager:** Their primary responsibility is to engage with external stakeholders, particularly the surrounding communities. Serving as the principal liaison between STL and the community, they facilitate communication on matters such as grievances, company values, and educational initiatives, while ensuring alignment and mutual understanding among all parties involved.
- **Head of Training:** Organises training for staff and other stakeholders based on the needs and requests from internal STL employees.

6. CAHRA Identification and Risk Assessment

6.1 Methodology to identify risks

STL operates in a known CAHRA (DRC), and conducts an annual assessment based on the following sources:

- Fragile States Index – P3 Human Rights indicator
- Dodd-Frank Act Section 1502
- EU Regulation 2017/821 CAHRA List
- STL Risk Register – used for internal risk assessments.

Risks assessed include human rights violations, artisanal mining, bribery, tax evasion, and environmental risks. The last risk assessment was conducted in August 2024.

6.2. Methodology to assess Risks

The STL Risk Register serves as a baseline risk assessment, applying a severity–probability matrix to evaluate potential risks across key areas, including health, safety, operational disruptions, corporate reputation, environmental impact, income at risk, and capital at risk.

The STL risk register provides an initial, broad-based evaluation of potential hazards within specific operational contexts. It offers a comprehensive overview of the risks STL may encounter and outlines the mitigation measures in place. These measures address a wide spectrum of issues—from safeguarding corporate image to preventing business interruptions—ensuring that risk management efforts are both proactive and strategically aligned. This register will be provided to authorised auditors upon request but will not be published, in order to safeguard confidentiality and ensure the protection of sensitive information.

6.3. Risk Mitigation measures

Key actions taken to mitigate identified risks include:

- Training of 100% of relevant staff on responsible sourcing (certified external training provider)
- Onboarding assessments for suppliers with risk scoring
- Suspension of contracts where policy violations are suspected
- Pursuing alternative sources of power
- Secure protected power
- Improve skills
- Improve operational capabilities

Since recruiting members from the local community into the security team responsible for safeguarding our slag heap from artisanal miners and other intruders, in 2024 STL has experienced fewer tensions with surrounding communities. This security team, known as Tjunge Vijana, is composed of 80 people. The Social Manager maintains regular meetings with community representatives to address pressing issues—whether related to thefts reported by STL, incidents involving community members on our site, or complaints raised by the community concerning STL. A significant drop in artisanal miners and community members on our site has been observed, although it is difficult to quantify but evidently visible.

7. Grievance Mechanism

STL has an accessible grievance mechanism for internal and external stakeholders. Complaints can be submitted via:

- Email: info@stlgcm.com
- Postal address: STL, 04 Route Kipushi, Lubumbashi
- Suggestion boxes (onsite and community leaders)
- STL website

8. Monitoring and Audit

Internal audits are performed annually. A third-party audit is conducted through the RMAP. STL also maintains audit records, grievance logs, and training attendance for a minimum of five years.

9. Progress and Continuous Improvement

10. Alignment with RMI Reporting Requirements

This report meets the requirements outlined in Section 5.5 of the RMI Joint Due Diligence Standard by including:

- A reference to STL's responsible mineral sourcing policy;
- A description of STL's due diligence system and supporting documents;
- An overview of systems used to identify red flags and ensure supply chain transparency;
- A summary of red-flag review methodologies and their outcomes;
- If applicable, risk assessment results and mitigation strategies, including site visits or disengagements;
- Stakeholder engagement initiatives throughout the reporting cycle;
- Adherence to reporting principles such as accuracy, clarity, comparability, reliability, and timeliness;
- Confirmation of public availability while respecting confidentiality and competitive concerns.

STL has implemented the plan on a page concept, in which KPI's are recorded and monitored.