



STL ANNUAL REPORT ON RESPONSIBLE SOURCING

1. INFORMATION ABOUT THE COMPANY

The Congolese Society for the Treatment of Terril de Lubumbashi, STL in acronym, has its head office at 04 Route Kipushi, Lubumbashi City, Haut Katanga Province in the DRC (11°40'51S, 27°28'00E).



STL started operations in 2019, under the banner of sole shareholder Gecamines, a commercial company fully owned by the Congolese state. The feedstock comes from the slag of the former Gecamines, known as the Lubumbashi plant.

STL uses the waste from the Lubumbashi slag heap and transforms it into commercial products.

Its plant consists of an electric smelter that produces:

White alloy containing copper, cobalt, and zinc oxide, as a by-product.

Our vision is to be a sustainable role model

- Female candidates are encouraged
- Creating added value for stakeholders
- Exceeding expectations
- Adding value to the communities in which we operate
- Be a role model for other mining companies
- Maintain profitability by applying SHEC best practice

Our mission is to achieve our vision through our people and the communities in which we operate.

The CID Number is : CID003266.

This report covers the period from July 2021 to October 2022.



2. SUMMARY OF THE RMAP ASSESSMENT

The plant underwent an RMAP assessment on 6-8 July 2021, carried out by the independent auditing firm RCS global. The assessment is valid for one year.

The evaluation period was from 01-30 July 2021. The evaluation summary report is published on the website: www.stlgcm.com

The scope of the assessment includes Cobalt, Copper and Zinc.

3. SUPPLY CHAIN POLICY OF THE COMPANY

STL's responsible procurement management system includes the following policies:

The responsible supply chain policy [Société pour le traitement du terril de Lubumbashi \(stlgcm.com\)](http://www.stlgcm.com).
policy in line with Annex II of the OECD Guidance on Due Diligence for Responsible Supply Chains of Minerals from Conflict and High Risk Areas.

- The standard for suppliers [Société pour le traitement du terril de Lubumbashi \(stlgcm.com\)](http://www.stlgcm.com).
All our supplier contracts include a responsible sourcing clause.
- The Code of Conduct and Ethics [Société pour le traitement du terril de Lubumbashi \(stlgcm.com\)](http://www.stlgcm.com) A document signed by all agents that respects human rights.
- The grievance management mechanism [Société pour le traitement du terril de Lubumbashi \(stlgcm.com\)](http://www.stlgcm.com).
Grievance management that allows stakeholders to talk, to resolve their issues within the company and with the communities impacted by the company's activity.

4. STL MANAGEMENT SYSTEM

The Deputy Director General is in charge of and responsible for the implementation of the due diligence process. She is assisted by the directors. This college, as well as all the officers of the factory, have been informed about the due diligence process.

- **Human Resources Director:** Responsible for the application of the Code of Conduct and Ethics and the grievance mechanism.

Compliance Director: Ensures that STL's activities comply with established policies and international standards including the OECD due diligence principles.

- **Finance Director:** Promotes transparency by publishing monthly taxes paid to the state on the STL website (and to the EITI when it becomes operational in Upper Katanga) based on the quantities of mineral substances produced, sold and/or exported.

Logistics Director: Responsible for the implementation of the supplier standard (assessment, mitigation and monitoring; contracts, etc.), which protects human rights and is aligned with international and OECD standards.

Production Director: Manage risks related to the potential entry of external inputs into operations.

- **Maintenance Director:** In charge of the maintenance of the operating tools e.g. performing calibration with registration of the different scales on site by an approved body such as OCC (Office Congolais de Contrôle).

- **HSE (Health, Safety & Environment) Manager:** Ensures the safety of employees, including organising pedestrian areas in the factory.

- **Optimization Manager:** publishes and updates monthly production statistics, which are displayed in the factory.

- **Training Officer:** Organizes training for staff and other stakeholders.

All of the above managers and supervisors have undergone rigorous and certified training at CM- CONSULTING - FORMATION SASU, in responsible mineral sourcing as of November 11-23, 2021. www.cmconsulting-formation.com



Visibility into the supply chain and origin of materials

STL does not buy slag from third parties and only uses slag from the Lubumbashi slag heap, which is located within the company's own industrial facilities and is its only source of minerals.

LUBUMBASHI slag heap, which is located on the premises of its industrial facilities and is its sole source of minerals.

The slag from UL's heap is collected by its mining department which supervises and indicates the authorized sampling locations. The block model mining method used has been audited by OHMS geotechnical engineers (RSA).

STL has clear visibility of the inputs into its supply chain.

Its finished products (white alloy and zinc oxide) are sold and delivered (INCOTERMS 2010) to customers at its own operating site.

There are therefore no red flags in the STL supply chain.

Despite this situation, STL is in a geographical area which, in view of the various published resources, presents high risks in mineral supply. STL is in a CARHA zone and has a red flag of origin and transit of minerals.

Commitment to suppliers (other than mineral suppliers: cobalt, copper... etc.)

STL organized a workshop with all these suppliers on 30/03/2022

Sustainable procurement issues

- First meeting of its kind which brought together STL's current and potential suppliers.
- Summary of STL's responsible sourcing policy which is based on the OECD policy and condemns various serious human abuses.
- Explaining to the meeting that by applying these principles we seek to reduce the risk of serious human abuse in our supply chain.
- Reminder that if STL has reason to believe that a supplier is not complying with this policy, we will suspend or discontinue the questionable supply.

Evaluation results after the meeting

90 companies were registered for the workshop:

- 57 are informed about responsible sourcing practices and the risks of serious human abuse (63%).
 - 12 were not informed (13%).
 - 21 did not respond to the assessment (23%)
- Of the 69 companies that responded to the assessment, 57 or 83% adhere to this policy with the possibility of implementing risk mitigation.

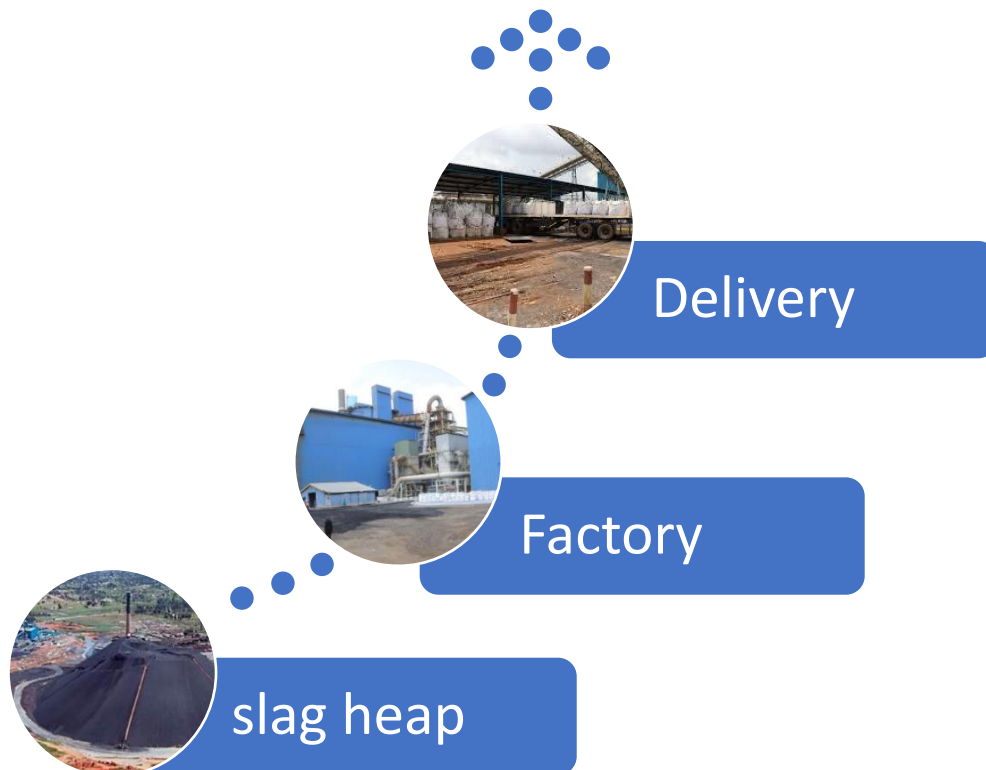
Grievance mechanism

The STL grievance mechanism allows officers, or other stakeholders, to voice their concerns, real or perceived, to resolve difficulties before they escalate.

The grievance mechanism is also available to our employees and workers who feel unable to raise an issue or complaint directly with their line manager or local personnel department.

To make it easier for our stakeholders to send us grievances, we use the following means:

- By e-mail to: info@stlgcm.com
- By post to STL, 04 Route Kipushi, Commune de Lubumbashi, Haut-Katanga.
- Through the "suggestion boxes" available on the STL website, in the communities, near the main entrance of the STL and on the STL website.
- [Société pour le traitement du terril de Lubumbashi \(stlgcm.com\)](http://Société pour le traitement du terril de Lubumbashi (stlgcm.com))





Archiving :

All documents related to responsible sourcing will be archived for 5 years, i.e. administrative documents, procedures, complaints to STL, reports etc. They are kept in a database.

5. RISKS ASSESSMENT

The identification of the CAHRA was based on the following resources:

- The Conflict Barometer Index (Heidelberg Institute of International Conflict Research).
- Good Governance indices.
- Human Rights Index.
- Section 1502 of the Dodd-Frank Act
- Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017

STL is in a geographical area which, regarding the various resources consulted, presents high risks in all areas.

We therefore conclude that STL is located in CARHA. There is therefore a red flag of origin and transit of minerals.

We will update the resources used as well as a review of CARHA's determination every 12 months.