



Tenke Fungurume Mining

Human Rights Due Diligence

Updated Summary Report

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Reviewed by Triple R Alliance

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Introduction

A human rights due diligence (HRDD) process was conducted by Triple R Alliance (TRA) commissioned by the CMOG Group Ltd. (CMOG) for the Tenke Fungurume Mining (TFM) in the Democratic Republic of Congo (DRC) between October 2022 and July 2023. In terms of the tangible outcomes of the HRDD process, TFM has developed a Human Rights Action Plan framework to guide TFM's ongoing HRDD for each of its salient human rights issues in accordance with the UNGPs.

From November 2023 to December 2024, TFM's own team, mainly comprised of ESG, Human Resources, HSE, Community, supply chain, security and other sustainability-related functions, has continued to conduct ongoing HRDD. The following summary report summarizes their activities on implementing the Human Rights Action Plan and describes how TFM's salient human rights risks have evolved during the reporting period.

Overview of TFM

The Tenke Fungurume Mining (TFM) in the DRC specializes in exploration, mining, extraction, processing, and sales of copper and cobalt. TFM is considered to be one of the highest-grade copper and cobalt mines globally with strong prospects for continued resource exploration and development.

TFM's mining concession is located to the east of Kolwezi in the Lualaba province of the DRC. The mining concession covers over 1,500 square kilometers. There are 13 active mining pits on the concession and numerous communities are also on TFM's large concession.

Due to an influx from other parts of the DRC, the number of people on the TFM concession has grown exponentially over the years. TFM managers estimate that the population of Fungurume has grown from 40,000 to 200,000 and the population of Tenke has grown from 8,000 to 90,000 in the last decade. This includes approximately 10,000 artisanal and small-scale miners (ASM) who are mining illegally around the TFM concession and who conduct incursions into TFM's active mining and stockpile areas. TFM does not source its copper or cobalt from ASM and has strict product stewardship processes in place to ensure that illegal mining products do not enter its production or value chain.

During the reporting period, there is one significant change in the TFM operation. The Mixed Ore Project was officially put into operation in October 2023. TFM now has 5 production lines as a whole, with the annual production capacity of copper and cobalt reaching 450,000 tons and 35,000 tons respectively, making it one of the top ten copper and cobalt mines in the world.

Governance and Management for Ongoing HRDD Process

The Human Rights Action Plan is based on an integrated approach that incorporates TFM's management plans and systems for Human Resources, Environment, Health and Safety, Contracts

& Procurement and Global Supply Chain departments to manage the key risks on workers' rights, and for Community, Resettlement and Security departments to manage the key risks on community members' human rights. TFM conducts targeted engagements with the internal and external stakeholders involved in the Human Rights Action Plan to build awareness and buy-in as it is implemented. The Community department and Human Resources department are responsible for validating and disseminating the HRDD Action Plan within relevant employee and community groups.

Under the formal responsibility of TFM's Chief Partnership Officer, the implementation of the Human Rights Action Plan is approached in a cross-functional manner, including assigning clear responsibilities to key departments for the management of each salient issue and using the quarterly ESG meetings (which bring together all of the relevant departments) for ongoing discussion of emerging issues and tracking progress. Since August 2023, five ESG quarterly meetings were conducted and the progress of the Human Rights Actions Plan was reviewed and reported by each responsible department.

The governance and management of TFM's Human Rights Action Plan also benefits from the involvement and oversight of CMOC's Vice-President in charge of ESG. The Vice-President attends each quarterly ESG meeting and has been involved in and informed of the implementation progress.

Overview of the HRDD Process

The HRDD process in this reporting period mainly included a series of continuous actions to manage and control the identified human rights risks. Meanwhile, we keep updating the assessment and prioritization of the human rights risks, impacts and salient issues of TFM in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs) through regular and constructive engagement with key stakeholder groups:

- Internally, the engagement involved regular meetings with senior management and key departments relevant to human rights. Through these meetings, we reviewed TFM's salient human rights issues and progress of the Action Plan.
- In terms of affected stakeholders, the engagement involved a variety of stakeholders including workers, contractors, union representatives, community members, vulnerable groups, traditional leaders and local authorities in order to understand their perceptions and concerns regarding TFM's salient human rights issues. This was done through various management meetings with workforce and unions, interviews and focus group discussions, and regular engagement channels which include a series of locally elected company-community engagement platforms for resettlement, community development and community grievances, and a series of company-employee engagement platforms.

- In view of the significant challenges related to the Mixed Ore Project construction and commissioning, our HRDD process also included close to fifty onsite inspections and focus group interviews on contractors' ESG practices, led by the Human Resources department and ESG working group. These covered contractors present in the whole operational areas, including the expanded East Plant.

Our HRDD process was also informed by professional opinions from the auditors conducting the Copper Mark and ISO recertification audits. During the Copper Mark audit, around 500 internal and external stakeholders were interviewed.

TFM’s Salient Human Rights Issues and Implementing Progress

TFM’s salient human rights issues identified in 2024 are presented on the following Human Rights Heat Map. These are the priority areas that have been assessed as having the greatest likelihood and/or severity of adverse impacts on TFM’s affected stakeholders. Compared to the previous version, in 2024 we raised the risk level of “safety and healthy working conditions,” mainly due to the various challenges TFM was facing in this area.

severity of potential impact on people			Safety and healthy working conditions		Interaction with ASM
					Security/VPSHR
		Information and consultation Freedom of association	Environment and human rights Land, resettlement and livelihoods Non-discrimination	Contractor and suppliers' workers rights	In-migration
		Grievance mechanisms Social Invests			
		Social Invests			
	likelihood that impacts may occur				

A brief description of TFM’s salient issues and the implementation of the recommended strategy for ongoing HRDD and continuous improvement between November 2023 to December 2024 is presented below.

1. Artisanal and small-scale mining (ASM)

TFM's key human rights risks related to ASM include child labour, unsafe and unhealthy working conditions and interactions between ASM participants and security forces on the TFM concession. The potential impacts also include injuries to TFM workers and security guards, as well as the stress and fear it creates throughout the workforce and community. Furthermore, the potential for ASM activities on the TFM concession is a major driver for in-migration into the local community and broader region, which has significant negative impacts on local communities.

The interactions between TFM and ASM are due to the physical presence of ASM activities on its concession. TFM is not sourcing its copper or cobalt from ASM sources. Nonetheless, this physical presence creates a direct linkage from a human rights perspective.

From the prior HRDD report, the recommended actions for TFM to continue and enhance its ongoing HRDD concerning its interactions with ASM include developing a detailed ASM strategy in a consultative manner; advocating government for a regional development plan; as well as cooperating with organizations like UNICEF and Fair Cobalt Alliance on initiatives to address child labour in informal and illegal ASM.

The progress of implementing these actions is as follows:

- In cooperation with Better Mining Initiative, we have developed a comprehensive ASM risk management strategy, including a baseline study, a policy with public commitment to address the ASM risks, and a management plan with procedures. This ASM strategy was communicated with Chinese and Congolese management in November 2023 through training workshops. This control strategy with indicators is reviewed on a semi-annual basis.
- TFM kicked off a Child Labor Prevention and Remediation Program in March 2024. The goal of this program is to prevent child labour in illegal ASM communities on the concession, while providing remediation measures to most vulnerable children identified. This program is delivered in collaboration with the Centre for Child Rights and Business, an international NGO with solid expertise in child labour issues. Up to November 2024, a baseline risk mapping was conducted to better understand the issue and inform the prevention strategies. Six children were identified and admitted to the remediation program.
- TFM also conducted other social studies, including a community health and economic baseline, as well as stakeholder analysis. The findings of these studies will help us better formulate our ASM risk mitigation strategy when advocating to the government and other companies for the development of regional development strategy.

2. Security and human rights (VPSHR)

Security and human rights are salient issues for most mining companies when operating in higher risk jurisdictions due to a variety of risks to their employees, assets and communities.

The main risks for TFM in relation to security and human rights come from interactions between illegal ASM and the private and public security forces that are protecting the TFM concession. It must also be recognized that the TFM workers and security are often threatened or injured by aggressive ASM. There are also community security concerns related to the rise in criminality due to in-migration, including with increasingly violent in-migrants from the Eastern DRC and from the Kasai region.

TFM is directly linked to interactions between informal and illegal ASM and security forces by virtue that these interactions occur on its concession. TFM may also contribute to adverse impacts if it does not exercise sufficient control over and/or provide adequate training to the security forces that are acting on its behalf.

From the prior HRDD report, the recommended actions for TFM to continue and enhance its ongoing HRDD in relation to its interactions with security and human rights included continuing to implement its VPSHR Action Plan; continuing to participate in VPSHR working groups in DRC; and, enhancing the dialogue with the DRC Government and training public security forces.

The progress of implementing these actions is as follows:

- TFM formulated a specific VPSHR Action Plan since the end of 2023 for the implementation of VPSHR and took various measures to mitigate risks. This VPSHR Action Plan was reviewed every six months to assess the progress and effectiveness of risk controls. The main risk controls enhanced include (i) intensified training on safety during handover among frontline mining staff; (ii) updated security-related standard operating procedures (SOPs); (iii) ensured security communication equipment operational; (iv) distributed VPSHR reminder cards; (v) enhanced cross-departmental collaboration and communication through conducting monthly meetings with Community department, External Relations, Mining department, Legal department and related senior management to address cross-function issues; and (vi) implemented community programs to prevent and remediate child labor working in ASM activities.
- TFM continues to provide training to its security staff, the personnel of private security contractors, and police officers (PMH) on key elements of the VPSHR. In 2024, 97% of TFM's 158 direct-hire security employees and 2,474 private security contractors received VPSHR training. A total of 200 PMH officers were stationed in the TFM concession, 197 of whom received VPSHR training by Justicia invited by TFM at end of 2023. TFM also invited international human rights experts from Triple R Alliance to provide training of trainers (ToT) on VPSHR for Security management and PMH. We also cooperated with BCNUDH to sensitize the public security forces, including leaders from the army (FARDC) and police (PMH) regarding the VPSHR requirements.
- As part of its efforts to promote and implement the VPSHR, TFM regularly participates in VPSHR Working Group meetings held in Lubumbashi and Kolwezi. During 2024, we participated more than 20 sessions in these two cities. Further, we were also invited to attend two VPSHR meetings in Kinshasa, organized by Justicia. During these sessions, TFM exchanges information and opinions with various stakeholders, communicates our VPSHR commitment and implementation practices, present challenges on illegal ASM situation and offer suggestions to government, and

collaboratively develops advanced training materials on VPSHR.

3. In-migration

The topic of influx and in-migration in the Kolwezi region has been highlighted by many internal and external stakeholders as a current challenge that contributes to the interactions between informal and illegal ASM and industrial mining companies; that constrains local employment and dilutes social investments; and that creates a potential source of conflict between the local community members and in-migrants.

The main risks for the communities around TFM in relation to in-migration include a rise in criminality, diseases, harassment and gender-based violence; impacts on water and sanitation; impacts on land and cultural sites; dilution and destruction of social investments and negative impacts related to increase in informal and illegal ASM activities and interactions with security forces on TFM concession.

From the prior HRDD report, the recommended actions for TFM to continue and enhance its ongoing HRDD in relation to its interactions with in-migration include working with local stakeholders to mitigate the negative impacts; advocating to the government for a regional development plan to reduce incentives for in-migration; providing viable livelihood options outside of ASM; and, conducting or contributing to a dedicated in-migration study.

The progress of implementing these actions is as follows:

- TFM continues to implement its community development programs as well as community recruitment to provide alternative livelihood options outside of ASM, as well as to mitigate the negative impacts. To mitigate the health and safety risks, in 2023, TFM invested approximately 1.8 million USD in community-based health projects, addressing a range of priorities including updating its community health survey, the construction of new healthcare facilities, skills training for healthcare professionals, disease surveillance and control, expanding access to clean drinking water, installing signposts at emergency evacuation points, and conducting emergency evacuation drills. In addition, TFM continues its efforts on malaria and HIV prevention projects. For more details, please refer to the *2023 TFM ESG Report*.
- TFM worked with different professional agencies and completed studies related to ASM, community health-social-economic baseline, and local stakeholder analysis. The facts and findings related to in-migration are being consolidated to inform the dialogues with the government and related stakeholders for a regional development plan.

4. Contractors and suppliers' workers' rights

When considering workers' rights at TFM, there was considerable agreement amongst internal and external stakeholders that the most severe and likely impacts were related to TFM's contractors and suppliers.

The focus of this salient issue relates to strengthening TFM's ongoing HRDD about contractors' and

suppliers' workers' rights. Key areas for ongoing attention are related to health and safety, just and favorable working conditions (e.g. living wages) and access to grievance mechanisms.

TFM is directly linked to impacts on workers of suppliers by virtue of its direct business relationship and/or by being part of TFM's copper or cobalt value chain. In some circumstances, TFM could also contribute to impacts on contractors' or suppliers' workers (e.g. failure to pay contractors on time leads to late pay for workers).

The recommended actions for TFM to continue and enhance its ongoing HRDD in relation to contractor and suppliers' workers' rights include continuing to implement and refine the current processes for assessing potential ESG and human rights risks; refining the processes for engagement, monitoring and training of contractors; and promoting the availability of TFM's grievance mechanism to contractors.

The progress of implementing these actions is as following:

- TFM continues to assess potential ESG and human rights risks for contractors and suppliers on a semi-annual basis. For contractors ranked with high risks, we enhanced communication and onsite inspections, provided additional training and management tools to support continuous improvement.
- In 2024, we conducted more than 50 ESG performance inspections to around 30 major contractors with relatively high ESG risks. These contractors are mainly providing onsite services on mining, engineering construction, and security. These inspections allowed us to detect some irregularities in working hours and remuneration, employee communication channels, safety procedures, and living conditions. Based on the findings, TFM issued corrective measures and suspended the bidding rights of one contractor. We then follow up on the corrective actions on a monthly basis. To improve their knowledge of CMOC and TFM's ESG requirements, besides the induction and refresher training, we offered two rounds of enhanced human rights and ESG compliance training to all these contractor management. More than 150 managers or supervisors attended these training sessions. With these efforts, we can see a significant improvement in terms of working and living conditions, employee communication and grievance mechanisms.
- We refined the ESG risk assessment tool and process for contractors and suppliers in the last half of 2024. The goal of this updated assessment tool and process is to detail the ESG performance indicators and score weight to better assess the risk likelihood and level of impact; ensure the risk assessment covers every step of a contract starting from the tendering phase; engage the participation of different departments; structure ESG training to contractors and suppliers according to their risk profiles; and, report the assessment results, root causes and recommendations to the senior management. This new risk assessment tool was piloted in September and will be rolled out in January 2025.
- TFM continues to promote the availability of TFM's grievance mechanism to contractor employees through human rights education flyers, induction training and refresher training. In total there are 20 complaints boxes installed across the TFM operations and accommodation camps. In 2024, we received 81 complaints from employees and 28% of them are from the contractor workforce. Up to December 31, 74% are resolved.

5. Safe and healthy working conditions

Safe and healthy working conditions are one of the core ILO workers' rights in the ILO Declaration on Fundamental Principles and Rights of Work. All managers and workers agree that health and safety is a key priority for TFM and its contractors. TFM's health and safety program is certified and audited under ISO 45001, which is an accepted industry standard.

We increased the likelihood of this risk due to the disappointing safety performance in 2024. According to the root cause analysis, this was due to insufficient ownership of health and safety performance by managers, supervisors, and contractors; failure to comply with procedures or bypassing critical controls due to production pressure; poor safety culture and awareness of new recruits; and the failure to comply with the Management of Change (MOC) in new projects.

To address the challenges mentioned above, TFM invited experts from HELIOS company on site to conduct OH&S training for the senior leadership team, managers and supervisors, with the expectation to reinforce the positive safety culture within the company. We increased accountability and participation from operational management by enhancing OH&S and operational collaboration. We restructured the OHS department and integrated 90% of its experienced members into the operational and production departments. Besides, we implemented the safety production campaigns to further enhance the awareness and respect of middle and senior managers in terms of OHS. As part of the fatality prevention program, we also put efforts on reinforcement of the High-Risk Management program at all levels of leadership.

From the prior HRDD report, the recommended actions for TFM to continue and enhance its ongoing HRDD in relation to safe and healthy working conditions include continuing to implement, monitor and improve the OHS system across the whole workforce with ISO 45001 framework; building upon same approaches for contractor engagement on other workers' rights issues; and supporting the role of HSE committee. The progress of implementing these actions is as follows:

- TFM continues to implement, monitor and improve the Occupational Health and Safety system for the entire workforce within the ISO 45001 framework. During the recent ISO 45001 audit in September 2024, there was a significant improvement in many aspects, especially leadership and responsibilities. Following the audit, TFM developed a corrective and preventive action plan based on the findings.
- TFM continues to build upon the approaches to engage, monitor and train contractors on their OHS management and performance. Beyond continuing the established OHS trainings and daily inspections, TFM restructured the OHS management system in 2024 to ensure that each production line is equipped with sufficient safety professionals. Also, there are TFM safety technicians who are specifically assigned to work only with contractors, to improve their conditions and behaviors. Furthermore, 115 full-time health and safety representatives including contractors from operations are now being trained and will work with the integrated OHS team to facilitate the shifting of the OHS knowledge and expectations.
- TFM established its own HSE Committee in 2017 in order to ensure our safety protocols meet or exceed DRC regulatory requirements concerning occupational health and safety, prevent

workplace accidents and illnesses, and improve working conditions for our employees. In the reporting period, the HSE Committee completed a range of tasks as part of its legally mandated mission to improve occupational health and safety, including: workplace safety inspections; monitoring and assessing the implementation of occupational health and safety measures; encouraging employees to respect health and safety regulations; providing training to raise employees' awareness of occupational hazards; participating in internal and external audits; and drafting the TFM HSE Annual Report for submission to the DRC government.

6. Non-discrimination

The HRDD process prioritized the potential for discrimination against women. This prioritization considered the general context and concerns about protection and respect for women's rights in the DRC and the high incidence of discrimination, harassment and gender-based violence. While women's rights and gender equality are evolving in DRC, there are still cultural, social, religious, political and legal barriers to full equality. Furthermore, gender equality, non-discrimination and freedom from harassment are priority issues for the mining industry globally as many mining companies are actively trying to make their workplaces and sites safer and more inclusive.

Feedback was also received about perceived discrimination between Congolese and expatriate workers. This is a common issue at mines in Africa. In the DRC, the perceptions about discrimination often focus on differences in pay and benefits for expats, as well as linguistic challenges that can be seen as a lack of respect.

TFM would cause impacts of any discriminatory practices on its direct workforce, and could contribute or be linked to impacts related to contractors and suppliers.

From the prior HRDD report, the recommended actions for TFM to continue and enhance its ongoing HRDD in relation to non-discrimination include continuing to promote non-discrimination in hiring and workplace; implement social investments targeting training local women and girls; ensure the grievance team trained on how to handle discrimination and harassment related grievances, and encourage language training and cross-culture awareness and sensitivity.

The progress of these actions is as follows:

- TFM continues to promote non-discrimination and gender equality to support women in the workplace. We reviewed the Gender Equality and Protection of Women policies to ensure more comprehensive gender equality factors are covered. TFM established a Women's Committee in 2023. This committee furthers the company's commitment to gender equality and aims to promote women's professional development, safeguard their rights, and provide a forum for women to discuss issues of concern. Female workers have had the opportunity to participate in capacity building programs and international forums such as Women In Mining activities. Now we are in the process of preparing the TFM gender equality baseline to inform target setting and roadmaps to further our gender equality practices with systematic efforts.
- TFM continues to support social investments targeting education and technical training of local women and girls. Women are always an important stakeholder group in all of our economic development programs. We support eight women's associations by providing financial support to

their business activities. We cooperate with local NGOs to offer training on financial management, project monitoring and evaluation, the associative movement, conflict management and functional synergy.

- TFM continues to put efforts to ensure that the personnel who are involved in TFM’s grievance mechanisms receive training on how to handle sensitive grievances related to discrimination and harassment. Several capacity-building programs were provided to the grievance handling personnel, such as awareness training on Global Workplace Harassment, Diversity, Equity and Inclusion organized by the CMOC Compliance Department, and training on United Nations Guiding Principles on Human Rights effectiveness criteria for grievance mechanisms conducted by Triple R Alliance.
- TFM continues to organize French and Mandarin classes in the company, with participants including contractor management and employees. We also continue to organize cultural integration activities such as new year festive gala, and football championship to celebrate the Independent Day. Also in 2024, a Congolese senior manager was promoted as the Chief Reform Officer. Now TFM has two nationals sitting in the senior management team.

7. Freedom of association

Freedom of association is one of the core ILO workers’ rights. When there is effective freedom of association, worker representation and collective bargaining, this tends to improve working conditions, and the protection and respect of other workers’ rights. Furthermore, union representatives often play an important role in enhancing the equitability and predictability of worker grievance mechanisms and disciplinary procedures. Unions also should contribute to ongoing dialogue and resolution of common workforce issues or concerns.

While there are many active unions in DRC, there are concerns about their capacity and effectiveness. This creates risks for companies that can be seen as undermining freedom of association when dialogue breaks down. On the other hand, there may be opportunities for enhanced multi-stakeholder action with other mining companies focused on capacity building for union representatives for partnerships and collaboration around workers’ rights protection in the region.

Key human rights risks for TFM include the potential for ineffective communication and representation by the 11 unions that are currently recognized and active at TFM. In addition, it is important to engage with contractors and suppliers to ensure that they provide union representation according to DRC legal requirements and effective structures for worker-management dialogue and collective bargaining.

TFM would be directly linked to the communication and representation shortcomings of the different unions, as well as the lack of union representation of contractors or suppliers.

From the prior HRDD report, The recommended actions for TFM to continue and enhance its ongoing HRDD in relation to freedom of association include continuing to support ongoing dialogue with union representatives; socializing the Collective Agreement; and providing joint capacity building efforts for union representatives with other stakeholders.

The main progress of these actions is as follows:

- TFM continues the ongoing dialogue with union representatives within the framework of the Collective Agreement, including but not limited to weekly union meetings and quarterly union meetings between employers and delegations. TFM also supports enhanced communications between the union representatives and their members. Union representatives actively communicated with about 90% of the TFM workforce through the 2024 Annual Refresher.
- TFM also enhanced the dialogue between the senior management and the union representatives. In 2024, 16 meetings were held with the management leaders such as the CEO (or his representative), Deputy CEO and General Manager of Human Resource department. Topics cover common concerns of TFM workforce including transportation efficiency, medical care, benefits for vulnerable groups as well as process to renew Collective Agreement. The management also take this as a chance to consult their opinions on company management issues and decisions.
- TFM continues efforts to socialize the Collective Agreement using the simplified booklet that was recently developed. The Human Resources Department has distributed a large number of copies of the collective agreement, supplemented by an electronic version accessible to all employees. We also socialized relevant provisions of the collective agreement through induction training sessions.
- TFM organized specific capacity building sessions for union delegates to enhance their understanding of the ILO, the Congolese Labor Law and the roles and responsibilities of a union delegate. This was a 22-hour training program lasting 4 days. Besides, union delegates were trained on Fatality Prevention for supervisors.

8. Environment and human rights

Human rights related to the environment have traditionally been focused on the right to water and the right to health. In recent years, environmental and human rights advocacy, policies and regulations have converged, particularly in relation to the impacts of climate change. This convergence was formally consolidated by the UN's adoption of a stand-alone right to a clean, healthy and sustainable environment in 2021.

TFM and other mining companies must also focus on their local environmental performance from a human rights perspective, including in terms of providing more access to environmental information, developing participatory monitoring platforms and strengthening the mitigation and management of cumulative impacts.

The main community concerns are about the potential environmental impacts on water and crops. While ongoing HRDD should be focused on these community concerns, other environmental issues are relevant to human rights, including air, dust and noise pollution; biodiversity; tailings management; closure planning and greenhouse gas emissions.

TFM would cause the impacts from its direct operations or if there are discharges from TFM's operations. There is the potential for cumulative impacts from ASM and other activities that take place on and around the TFM concession.

From the prior HRDD report, the recommended actions for TFM to continue and enhance its ongoing HRDD in relation to environment and human rights include continuing to focus on water and land issues from a community and human rights perspective; implement multi-layered environmental management system with community participation in monitoring activities, and enhance internal training and external communication.

The progress of these actions is as follows:

- TFM Continues to focus on water and land issues as priorities from a community and human rights perspective. TFM carries out its operations in a closed "zero discharge" circuit so as not to impact community outside the area of its operations. Contact water is retained, recycled and then pumped to the plant for reuse. Runoff water management structures are built around disturbed areas to avoid contamination of rivers by sediments. Surface and groundwater are permanently monitored to alert of possible risks of impacting water quality. TFM follows its topsoil management procedure for topsoil conservation.
- TFM continues to implement a multi-layered environmental management and monitoring program following the ISO14001 management system. The re-certification audit of TFM by the ERM CVS certification body was successfully conducted in September 2024 and no major weakness was observed. Re-certification to ISO 14001 was recommended.
- TFM continues to enhance internal training and external communications on the environment messages. We organized a remedial training of internal auditors with the firm DNV Morocco in September 2024.
- We also continue to communicate environmental issues with external stakeholders including government bodies, local communities, NGOs, media, and other mining companies.

9. Land, resettlement and livelihoods

Land acquisition and resettlement activities by mining companies can have multiple impacts on human rights, which can be hard to remediate by cash compensation alone.

Generally, TFM will cause impacts related to land acquisition, resettlement and livelihood restoration as this is undertaken for the benefit of the company's operations.

From the prior HRDD report, the recommended actions for TFM to continue and enhance its ongoing HRDD in relation to land, resettlement and livelihoods include continuing to follow international standards; support the role of the Resettlement Committees; update compensation rates; support expert monitoring.

The progress of these actions is as follows:

- TFM continues to conduct land acquisition, resettlement and livelihood restoration activities in line with international good practices, notably Performance Standards 5 of the International Finance Corporation (IFC), which helps protect the livelihoods and rights of affected population. We renewed our resettlement SOPs which cover different steps of the resettlement process, to further include best practices.
- The Resettlement Committee continue to be fully involved and supported in planning, implementing and monitoring resettlement and livelihood activities to ensure the affected people especially the vulnerable groups' voices and rights are sufficiently considered and respected.
- TFM continues to offer fair compensation to affected population. We have reviewed and updated the compensation standards for 2024, taking into account price fluctuations following 12 months of market research in 2023. A market study of compensation standards for 2024 is underway. TFM will update the compensation rate on an annual basis in accordance with our policy framework.
- TFM continues to support expert monitoring of resettlement and livelihood outcomes to determine when the impacts on affected population have been sufficiently remediated. TFM resettlement program is subject to external audit on a bi-annual basis. During the reporting period, we implemented an action plan based on the recommendations of the 2022 audit. As of the report's release, all remedial measures have been implemented. Now we are in the process of carrying out another bi-annual external audit, which is expected to be completed in Q1 2025.

10. Information and consultation

The right to information and consultation is a key human right that supports access to information for community members, enhances the transparency of extractive industry projects and reinforces the stakeholder engagement component of ongoing HRDD. Information and consultation are also a cross-cutting issue that is relevant to all TFM's salient human rights issues for community members, including environment, resettlement and social investments.

The key human rights risk for TFM is that community members do not have information or are not adequately consulted about TFM's operations and activities, including in terms of monitoring information.

TFM will cause impacts on information and consultation for the most part. Where other parties (notably the government) have responsibilities to provide information to community members, TFM may contribute or be directly linked to the impacts of poor information and consultation by other parties.

From the prior HRDD report, the recommended actions for TFM to continue and enhance its ongoing HRDD in relation to information and consultation include continuing to ensure enough human resources and support for community engagement platforms; enhance information and consultation on salient human rights issues with key stakeholders and vulnerable groups.

The progress of these actions is as follows:

- TFM continues to enhance the team of Community Liaison Officers (CLOs) serving as the primary communication channel between local residents and TFM, to support ongoing engagement with communities, traditional leaders, government representatives and civil society organizations. From January to middle-December 2024, the TFM community liaison team visited 85 of the 122 neighboring villages within the TFM concession, held 85 meetings with local chieftains and engaged with 1,856 members of the local community, including 558 women. Besides, TFM also uses Community Development Committees (CLDs), Resettlement Committee and Independent Mediation Committee for managing specific topics.
- TFM continues to hold quarterly meetings with stakeholders, which serve as one of the most important means of gaining input on the community's priority development needs. In 2024, the quarterly meetings were attended by 409 stakeholder representatives including 66 traditional chiefs, providing the company with the opportunity to inform the community about its mining activities and construction projects, as well as respond to concerns received by the CLOs.
- In addition, the company organizes consultations and awareness campaigns for specific projects and for issues which are of concern to the community. In the reporting period, these consultations and campaigns included topics on the implementation of the Cahier Des Charges; emergency response drills at tailings storage facilities; safety measures around the site perimeter; community recruitment; environmental monitoring; and the Human Rights Action Plan. In addition, 14 members from community and civil society attended a two-and-a-half-day human rights awareness training organized by TFM, Justicia and the Office of the United Nations High Commissioner for Human Rights.

11. Social investment risks

In the context of the DRC, there are such high expectations, needs and demands about mining company's social investments that this issue needs to be proactively managed so that potential benefits from TFM do not become a source of conflict and adverse impact.

TFM's key human rights risks are that social investments could lead to conflict or unintended human rights consequences. For example, there is a real risk of conflict over the allocation of social investments between or within communities, as well as between locals and in-migrants. Furthermore, social investments are likely encouraging more in-migration to the area, and there have been instances where in-migrants have deliberately destroyed investment projects such as ambulances, training centers and boreholes.

TFM could contribute to negative impacts if it does not manage expectations about its social investments or if they are implemented in a manner that is perceived as unfair between or within communities.

From the prior HRDD report, the recommended actions for TFM to continue and enhance its ongoing HRDD in relation to social investment risks include continuing to implement the *Cahier des Charges*

with support of the Local Development Committees (CLDs); and coordinate and support local employment opportunities.

The progress of these actions is as follows:

- TFM continues to implement the *Cahier des Charges* with the consultation and support of the two Local Development Committees (CLDs). The *Cahier des Charges* covers the thematic areas including infrastructure, health, water, sanitation, health and education, which leads positive human rights outcomes. TFM continues to hold quarterly meetings with these two CLDs to manage community expectations and any possible risks.
- TFM continues to provide and support community employment opportunities. The Human Resources department works closely with the Community department to advertise vacancies and organize village recruitment fairs aiming at encouraging local residents to apply for positions within the company, as stipulated in our community hiring procedures. We also require our contractors to conduct community recruitment, as stipulated in our company procedures. In 2024, the TFM Community department helped 994 local residents to find stable employment with TFM's contractors.

12. Grievance mechanisms

Grievance mechanisms have been prioritized as a salient human rights issue given the importance of access to remedy as part of the overall framework for business and human rights, coupled with concerns about the effectiveness of judicial and non-judicial mechanisms for workers and community members in the DRC.

Grievance mechanisms have also been prioritized because of the scope and scale of the human rights risks that TFM and other industrial mining companies in the DRC face. Furthermore, grievance mechanisms contribute to TFM's ongoing HRDD and access to remedy for all of TFM's other salient human rights issues.

TFM's key human rights risk is that stakeholders are not aware of or are not confident in using the grievance mechanisms available.

TFM would cause impacts related to lack of access to remedy if it does not provide effective mechanisms for communities or its direct workforce; it would contribute or be directly linked if contractors or suppliers do not provide effective mechanisms for their workers.

The following actions are implemented by TFM to continue and enhance its ongoing HRDD in relation to grievance mechanisms:

- TFM continues to promote and enhance the effectiveness of grievance mechanisms for community members and workers. Against the UNGP effectiveness criteria, we updated our grievance SOPs, provided capacity building to our grievance team, as well as assessed our grievance mechanism. The community grievance resolution rate of 2024 was 75%. Quarterly grievance reports are issued to senior management to analyze root causes and major trends.

- TFM continues to support direct access for contractor workers to the TFM worker grievance mechanism. TFM grievance channels are introduced to all employees through induction and refresher training. We also added new grievance boxes in new operations such as the East plant to ensure easy access for all front-line employees. For the 2024 employee grievances, 28% of the grievances are from contractor employees. Furthermore, TFM enhanced the ESG compliance training and onsite inspection of contractors. The contractors are encouraged to build or improve their own employee communication and grievance mechanisms.
- TFM continues to support the Independent Mediation Committee (IMC) to help resolve community grievances. 9 IMC's meetings were organized in the first three quarters of 2024, in handling 7 complaints. 2 grievances were closed in favor of the complainants. All complainants are informed of the IMC's decision.

13. Positive Impacts of Social investment

Whereas social investment is sometimes seen as a voluntary initiative for companies, the DRC Mining Code provides obligations for mining companies to provide social investments through the *Cahier des Charges* and contribution of a revenue stream of 0.3% to the provincial government. The 0.3% contribution model was originated by TFM and adopted by the government officially by being included in the Mining Code. These are additional contributions beyond the general royalties and taxes that go to the central government. TFM causes the positive impacts of its social investments and contributes to broader positive impacts when it implements social investments in partnership with other actors.

From the prior HRDD report, the recommended actions for TFM to continue and enhance its ongoing HRDD in relation to maximizing the positive impacts of its social investments include continuing to implement the projects in the *Cahier des Charges* with the participation of the CLDs, ensuring attention to gender and vulnerable groups; advocating to the DRC government for the development of a regional development strategy; advocate for more coordination, transparency and accountability from the provincial government for the spending of the 0.3% contribution to support such regional development plan; and, enlisting customers and other donors to support the regional development strategy.

The main progress of these actions is as follows:

- TFM continues to implement the *Cahier des Charges* in collaboration with the two CLDs and related local stakeholders. From January to November 2024, TFM spent 2,262,279 USD for 18 CDC projects covering infrastructure, health, water, sanitation, health and education. Since the start of the *Cahier des Charges*, 42 wells were drilled, 120,000 mosquito nets were distributed, 9.1 kilometers of roads, one bridge and one local market were built, and various economic development and capacity building programs were carried out. In total, more than 400,000 community members are directly benefiting from these social investments.
- TFM has carried out several studies related to different community topics including ASM, social-health-economic baseline and stakeholder analysis. We are now in the process of consolidating the results of different studies, which will inform us of what to provide to the government while

advocating for the regional development plan.

Challenges

One of the key challenges of implementing the HRDD process is the influx of migrant workers from other parts of the country, which leads to increased illegal ASM activities thus brought human rights risks while confronting with TFM security, as well as human rights risks to the communities, such as harassment, criminality and gender-based violence.

To address this challenge, we continue to engage with stakeholders through communication platforms and by collaborating with traditional leaders, local governments, mining peers, and NGOs to mitigate negative impacts. We are further enhancing community investments to promote local entrepreneurship, capacity building, and economic diversification. By providing alternative livelihood options, we aim to reduce the incentives for migration, and strengthen community health and safety, local employment, and human rights protection. Without the determination of a comprehensive regional development plan from the government, this will continue to be a critical and cross-topic risk for TFM and local communities.

Given the ongoing expansion projects at TFM and the significant increase of construction contractors over the past two years, contractor management remains a challenge. We recognize the increasing occupational health, security, and human rights risks associated with contractors and are systematically strengthening ESG risk management for this group.

Forward-Looking Statement

Considering that contractor and supplier management remains a key challenge for the company, TFM will continue to proactively engage with suppliers especially on-site contractors to build their capacity and monitor their performances in health and safety and human rights.

In order to mitigate the ASM-related risks, we will continue to implement the ASM risk management program. In addition, the company will continue to support multi-stakeholder initiatives such as VPSHR to address this broad and complex human rights challenge. We will continue to maintain dialogue with the government and call on them to establish more legal ASM mining areas; strengthen communication and build consensus among various community stakeholders with respect to illegal ASM risks; reduce the risk of child labor in ASM by supporting basic and vocational education, as well as the child labor prevention and remediation program within the community; diversify the local economy through community investment, and encourage illegal artisanal miners to pursue legal economic activities.