

BETTER MINING IMPACT REPORT REPORTING YEAR 2022

and OECD Step 5 Due Diligence Report



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GLOSSARY

3T	Tin, Tantalum and Tungsten	STDs	Sexually Transmitted Diseases
3TG	Tin, Tantalum, Tungsten and/or Gold	OHS	Occupational Health and Safety
ASM	Artisanal and Small-Scale Mining	PPE	Personal Protective Equipment
CAP	Corrective Action Plans	COTECCO	Combatting Child Labor in the Democratic Republic of the Congo’s Cobalt Industry
CEEC	Centre d’Expertise d’Evaluation et de Certification (in English: Certification, Expertise, and Evaluation Centre)	ILO	International Labour Organisation
DRC	The Democratic Republic of Congo	CARITAS - CAFOD	Catholic Agency For Overseas Development
EITI	Extractive Industries Transparency Initiative	NGO	Non-Governmental Organisation
ESG	Environmental, Social, and Governance	GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (in English: German Technical Cooperation)
GBA	Global Battery Alliance	SCOMIKAS	Société Cooperative Minière de Kasombo
INGO	International Non-Governmental Organisation	UCK	Usine à Cuivre de Kolwezi (in English: Kolwezi Copper Factory)
OECD	Organisation for Economic Co-operation and Development	COMAKAT	Coopérative Minières Artisanale de Katanga (Katanga Artisanal Mining Cooperative)
RMI	Responsible Minerals Initiative	EU	European Union
SAEMAPE	Service d’Assistance et d’Encadrement de l’exploitation Minière Artisanale et à Petite Echelle (in English: Congolese Government Agency Responsible for ASM Regulation and Training)	GHGs	Greenhouse Gases
UM	Upstream Mechanism	CL	Child Labour
WFCL	Worst Forms of Child Labour	GNI	Gross National Income
		CAHRAs	Conflict-Affected High Risk Areas
		UN	United Nations

FOREWORD

This is the second year of the publication of our Better Mining Impact Report documenting the work we are doing to support and improve the artisanal mining sector. While our focus is predominantly on the Great Lakes region of Africa, the continued success of the Better Mining approach is starting to lead to its adoption in other regions, such as Madagascar, and in other raw material supply chains, such as mica. We are proud of the proven replicability and continued impact and growth of our program, but we also remain acutely aware of the challenges involved in embedding safer and more equitable conditions across a very complex portion of the global mining sector.

For readers unfamiliar with Better Mining – we have grown to become the most established and trusted monitoring, assurance, and traceability provider in the global ASM sector. Critically, our approach began in-country, through deep contextual understanding of the ASM mining environment and the practical challenges involved in overseeing responsible production at ASM mine sites.

Our improvement solution is based on an ongoing physical on-site presence and on leveraging technology to constantly record, consolidate, and share risk data at the ASM sites we are present at. Assigning corrective action plans (CAPs) to local stakeholders to implement improvements and monitoring the progress stakeholders are making with the closure of said improvement actions is an approach that has proven to be successful. This way, we can bring transparency to conditions on ASM sites and accompany necessary improvements, while providing assurance to offtakers and the global midstream and downstream industries.

Our approach is recognised by industry and key stakeholders. Better Mining is a Level 1 Upstream Mechanism (UM) accredited by the Responsible Minerals Initiative (RMI), and is recognised for its implementation of OECD-aligned due diligence procedures and strong company management systems. We have also successfully undergone an independent third-party assessment confirming that our policies and practices for 3Ts align with the OECD Due Diligence Guidance.

It is this practical, unrivalled experience and knowledge, coupled with a technical approach to monitoring, traceability and assurance that is recognised by the market that underpins our success. Better Mining is now present at **44 artisanal mine sites** in The Democratic Republic of Congo (DRC) and Rwanda covering tin, tantalum, tungsten, copper and cobalt, serving **over 55,000 miners** across ASM in the African Great Lakes Region. We have an ambition to cover more minerals beyond cobalt, copper and 3TG and in new geographies. To implement this ambition we have started to work on mica in Madagascar.

The ultimate beneficiaries of the minerals produced by artisanal miners, not least battery and critical minerals, must engage and play an active role in improving the sector for the benefit of workers. We already work with several of the global brands who are sourcing these materials, and we commend their commitment to engaging with ASM. **But we recognize that much more needs to be done. Our call, as it has been right from the beginning, is for global brands to join us in engaging with the sector and driving positive change for all.**

In the last year, covered by this report, we registered 3059 incidents which were then translated into actionable risk data – a 49% increase on the previous reporting period. These incidents ranged from health and safety issues to environmental concerns and community relations. However, **what sets us apart is that we don't just identify the problems; we work to solve them through our collaborative approach with stakeholders on the ground. In 2022, 714 Corrective Actions were assigned, with 526 Corrective Actions implemented or in progress by our partners to drive positive change. A 79% success rate.**

We would like to express our sincere appreciation to the entire Better Mining team for their exceptional dedication and hard work in driving the success of the program. Their commitment has played a central role in our achievements. Furthermore, we extend our gratitude for the support and recognition received from our partners, whose ongoing collaboration has been instrumental in our continued progress.

Despite our successes, there are still challenges to overcome, such as the ever-changing regulatory environment, the need for greater transparency and traceability, and the need to foster stronger partnerships across the industry. Through collaboration, we can make a real and lasting difference in ensuring that the resources we use are sourced and produced responsibly, that workers are treated fairly and with dignity, and that communities are empowered to thrive. This is where we call on our partners to join us in this critical journey towards responsible mining and responsible sourcing.



Ana Sarmiento
RCS Global Group
Head of Better Mining



Emmanuel Nguéyanouba
RCS Global Group
Better Mining Africa
Regional Senior Manager

DATA DASHBOARD FOR 2022

Figure 1: Data from January 1st, 2022, to December 31st, 2022, across all active ASM sites in the program

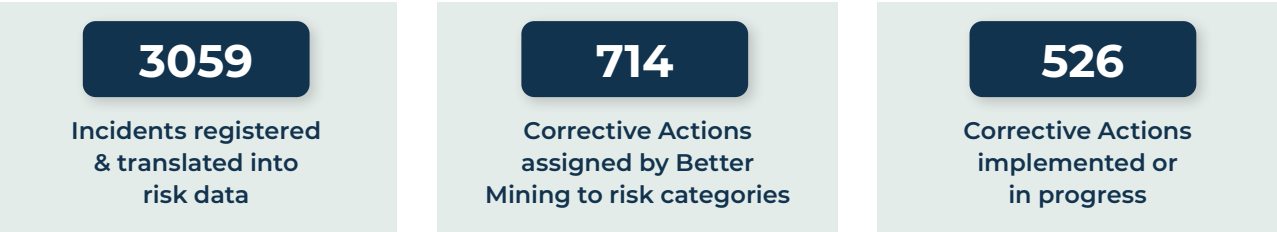
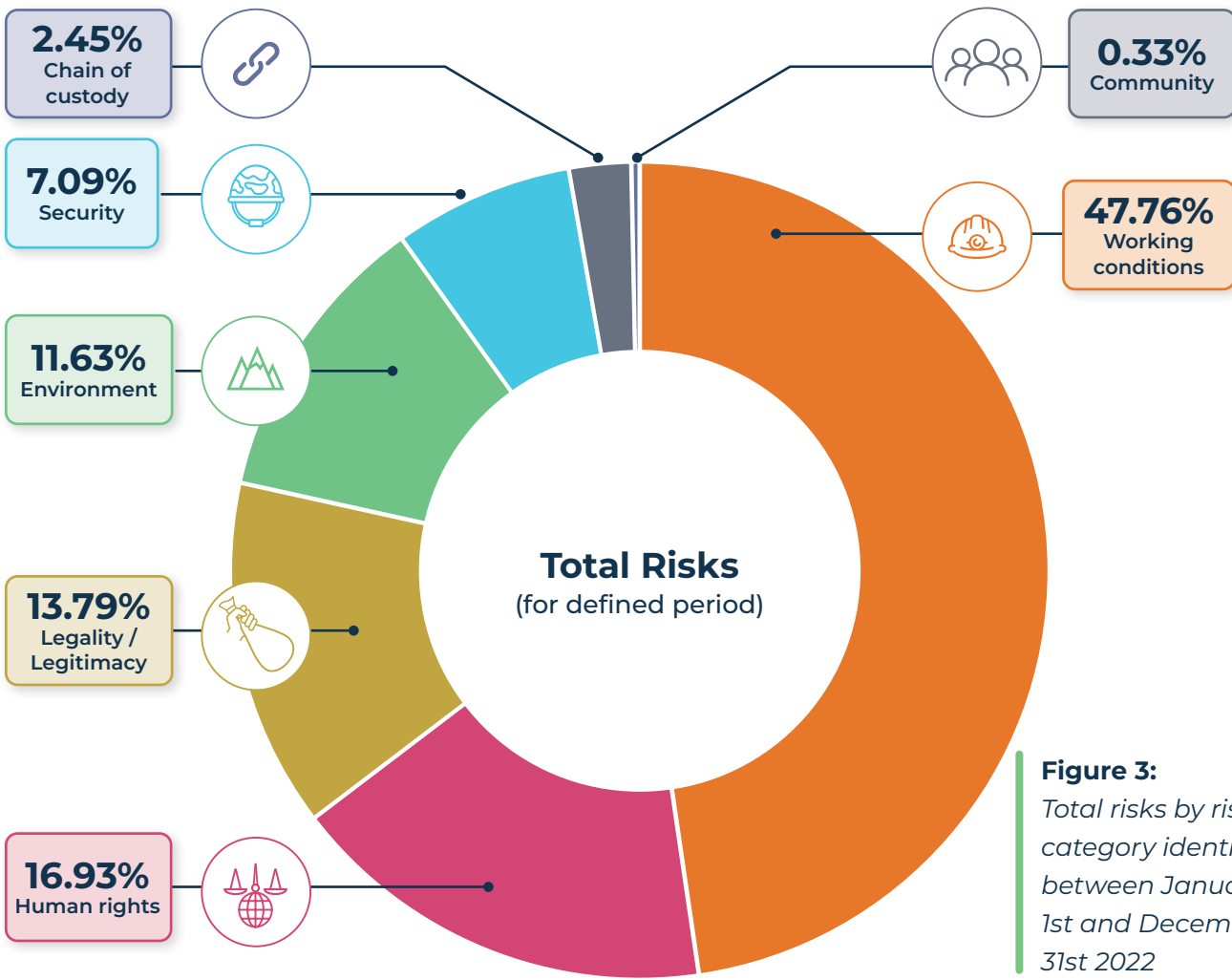


Figure 2: Since program inception



OUR PARTNERS & SUPPORTERS IN 2022

Better Mining is a result of the strong collaboration with partners and supporters from the development sector and industry. Our shared commitment is to make a positive impact on the ground and promote

high-quality due diligence and the ongoing improvement of ASM conditions throughout the sector. We express our gratitude for your unwavering support and commitment.

DOWNSTREAM

MIDSTREAM

MINES

DEVELOPMENT COOPERATION

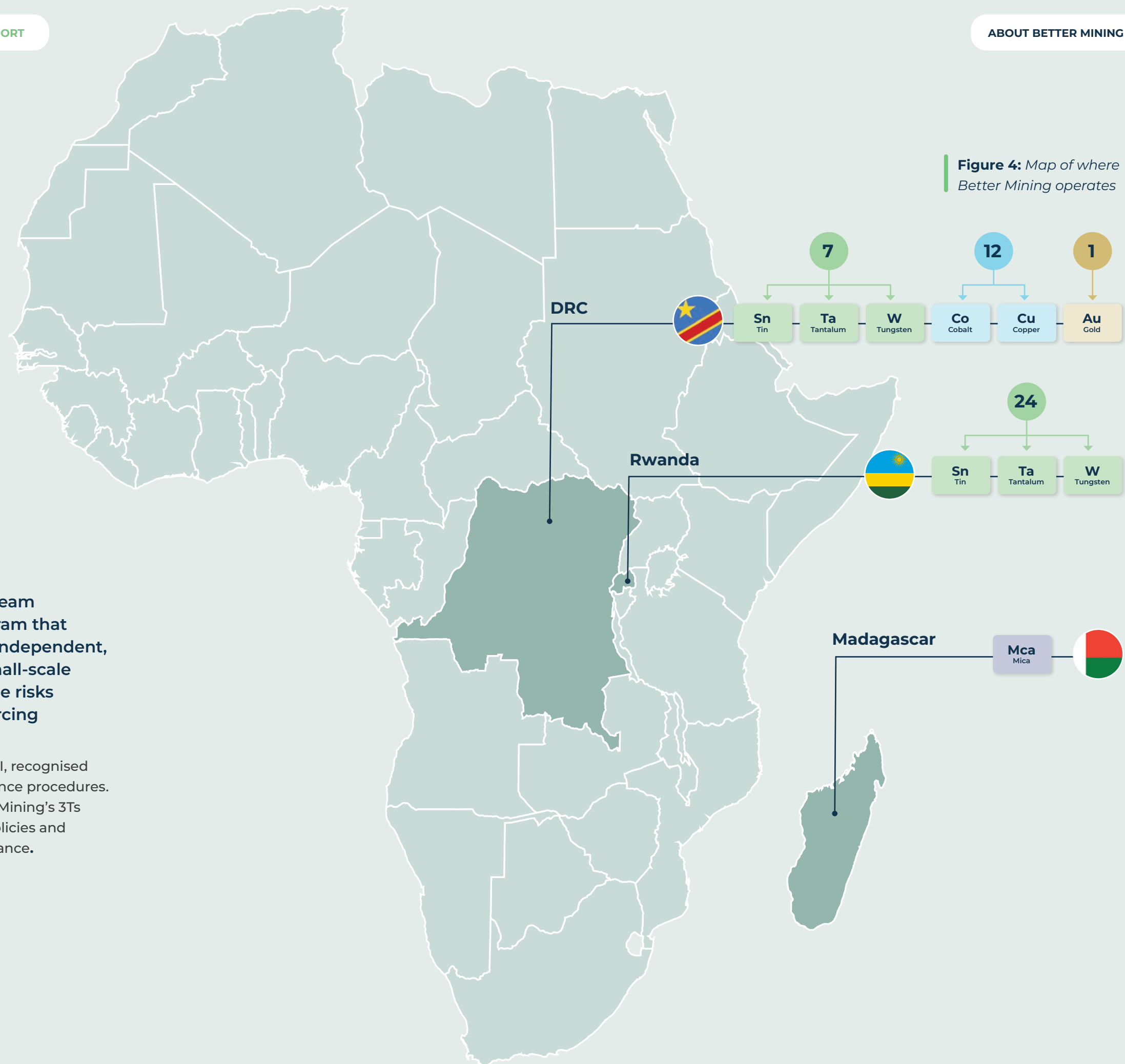
TECHNICAL PARTNERS

Better Mining is an accredited upstream mechanism and it is a trusted partner to global industry and the development sector

ABOUT BETTER MINING

Better Mining is a mineral-agnostic Upstream Mechanism (UM) and improvement program that provides digital product traceability and independent, third-party assurance on artisanal and small-scale mining (ASM) sites to identify and manage risks in alignment with global responsible sourcing requirements.

Better Mining is a Level 1 UM accredited by the RMI, recognised for its implementation of OECD-aligned due diligence procedures. An independent third-party assessment of Better Mining's 3Ts implementation confirmed that Better Mining's policies and practices align with the OECD Due Diligence Guidance.



GEOGRAPHIES AND RAW MATERIALS COVERED

During 2022, Better Mining achieved great progress, serving over 55,000 miners across ASM in the African Great Lakes Region, covering a total of 44 mine sites. Also during the past year, Better Mining has started the expansion to the ASM mica sector in Madagascar. Better Mining has conducted on-the-ground research, assessed mines and engaged with a range of stakeholders to evaluate the conditions and coordinate focus areas.

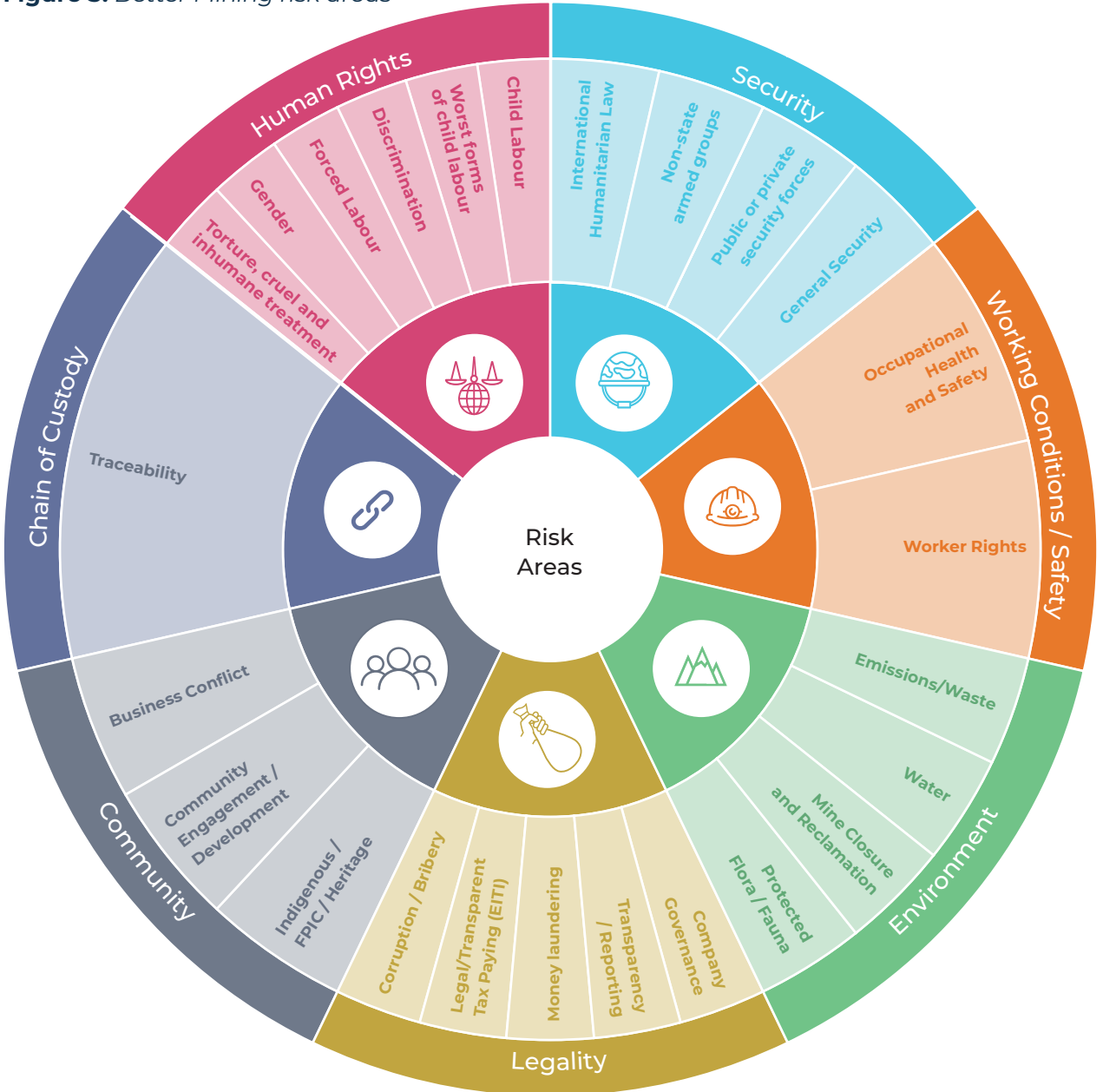
Better Mining's journey began in Rwanda in 2016 with the piloting of its digital traceability and due diligence support services at a tungsten mine site. Soon after, Better Mining grew its presence and began working on tin sites in Rwanda, where it continues to deliver robust and innovative solutions to support operators in implementing first-class upstream due diligence. Expansion continued into the neighbouring DRC, where Better Mining supports 3TG sites and where, since 2018, it has successfully developed and implemented the largest impact program in the copper-cobalt space.

METHODOLOGY

Better Mining employs a continuous process of collecting comprehensive data and engaging with stakeholders to promote adherence to international, national, and regional due diligence standards. Better Mining's approach provides a framework for identifying and managing reported risks in a way that conforms to the OECD Due Diligence Guidance and other responsible sourcing frameworks and is both measurable

and accountable. Better Mining employs and trains local monitoring agents. These agents are deployed daily to the ASM sites in the program and use a smartphone application to gather incident and risk data. The data collected is transmitted to Better Mining's database where it is subject to verification and analysis by the risk expert teams at RCS Global.

Figure 5: Better Mining risk areas



Better Mining's approach translates single 'incidents' (events that have occurred and have caused a negative impact on the supply chain) into 'risks' (potentially adverse impacts). The RCS Global risk experts then assign tailored corrective actions to local stakeholders for implementation on the ASM sites in the program. As an upstream mechanism supporting due diligence, Better Mining does not itself implement corrective

actions. Instead, it assigns the responsibility of implementing corrective actions to local stakeholders and keeps track of their progress in doing so by monitoring and reporting on it.

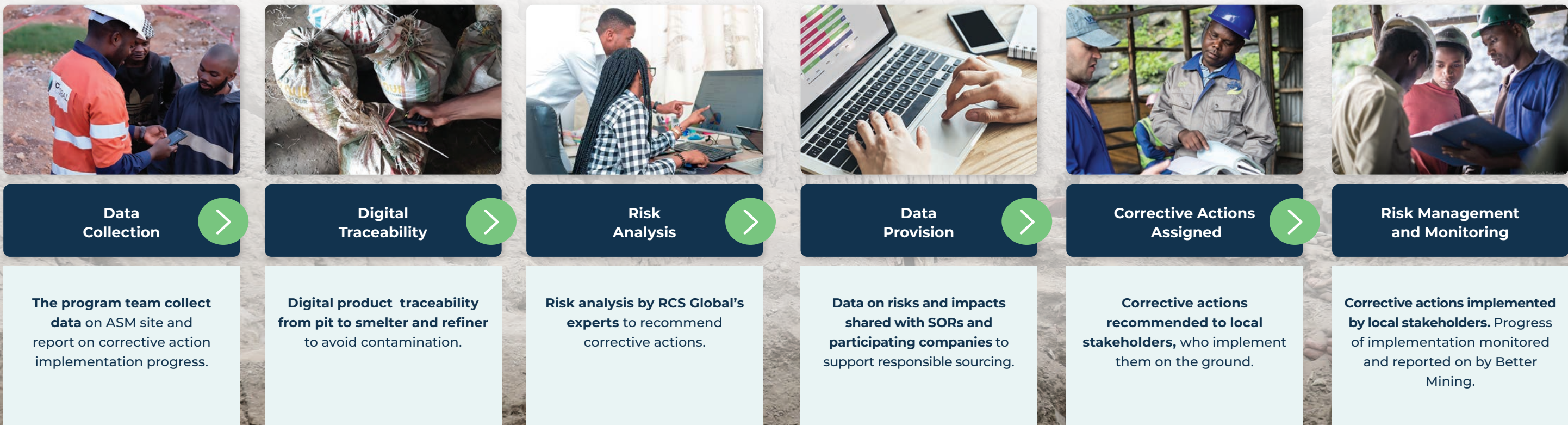
Better Mining's Corrective Action Plans (CAP) process builds on the core principles of a multistakeholder approach to continuous improvement by driving the commitment and collaboration of multiple stakeholders.

As part of this process, Better Mining engages the relevant local stakeholders in monthly meetings at each ASM site in the program to discuss risks and to workshop the monthly issued corrective actions assigned by Better Mining. The progress in the implementation of the CAP, in turn, is monitored and data tracked by Better Mining, with a view to map and report on the continuous improvement of conditions at each ASM site in the

program. Last year, Better Mining crossed the milestone of assigning the 1000th ASM site-level corrective action across 3TG cobalt and copper.

This year, Better Mining is crossing yet another milestone of having implemented and made progress on more than 1421 corrective actions through the years. This is equivalent to a strong 79% success rate.

Figure 6: Better Mining in process



WHAT DOES A MINING COMMUNITY LOOK LIKE?

Better Mining works on ASM sites with the objective of driving improvements across our monitored risk areas and specifically with a view to ensuring that human rights are upheld.

While it is possible to characterise ASM communities through some generalisations, such as poor working conditions, it is important to remember that mining communities are unique collections of people, geographies and their own sets of circumstances. Based on data collected as part of a 3-month collaboration between Better Mining and UNICEF, this section provides contextual socio-economic data to achieve a better understanding of what the key characteristics of ASM communities are as well as to reflect how much they

may differ from one another. Knowing the unique circumstances of a community allows for tailored and adequate support to achieve real impact. Mineral(s) extracted, geographical location, presence of conflict, weather and seasonal conditions, economic opportunities, pre-existing infrastructure and service facilities all play a part in determining how each community is structured.

The infographic overleaf presents snippets of data from two ASM communities from the DRC. These mining communities are located close to two mine sites. Mine site 1 is a gold mine site located in Eastern DRC. Mine site 2 is a cobalt mine site located in Southern DRC.

Prior to the launch of the data collection, Better Mining and UNICEF helped establish a Child Labour Committee in

both communities, with representatives of mining cooperatives, civil society and local authorities, who were tasked with conducting the data collection. The data collection on both mine sites in combination with the work of the Child Labour Committees enabled Better Mining to identify risks and support their swift mitigation. This was done

by hosting capacity-building trainings to enable local stakeholders to mitigate child labour and preparing targeted and **strategic CAPs that have been documented and will be available to stakeholders across the value chain as a publicly available practical toolkit for child labour risk remediation and prevention.**

Data Collection Methodology: Members of the newly established Child Labour Committees utilised mobile phones and 4 anonymous questionnaires targeting specific groups of individuals: children, parents, teachers, and members of the community. The questionnaires were developed in French and included a series of closed-answer questions. In most cases, multiple-choice questions allowed the respondents to select multiple answers facilitating data collection and analysis. All questions were optional and the interviewees were able to type answers outside of the original set. A total of 746 responses were collected.



Better Mining agent interviewing child at mine site 2

MINE SITE 1

- 55% of parents have left their community of origin to come to Mine Site 1
- 87% of community members say they lack access to food
- 72% of community members say they lack access to drinking water

MINE SITE 2

- 70% of parents have left their community of origin to come to Mine Site 2
- 77% of community members say they lack access to food
- 85% of community members say they lack access to drinking water

MINE SITE 1

- 53% of children say they go to school

MINE SITE 2

- 52% of children say they go to school

MINE SITE 1

- 53% of children have been injured on the mine site
- 46% of children feel in danger on a mine site

MINE SITE 2

- 34.6% of children have been injured on the mine site
- 78% of children feel in danger on a mine site



The main issue observed across both ASM sites were the working conditions and the presence of child labour. Extreme poverty and lack of other economic opportunities are the main drivers for engagement in ASM.

216 children were interviewed while working on Mine Site 1, and 257 on Mine Site 2. Their top 5 activities were reported to be crushing, sieving, and washing, picking ores, and legally selling goods and services. However, on mine site 2, children were also engaged in activities classified among the Worst Forms of Child Labour (WFCL), namely working underground and carrying heavy loads.

The main reasons given to justify children not going to school were that it is too expensive, and that there is no school registration available. In Mine Site 1, other reported reasons for non-attendance were a lack of interest in school (by children) and that the distance between home

and school was too long (by parents). In Mine Site 2, children also reported a lack of parental support. Parental pressure, survival and proximity of home to the mine site were also given as justifications for engaging in ASM.

The absence of daycare in either community means that children too young to go to school (less than 3 years old) tend to go with their parents to the mine sites. Moreover, while education is supposedly free in the DRC, a very limited number of schools are public, meaning that children often need to financially support their parents in order to afford their own schooling or that of a sibling.

EDUCATION WITHIN ECONOMIC HARDSHIP

Teachers from the community noted that children attending school only on a part-time basis has led to significant negative impacts on school performance, at times causing children to drop out of school completely.

However, while working on mine sites conflicts with the time children should spend learning and studying, it also provides families with the necessary means to afford the education of at least some of their children. Broader concerns include access to food, water, and hygiene.

HEALTH AND POLLUTION

76% of the interviewees from the community of Mine Site 2 reported having no access to healthcare, with no health services dedicated to women. Yet across both mine sites, there was a near consensus of health being a main concern. At Mine Site 1, the main concerns were water-borne diseases and Sexually Transmitted Diseases (STDs), and at Mine Site 2 all interviewed reported environmental pollution being a main cause of health problems in the community. Although no

respondent expressed health concerns linked to environmental pollution in Mine Site 1, where gold is produced, it is known that the miners (including children) utilise mercury in the metal separation process, a highly environmentally polluting and toxic substance. Mercury causes long-lasting health problems and damage to ecosystems. This absence of responses highlights the importance of awareness building in health and safety regarding the use of mercury and its long term risks.

GENDER

Working conditions for women in ASM are insecure, with a high occurrence of sexual harassment and abuse, including requests for sexual favours in exchange for being allowed to work. Cultural beliefs and prejudices exacerbate safety risks and the opportunities available for women, who are often denied entry into mine pits and only allowed to work in lower-paying roles. This ultimately hinders their independence and emancipation. At Mine Site 1, cases of sexual exploitation, gender-based violence and child prostitution were identified at brothels, triggering high risk alerts. To immediately address this, Better Mining assigned 4 corrective actions to the mining operator, of which 3 have

been completed: (1) to collaborate with local authorities to identify the brothels on the mine site; (2) bring to justice the owners of these brothels; and (3) work with the local prosecutor's office to close and demolish identified brothels. The last corrective action is soon to be started: (4) creating support centres for the psycho-social reintegration and supervision of child victims of child prostitution. This is a part of a wider effort towards protecting women and children with the need for additional engagement to tackle the structural risk of poverty and economic marginalisation placing women and girls at a higher risk of sexual exploitation.



Women and children at mine site 2

BETTER MINING'S CAPACITY BUILDING AND TRAINING PROVISION

Over the year of 2022, 155 trainings were held to address issues including child labour, lack of conviviality between workers on sites, poor organisational health and safety (OHS) standards and traceability with another 85 trainings in progress.

Better Mining has helped build the capacity of local stakeholders towards active risk management and build awareness of the importance of adopting responsible measures set down in good practice frameworks for the ASM sector. In order for

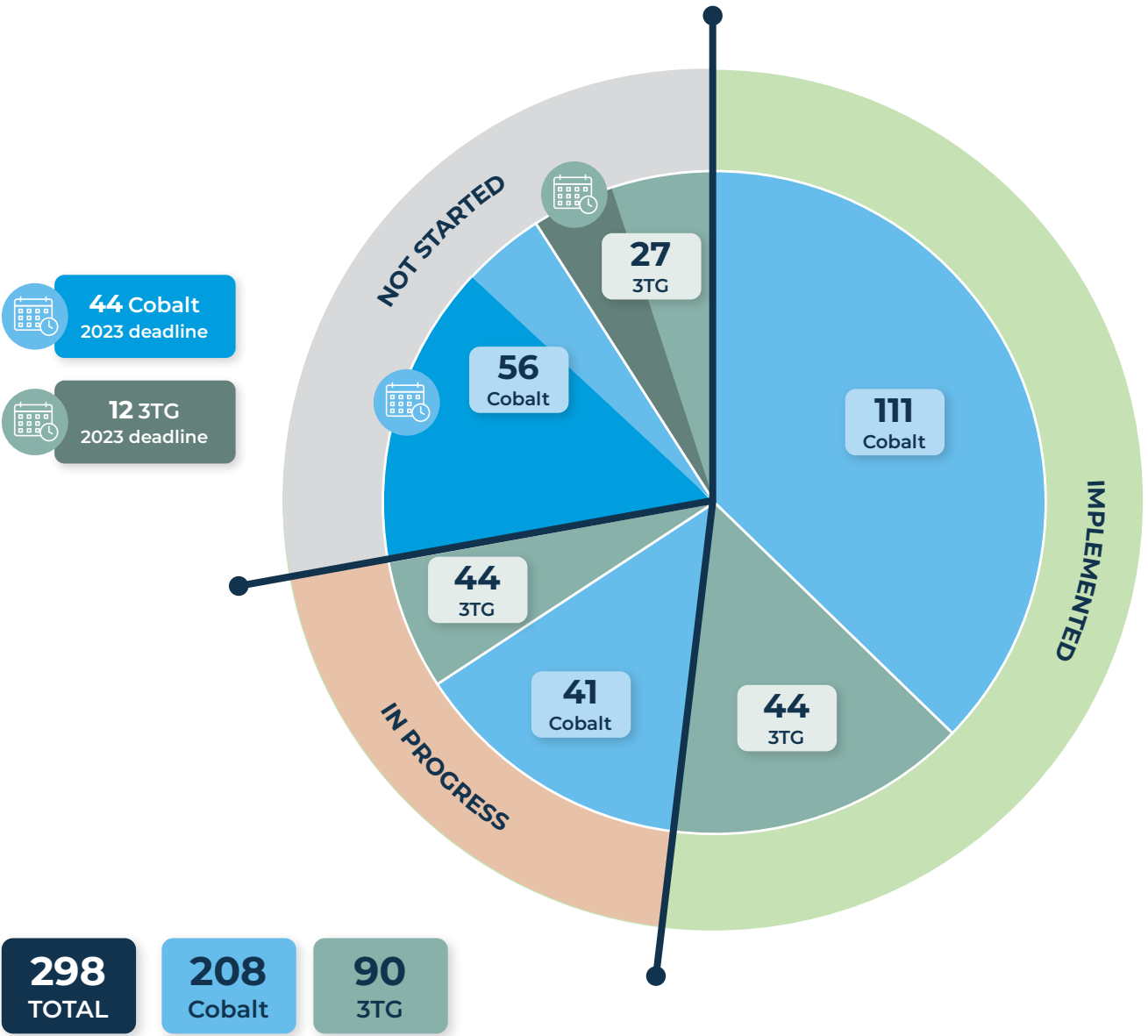
Corrective Action Plans to result in sustained and lasting behavioural changes, investing in local capacity building is crucial.

Better Mining's collaborative training methodology allows local stakeholders to develop or co-develop alongside the Better Mining team risk management plans applicable to the realities of their mines, and its impact can be measured by the improved practices and proactivity among local stakeholders in addressing risks.



Child labour awareness session in UCK residential neighbourhood

Figure 7: Corrective Actions assigned by Better Mining in 2022



*Among the 83 corrective actions which had not been started, 56 have a 2023 deadline

TRACEABILITY

Through 2022, 7 corrective actions were completed to address traceability risks with another 5 started and in progress. The corrective actions were a combination of workshops, trainings and awareness-raising sessions. The traceability corrective actions were aimed at capacity building and were divided into two distinct steps. The initial step involved raising awareness of the critical role of traceability in the mining industry and the supply chains of conflict minerals through meetings and workshops. This step followed the Traceability Manual on Mining Products: From Extraction to Export, which is a governmental manual issued by the Democratic Republic of Congo, and which outlines the necessary steps and documentation for compliance with due diligence principles. The second step involved training traceability agents to use

Better Mining's traceability software. Given the unique nature of each mine site, this traceability scheme can vary significantly. It was therefore crucial to ensure that the traceability agents were familiar with the specific characteristics of their mine site.

As traceability enables organisations to detect and prevent a wide range of social and humanitarian risks, these corrective actions represent a valuable tool towards ensuring that responsible practices and behaviours are followed by mining communities. They also help upstream companies to comply with international regulations and standards, such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, while simultaneously responding to the growing demand for supply chain transparency among consumers.

CONFLICT

Throughout 2022, Better Mining held 16 awareness and training sessions addressing altercations between miners across the monitored cobalt and 3TG sites with two main themes identified as the root causes of altercations: disagreements on the right of access to a certain pit, and disagreements on the share of income from mineral sales. Tailored to that, Better Mining organised a session for pit (team) leaders and artisanal miners outlining the importance of creating location agreements between those mining the same site. As an outcome of

the 16 sessions already held, in 8 mine sites the reported altercations fell to 0 in the following month, demonstrating that artisanal miners have taken into account Better Mining's proposed recommendations regarding conflict prevention and resolution. The purpose of these sessions is to remind workers that they can turn to their local stakeholders to mediate and find peaceful solutions to their disputes, and to help miners find proactive ways to prevent them from emerging.

OCCUPATIONAL HEALTH AND SAFETY

In 2022, 64 awareness and training sessions were held related to OHS with another 30 started and in progress. Across the cobalt mine sites, 42% of all assigned awareness and training sessions were related to OHS which was significantly higher compared to the 3TG mine sites where it was only 10%.

The Occupational Health & Safety (OHS) classification comprises a large variety of risks and incidents. Landslides and pit collapses are the most notable, as they have caused the most injuries and fatalities due to irregularities at the pits. To address this main issue, Better Mining collaborated with local stakeholders of the Congolese ASM Governmental Agency SAEMAPE to organise practical training for pit leaders and artisanal miners on how to carry out maintenance and ensure pit structures are safe.

Insufficient Personal Protective Equipment (PPE) is another notable issue of OHS across many mine sites, with most artisanal miners in DRC lacking PPE. To address that, a corrective action was issued for the local cooperative of a large artisanal mining site to hold awareness-raising sessions with the miners on the obligation of the usage of PPE while at the site. During that session, the cooperative asked those who do not have PPE or whose PPE is worn out to drop by the cooperative's office to register and obtain PPE. As a result of continuously raising awareness on that specific topic, combined with several other corrective actions, the number of artisanal miners wearing PPE greatly improved.

Apart from issues with pit safety and PPE, non-compliance with legal working hours, presence of infants and pregnant women on-site, drug and alcohol use on-site, lack of sanitary facilities and improper use of wastewater also fall under this category and have been monitored and assigned corrective actions by Better Mining.



Miners working at a cobalt mine site where health and safety risks were identified

CHILD LABOUR

The Better Mining team delivered 99 trainings and workshops to address child labour in the cobalt and 3TG sites, which resulted in a systematic decrease in incidents. The trainings aimed to educate community members on child protection and safety topics and mitigate the root causes of their presence on mine sites. They targeted a wide range of community members including parents, church leaders, artisanal miners, school teachers, and the children themselves. In a residential neighbourhood located just beside a mine site which had several incidents recorded, the local community representative was invited to participate in monthly CAPs meetings that followed the issuance of a corrective action by Better Mining. Aimed at sensitising the local community to the prohibition of child presence and labour at

the mine site, these meetings were followed by 3 awareness-raising sessions held in local community schools, of which a community member then proceeded to host on their own. Following the meetings, which were held in the beginning of December, the community, and more specifically the children, became aware of the dangers and prohibition of the presence of children on the mine site. The importance of privileging school attendance over working at the mine site was highlighted. Immediately after, there was a significant reduction in the number of children reported in the mine site. Corrective actions such as awareness raising, trainings and workshops are crucial steps, however, it is important to be aware of the wider socio-economic aspects linked to the occurrence of child labour.



Child washing and picking minerals



As the presence or any form of child labour is against the law, it is very important to raise awareness of this among all children of the local community of the UCK residential neighbourhood. The local community has responded positively to the sensitisation sessions held in schools and churches of the UCK residential neighbourhood, and this has helped to ensure that every parent looks out for the safety and protection of their child, by not allowing them to go to the UCK Drain mine site.*

Mr. Ngoie Mutombo Jeanot
Assistant to the Head of District of UCK
residential neighbourhood

*Usine à Cuivre de Kolwezi (UCK)



Police and Better Mining engagement at an ASM site

GOVERNMENT ENGAGEMENT

From the inception of Better Mining, government engagement has been an essential aspect. Better Mining teams regularly engage with government officials at both the national and provincial levels. By sharing knowledge and collaborating with state services such as ASM technical services and the police, Better Mining is able to carry out operations in the field and drive mining operators toward complying with international standards.

Throughout the first half of 2022, Better Mining engaged with various government stakeholders to emphasise the importance of traceability in the copper-cobalt supply chain in the **DRC**. This included discussions with the Ministry of Mines, and CEEC (Centre d'Expertise, d'Evaluation et de Certification) at national and provincial levels, and Technical and Financial Partners of the government to improve coordination and cooperation. In September, Better Mining participated in the COTECCO workshop, funded by the International Labour Organisation (ILO), addressing the issue of child labour in the copper-cobalt supply chain. Better Mining also conducted a traceability pilot project workshop with the CEEC in Kinshasa and Haut Katanga to develop a potential strategy for approaching and gaining acceptance for copper-cobalt traceability. Furthermore, Better Mining shared knowledge and lessons learned from the UNICEF ASM Toolkit Pilot Project conducted in 2022 with local government stakeholders. DRC's Government efforts to promote traceability and combat child

labour in the copper-cobalt supply chain demonstrate their dedication to ethical mining activities. These efforts are necessary as it is estimated that 67% of global mined cobalt was produced in the DRC, and as it is estimated that the production of cobalt increased by 19.4% in 2022 and is expected to further increase further in 2023 and over the following years due to increase in demands of the mineral related to the energy transition. With such a growing production and demand, it is critical to be able to identify the origin of the material, prevent human rights violations, and ensure and promote responsible sourcing.

In **Rwanda**, Better Mining has maintained a continuously good relationship with the Government and significantly contributes to the Government's efforts to improve governance and formalise the ASM sector. An important aspect of this process is regularly sharing traceability reports from Rwandese ASM mines, produced by TRACE, RCS Global's digital traceability system, with the Government of Rwanda. Instead of relying on paper logbooks, which can easily be lost or adjusted, Better Mining's digital system builds trust in the data and is readily available to be shared with supply chain participants and the Government where regulation requires it.

RISK MITIGATION OWNERSHIP BY LOCAL STAKEHOLDERS

Building trust and inspiring community members is essential in ensuring long-lasting impacts that improve the ASM sector.

Local stakeholder engagement inspires community members to go above and beyond the implementation of external recommendations.

By monitoring and training local stakeholders to take ownership of the risk mitigation processes, Better Mining ensures that its engagement has a long-lasting impact.

Capacity building supports mining cooperatives in operating independently and responsibly, bringing their own initiatives towards improving their communities with a strong interest in pursuing safer and more responsible practices.



CASE STUDY 1: UNICEF X BETTER MINING COLLABORATION: CHILD LABOUR

In 2022, Better Mining collaborated with UNICEF's branch in the DRC to monitor child labour in two mining sites. At the conclusion of the Pilot Project, there was a notable commitment from local communities to take spontaneous actions towards ownership of the risk mitigation process, formulating and implementing corrective measures on their own.

Cobalt Mine in Southern DRC:

In light of the ongoing construction of a professional training centre for women and girls, the district chief of the village took proactive measures to address the pressing needs of the community regarding their safety. The chief established a temporary sewing training centre with the aim of

reducing the risks associated with being present in mine sites such as rape, adolescent pregnancy, and illegal labour. This training centre allowed them to stay away from the high risks of the mine sites by giving them an alternative occupation in a safer space. Moreover, it decreased the number of children and child labour on the sites who often accompany their mothers.

This interim solution has provided a safe and supportive environment for women and girls to acquire new skills and improve their livelihoods, while the finalisation of the professional training centre is completed, and while broader behavioural changes towards women are not yet widely achieved.

Gold Mine in Eastern DRC:

Better Mining's methodology for identifying risks for minors, which beyond child labour include physical, psychological, and sexual abuse, has prompted a proactive response from local communities and encouraged their involvement in the risk mitigation process. A remarkable demonstration of this can be seen in one ad-hoc action of a woman from the local community who took on the responsibility of reintegrating 50 children into the education system and buying their essential school supplies utilising her own financial resources. Furthermore, her

individual action inspired CARITAS-CAFOD, a local NGO, to further provide financial support for another 22 children. As a result 72 children in total, who were previously present on the mine site and vulnerable to child labour and abuse, have returned to school. The willingness of the local community to take action and make a positive impact aligned with the workshops hosted by Better Mining demonstrates a potential shift in cultural attitudes towards children in ASM communities and provides hope for a brighter future.

Construction of a professional training centre



Temporary sewing centre



CASE STUDY 2: GIZ X BETTER MINING COLLABORATION: SELF-MONITORING

In 2022, Better Mining concluded the implementation of the German Technical Cooperation (GIZ) funded “Enabling Self-Monitoring in the Artisanal Cobalt Sector” project.

The project led to significant results with the three participating mining cooperatives actively recording incidents and translating the risks identified during the self-monitoring into direct site-level improvements, improving the working conditions for over 3400 miners covered by the project. Notable improvement areas were in occupational health & safety, child labour, as well as waste management – where Better Mining’s final evaluation highlighted significant progress.

As the mining communities are key stakeholders, building local capacity is essential for the success of the program. Training of and collaboration with local communities on active risk management must not be one-directional, thus, local cooperatives are encouraged to develop or co-develop with Better Mining risk management plans and apply them to the

realities of their mines, increasing the chance of sustained behaviour changes. Better Mining has worked on the “Enabling Self-Monitoring in the Artisanal Cobalt Sector” project since 2021 with the aim to empower cooperatives to conduct self-monitoring of risks and incidents on ASM cobalt sites in the DRC.

The results of the project were promising in defined and significant areas. The three cooperatives that were onboarded to the project have continued to demonstrate an improved understanding of international expectations and have begun to integrate recognised standards for sustainable supply chains - principally the OECD Five Step Framework - into their work processes.

Beyond this, cooperatives now regularly translate learnings about key risks into concrete action on these risks through the corrective actions process. The project has thus had a dual benefit – capacitating cooperatives to generate a useful data stream on risks on their sites – and sensitising them to the importance of action on these risks.

End of a Cafe Matinal session (daily morning OHS briefings), delivered on site by an agent from SAEMAPE in DRC



As a result of the self-monitoring project, we have seen a great change in the behaviour of artisanal miners and other workers at the mine site, particularly with regard to a decrease in the solicitation of the services of children under the age of 18 by artisanal miners and other workers at the site, leading to a decrease in the involvement of children under the age of 18 in mining activities.

M. Pascal ILUNGA

Head of Security of the SCOMIKAS
(focal point for CAPs meetings)

Two of the ASM sites that participated in the self-monitoring pilot have remained engaged in Better Mining regular monitoring and have generally outperformed other sites with no experience of self-monitoring. Compared to an average from three other Better Mining sites that had been undergoing the Corrective Actions process for a period of three months, the sites under self-monitoring showed an accelerated Corrective Actions implementation progress, considering both the actions Implemented and those In Progress. In a three months timeline, the two sites under self-monitoring achieved an 89% CAP implementation rate, compared to 66% for the sites that had not been

under self-monitoring prior to onboarding to Better Mining. By registering their own data, and identifying the risk themselves, the cooperatives became more directly accountable in resolving the risks in question.

The promising results from this short pilot of self-monitoring and the lasting effects being observed on the cooperatives that remained in the Better Mining program prove that with the right training and with regular follow-up, cooperatives have a strong capability to register risk data and respond to it via both the Better Mining-assigned corrective action plans (CAPs) and on their own initiatives.

BEYOND RISK MITIGATION

GOING TO PROACTIVE RISK MANAGEMENT

Proactive risk management strategies mitigate risks and help mining cooperatives operate in a more safe and sustainable manner.

Such strategies require looking beyond specific incidents and analysing systemic, cross-regional issues to formulate targeted and effective corrective action plans before risks materialise as incidents. In this context, Better Mining has implemented an Upstream Mechanism (UM) approach that not only addresses individual incidents and current risks, but also raises awareness of potential risks.

By assigning the implementation of corrective actions to mitigate the risks identified through recorded incidents, Better Mining offers a platform for cooperatives to take extra steps in their due diligence effort. Better Mining's proven UM approach has helped mining operators prevent violations of legal working hours, illegal mining, mineral theft, and altercations between workers, and empowered them to go beyond reactive risk mitigation towards a more proactive risk management.

As demonstrated by the case studies, these measures have not only had a positive impact on the health and safety of mining communities but also improved relations between cooperatives and local stakeholders.

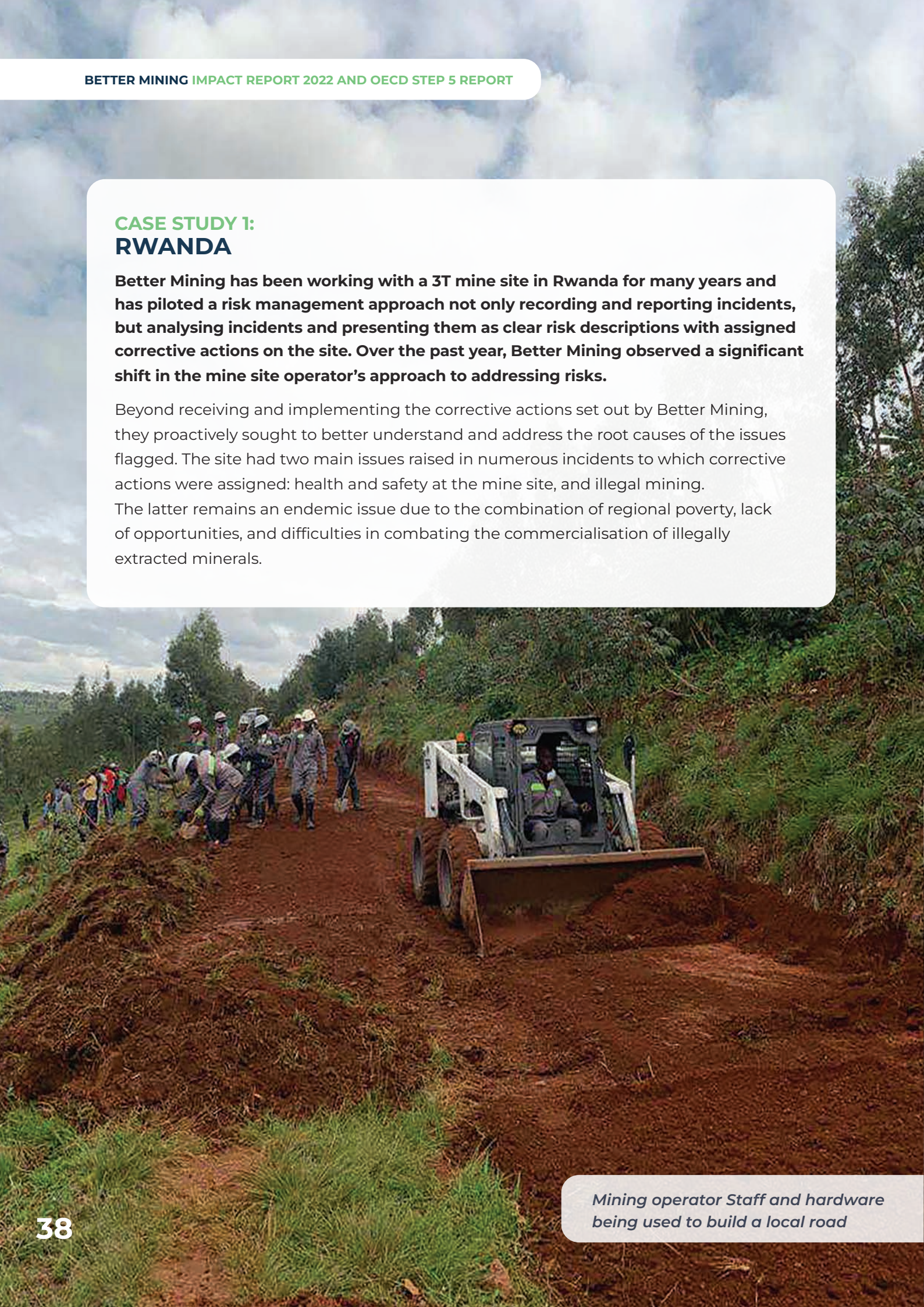


Signs placed at mine site entrance

CASE STUDY 1: RWANDA

Better Mining has been working with a 3T mine site in Rwanda for many years and has piloted a risk management approach not only recording and reporting incidents, but analysing incidents and presenting them as clear risk descriptions with assigned corrective actions on the site. Over the past year, Better Mining observed a significant shift in the mine site operator's approach to addressing risks.

Beyond receiving and implementing the corrective actions set out by Better Mining, they proactively sought to better understand and address the root causes of the issues flagged. The site had two main issues raised in numerous incidents to which corrective actions were assigned: health and safety at the mine site, and illegal mining. The latter remains an endemic issue due to the combination of regional poverty, lack of opportunities, and difficulties in combating the commercialisation of illegally extracted minerals.



Mining operator Staff and hardware being used to build a local road

Community Engagement

For several years, a range of incidents had been recorded related to illegal mineral trade in the wider area surrounding the mine site. These incidents included illegal mining activities taking place outside of the mining concessions, mineral theft from the mining concession and illegal trade of such minerals.

To address issues beyond the control of mining operators, Better Mining has consistently throughout the years assigned a range of corrective actions, including increasing security to prevent mineral theft and maintaining high levels of engagement with local traders and representatives of the local community, which is home to most of the illegal miners and traders.

The corrective actions that were implemented went a step further from Better Mining's recommendations. In order to get community support in fighting illegality, the mining operator suggested and implemented a range of community engagements to support the

local community and raise awareness of the dangers of illegal mining, generally increasing its standing within the community.

Among these activities were the construction and restoration of local roads, sponsoring of students with school materials and the support of elderly community members in financial need. Furthermore, a program was started to increase economic livelihoods diversity within the community by financing a range of agriculture community projects while at the same time creating additional employment outside of mining but within the mining operations. While the issue of illegal mining has not been solved entirely, as it is rooted in systemic cross-regional issues such as regional poverty and the ease of trading illegal minerals outside of supply chains supported by robust upstream mechanisms, a significant reduction in related incidents has been observed, indicating positive effects from the implemented activities.

Food and household goods donated by the Mining Operator to senior citizen in need.



Health and Safety

In past years, a high frequency of accidents, including several fatalities, was a serious problem within the mine site. In late 2020 the operator's approach to dealing with this problem changed significantly. The company hired a full time Health and Safety officer who, in the following years, implemented a range of trainings and policies that resulted in a notable drop in recorded incidents related to health and safety.

Throughout 2022, Better Mining has recorded several instances of new health and safety policies being implemented within the site. For example, safety meetings being conducted twice a week with all mining teams, the publication of policies to ensure they are well known to all miners, and extensive health and safety trainings conducted internally which included security

and lab teams as well as the mining staff. In 2022 the mining operator expanded its operations and hired around 600 new mining staff (75% increase of workforce). As a result, 2022 again saw some minor accidents within the mine site's operation where recently recruited miners were involved. Unlike pre-2020, where Better Mining would in response

to recorded incidents issue corrective actions and follow up for several months for implementation, these incidents were swiftly and thoroughly addressed. For the year 2023, the mine site operator issued the ambitious goal of zero accidents within 2023.

First aid training of security staff



CASE STUDY 2: DRC COBALT

During 2022, Better Mining worked closely with local stakeholders at a cobalt mine site in the DRC that was struggling with security-related incidents.

Better Mining worked with local stakeholders to build capacity and develop a risk management plan allowing them to identify and address the causes of the incidents and take on a proactive and predictive risk management approach. By the end of the monitoring period, both incidents and risks had been significantly reduced. The local cooperative did not only put in place more measures than those assigned by Better Mining, but also implemented them in only five months instead of the twelve envisioned. This example clearly demonstrates Better Mining's effectiveness in building the capacity of local stakeholders towards proactive and predictive risk management.

Security Risks at the Mine Site

The Better Mining team identified that most pressingly, the mine operators were having difficulties in regulating the mine site entrance. Due to the lack of control over the site entrance and over the number of miners present on the site, traffic accidents were often observed.

Following a motorcycle accident involving a depot worker at the entrance of the site, Better Mining assigned the following corrective action to be implemented within 12 months: "Propose two or three improvement measures to avoid traffic accidents and make arrivals on the site more fluid".

Initially, Better Mining suggested the installation of a barrier at the site's entrance/exit and the presence of mobile security agents. Two months later, the cooperative had installed not one but three barriers monitored by security staff. As a result,

anyone wishing to access the site had to pass through the three barriers and sets of agents before setting foot on the site. This measure made the entry to the site safer and better controlled, and no further road accidents have been recorded since then.

Following the installation of the barriers and signposting displaying important site rules and the allocation of security guards at the site entrance, the cooperative observed an overall improvement of working conditions and of its capacity to regulate the site.

Observing the wider potential of the security barriers in the months after their implementation, the cooperative proactively introduced additional measures. By strengthening security personnel, regulating hours of entry and exit to the mine site, and by posting weekly lists of artisanal miners authorised to work on the mine site and of those who had been sanctioned for alcohol or drug abuse, the mining cooperative achieved further safety goals.

Thus, the cooperative has gone beyond a risk mitigation focused only on motor/traffic accidents to a proactive/predictive risk management that helped address a range of other issues such as better controlling the number of miners on site, denying access to the site outside of legal working hours, mitigating the consumption of drugs and alcohol on site, and mitigating the occurrence of fights between artisanal workers.

Through these stronger control measures, the mine site has had a significant reduction in incidents, with a decrease of over 60% between the second and the fourth quarter of 2022. In the coming year, the site's cooperative and Better Mining intend to further develop the work started by implementing new entry rules, such as mandatory Personal Protective Equipment (PPE) and the possession of an artisanal miner's identification card.

Access barrier installed at the site's entrance and new signposting displaying important site rules.



Health & Safety Risks from Road to Mine Site

Beyond concerns with regulating its entrance, the mining operations in this site have directly impacted its local community, as anyone wanting to reach the mine site must use the National Road which passes through the village. For a long time, this road had been in an advanced state of disrepair, making it unsafe for the inhabitants of the community as well as for any visitor and worker of the mine site to transit through. Due to poor infrastructure and signalisation, traffic accidents were common. During the dry season, trucks entering and leaving the site through the road were generating a lot of dust which apart from causing visibility related hazards that affect traffic conditions, were also causing air pollution, changing local landscapes, and potentially causing respiratory conditions to develop among those working at the mine site or living in the local community.

In order to mitigate the risks related to the road's conditions, prevent dust-related hazards, maintain a clean and dust-free environment, and facilitate access to the site, the cooperative took the initiative to repair and widen the portion of the road passing through the village leading to the mine site to use a watering truck to spray the soil every other day during the dry season, and introduce appropriate speed limit signs (i.e. 30 km/h).

In December 2022, the rehabilitation work was completed and welcomed by the local community. This example of predictive risk management has had a positive impact on the health and safety of nearby villagers, and participates in appeased relations between the cooperative and the community.

The corrective actions that have had the most impact on the mine site are the awareness sessions for artisanal miners on the obligation to wear personal protective equipment and the setting up of control barriers at the entrance and exit of the mine site. As of now, all artisanal miners who enter the site have their personal protective equipment.

M. Dauphin Kahinda

First-aid worker of the COMAKAT Cooperative
(worker involved in the implementation of corrective actions)

CONNECTING THE VALUE CHAIN

Over the past year, RCS Global has been part of the Global Battery Alliance's (GBA) proof of concept for its Battery Passport, one of the world's first end-to-end battery passports for electric vehicles.

A Battery Passport is a digital product passport that creates a digital version of a physical battery to disclose information on all applicable ESG and lifecycle requirements related to the battery.

Achieving a battery passport to trace and assess value chains and suppliers from mine to battery is critical to the automotive, energy and battery industries' efforts to meet the new EU Battery Regulation. As a part of the GBA proof-of-concept, a Human Rights and Child Labour Working Group was formed to create a Human Rights Index and a Child Labour Index for the Battery Passport. The indices are the first frameworks to measure and score the efforts of any company or product specific to the battery value chain towards supporting the elimination of child labour and respecting human rights.



Registration of minerals for traceability

The EU Battery Regulation aims to ensure the sustainability and safety of batteries in the entire life cycle when placed on the EU market. Businesses that sell batteries in the EU must implement a due diligence system to manage environmental and social risks in

their battery supply chain. By 2026, battery makers must label their products with a QR code that leads to a battery product passport containing information on due diligence, carbon footprint, and recycled content.

BATTERY PASSPORT PILOT

As part of the GBA Battery Passport proof-of-concept, RCS Global worked with stakeholders at each stage of both a cobalt and lithium supply chain from mine through to market. Data collection and traceability by RCS Global and Re|Source started from mines and moved along the respective entire value chains down to the level of the battery being produced. RCS Global issued one of the three pilot battery passports and was responsible for the overall management of data and calculation of the results. The successful pilots were profiled by the GBA at the World Economic Forum in Davos on 18th of January 2023.

The pilot passports were based on the data and traceability requirements set out in the GBA Battery Passport rulebooks on Greenhouse Gas Emissions (GHGs), Human Rights, and Child Labour. These rulebooks aim to provide a sound methodology and standardised requirements for data gathering and key performance indicators. Success of the pilots hinged on the cooperation of each supply chain actor, trust in the solution providers and conveners of the pilot groups and on the consistency of the data delivered.

Figure 8: RCS Global's Battery Passport Pilot showing Human Rights performance



EU BATTERY REGULATION



Q2 2024

Expected entry into force



Q3 2024

Art. 7.1 Carbon Footprint declaration

(18 MONTHS)



Q2 2025

Art. 45a Supply chain due diligence obligations

(24 MONTHS)



Q3 2026

Art. 65 Battery Passport

(42 MONTHS)



Q2 2028

Art. 8.1 Amount of recycled cobalt, lead, lithium or nickel

(60 MONTHS)

HUMAN RIGHTS AND CHILD LABOUR WORKING GROUP

As a part of the GBA Battery Passport proof-of-concept, RCS Global was invited to join the GBA's Human Rights and Child Labour Working Group. With most concerns around Human Rights and Child Labour concentrated in the upstream within artisanal mining,

RCS Global contributed with its unique, in-depth knowledge and experience from Better Mining's work to advise the Working Group to ensure that the indices were developed in a way that did not incentivise de-risking by disengaging from ASM.

RCS Global contributed to the discussions of the Working Group by conducting a "stress test" of the Human Rights and Child Labour indices by critically reviewing each provision in them and its potential (negative and positive) impacts on ASM actors, their market access, and the trade dynamics within the value chain.

OUTLOOK

GBA's indices will incorporate and go beyond existing international standards and frameworks, including guidance from the United Nations, OECD, International Labour Organization and UNICEF. Work will continue during 2023 with a key focus on finding a set of minimum standards applicable for all supply chain actors, ranging from a large downstream corporation to a small ASM mining cooperative. Better Mining is looking forward to continuing the work together with all the partners within the GBA.

Based on the lessons learned from developing one of the world's first battery passports, RCS Global is launching a Battery

Passport Solution, Claritas. In 2023, RCS Global and stakeholders of the automotive, energy and battery industries will establish a joint data ecosystem that manages multiple, complex data points and ensures consistency of data within the chain of custody. In addition, the RCS Global approach will provide a digital solution for a battery passport that meets the requirements of the EU Battery Regulation, that allows traceability within a supply chain, and that protects commercial data at the same time. If you are interested in learning more about Claritas, visit <https://www.rcsglobal.com/batterypassport/>.



Child Labour Index

<https://www.globalbattery.org/media/publications/gba-childlaborindex-v1rev1.pdf>



Human Rights Index

<https://www.globalbattery.org/media/publications/gba-humanrightsindex-v1rev1.pdf>



Meeting between local stakeholders and Better Mining

EXPANDING TO MADAGASCAR'S ASM MICA SECTOR

During October 2022, Better Mining conducted a first in-country assessment in Madagascar to evaluate the current status of responsible sourcing in the mica ASM value chain. The objective was to understand the value chain dynamics and the current risks faced by upstream and downstream stakeholders.

The assessment confirmed that there are significant risks associated with ASM mica production and trade in Madagascar, ranging from the worst forms of child labour to a largely opaque mica ASM value chain without chain of custody controls or due diligence in place between ASM mines and export.



Women and children from an
ASM mica community

COUNTRY PROFILE
MADAGASCAR

Madagascar, in Gross National Income (GNI) terms, ranks among the very poorest countries in the world. World Bank figures from 07 October 2022 estimate that 81% of the Malagasy population live under the extreme poverty line (measured at \$2.15 per capita per day).¹ It ranks as a moderately conflict-affected and high-risk area (CAHRA), with no identified militias or armed groups.²

While it also shows some positive signals, such as an active and maintained Extractive Industries Transparency Initiative (EITI) membership, government administration remains underdeveloped and the country faces governance challenges.

The country is affected by three key macro-trends and growing risk factors, which are particularly concentrated in the Grand Sud, or Southern Madagascar where the majority of mica mining takes place.

- **Extremely low education levels.** The World Bank estimates that 97% of children under the age of 10 are unable to read and understand a short, age-appropriate sentence.³
- **Extreme climate-change impact.** With seasonal rainfall inexistent for the past four years, the agricultural sector has been decimated. The UN has declared the first famine caused by climate change in Madagascar⁴ with nearly 9 million people in Madagascar being food insecure.
- **Severe malnutrition is at an all-time high.** According to UNICEF in 2021, at least half a million children were expected to be acutely malnourished, with these figures expected to quadruple due to worsening drought.⁵

Better Mining will be engaging in Madagascar in 2023 with a view to establish the first traceable and monitored ASM mica value chain following its proven success in other raw material supply chains. This effort will establish ongoing due diligence on selected ASM sites, setting up the first digitally traced mica chain of custody from pit to export.

The program's replicability and scalability, and the proven expertise of the RCS Global team provide a positive outlook for ensuring a continuous improvement of the conditions of the Malagasy artisanal mica extraction and setting up a fully responsible and traced supply chain.

1 <https://www.worldbank.org/en/news/factsheet/2022/05/02/fact-sheet-an-adjustment-to-global-poverty-lines>
2 https://community.gemstones-and-jewellery.com/countries/cahra_map and <https://tdi-sustainability.com/tools/tdi-cahra/>
3 <https://www.worldbank.org/en/country/madagascar/overview>
4 Why famine in Madagascar is an alarm bell for the planet, Financial Times, 2 August 2022, accessed via <https://www.ft.com/content/8fa3596e-9c6a-4e49-871a-86c20e0d170c>
5 Malnutrition among children expected to quadruple in Southern Madagascar as drought worsens, warn UNICEF and WFP, 27 July 2021, accessed via <https://www.unicef.org/madagascar/en/press-releases/malnutrition-among-children-expected-quadruple-southern-madagascar-drought-worsens>

Some of the issues that Better Mining's application in the mica ASM value chain in Madagascar will seek to address are grouped in the below summary table:

<div>Child Labour</div> <div>WORKFORCE 50% are children</div> <div></div> <div>It is estimated that over 50% of the ASM mica workforce in Madagascar are children. Children conduct all activities required at the mine level, from excavating, transporting, sieving, sorting, and selling mica.</div>	<div>Environment / Significant Climate Change Impacts</div> <div>2020-2021 60% of land lost</div> <div></div> <div>Due to severe droughts between 2020 and 2021, up to 60% of agricultural land in Southern Madagascar has been lost.⁶ As many households were dependent on the fruitfulness of the land for income, many have transitioned to relying on mica extraction instead.</div>
<div>Legality</div> <div>SINCE 2009 NO licences</div> <div></div> <div>The Malagasy Ministry of Mines is facing an administrative backlog of mine site legalisation. There has been no issuance of mining licences since 2009.</div>	<div>Occupational Health and Safety</div> <div>Artisanal mining is conducted precariously, with no training or instruction on safe mining practices, absence of PPE, and little to no capacity building activities being provided to ASM workers.</div> <div></div>
<div>Workers Rights</div> <div>EARN 0.04 P / KG</div> <div></div> <div>ASM Malagasy workers earn as little as 0.04 USD per kilo of mica mined. Many are forced to extract mica in order to receive basic economic gains for survival (i.e. purchasing food and water)Interviewed community chiefs expressed frustration with stakeholders on the lack of bargaining power and ability to have commercial negotiations with collectors.</div>	<div>Transparency</div> <div>There is a significant lack of understanding or awareness of due diligence frameworks such as the OECD Due Diligence Guidance. Mica specific frameworks and guidance are still under development or are not widely known. There is no implementation of mineral chain of custody or traceability.</div> <div></div>

6 <https://reliefweb.int/report/madagascar/madagascar-grand-sud-flash-appeal-january-2021-may-2022-revised-june-2021>, page 4



Despite the significant risks and challenges that exist in the ASM sector in Madagascar, Better Mining believes there is an open opportunity to engage in the establishment of a responsibly sourced ASM supply chain from Madagascar. There are several reasons to argue for the case of developing responsible ASM sourcing from Madagascar:

- Madagascar is already producing a significant amount of high-grade mica, used by automotive, cosmetics and other companies. Higher volumes of responsibly mined, traded and transformed mica can be achieved with investment into the sector.
- The sector is established in the country, with several businesses already in operations. Some investment is needed into their training and upskilling to implement due diligence and risk management that meet international expectations.
- There may be a lag in formal legal title issuance by the government, but other implementation contexts globally do point to engagement opportunities while formalisation progresses.
- The established stakeholder context where several stakeholders are looking to make a difference to conditions in ASM, bodes well for successful pilot implementation.

OUTLOOK

Ending human rights, governance, health and safety and environmental risks in raw material supply chains is a multi-stakeholder and multi-sectoral long-term effort. By continuing to engage with local stakeholders and expanding the areas of operation to new geographies, Better Mining will be able to further expand its proven impact. The scalability of Better Mining's methodology, its measured, holistic and sustained impacts, as well as its ability to spark high level conversations and committed engagement and support from various downstream and midstream partners provides a positive outlook for the future of responsible sourcing.

Although there are systemic challenges that play a part in the continuity or change of ASM conditions out of Better Mining's scope of action, Better Mining's qualitative impact is nevertheless extremely valuable. Shedding light and building local capacity and awareness of issues, limitations and on the primordial causes of risks helps them to be effectively understood and addressed by the parties best able to act upon them.

Moreover, collaborations such as but not limited to that with UNICEF and GIZ, as highlighted in this report, play a significant role in multiplying the positive impacts achieved by Better Mining.

FINANCIAL REPORT 2022

RCS Global Group is pleased to present the financial report for Better Mining, providing an overview of the program’s finances for 2022. This report demonstrates Better Mining’s commitment to transparency, accountability, and effective communication with stakeholders.

SUCCESSFUL FUNDING FROM ACROSS THE VALUE CHAIN

Contrary to popular belief that upstream impact and responsible sourcing assurance are primarily financed by the upstream sector, Better Mining has secured funding from the entire value chain.

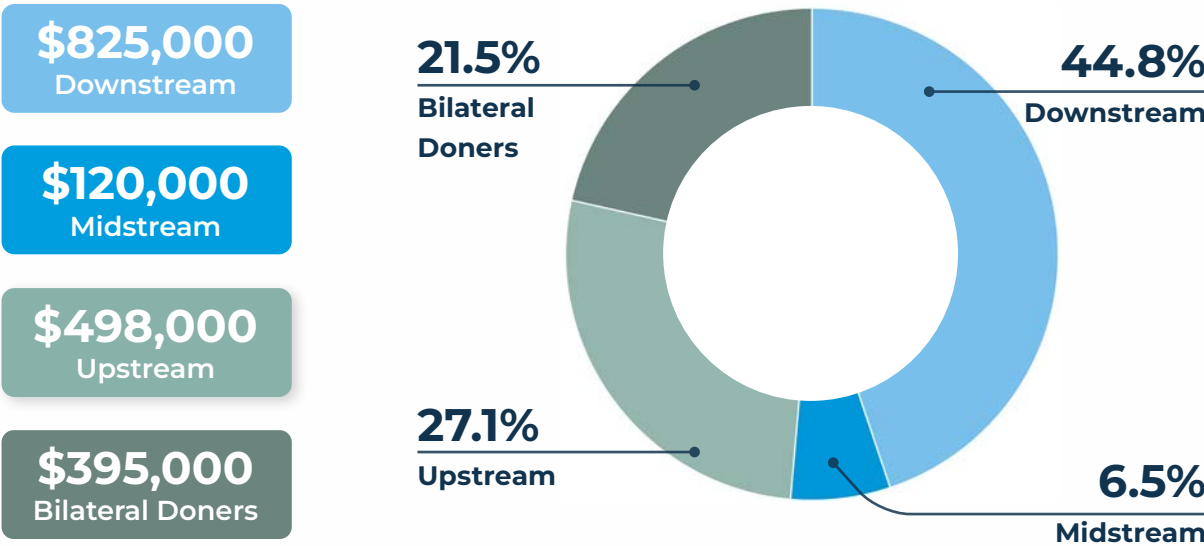
In this regard, the downstream sector contributed 44.8%, which compares favourably to the upstream sector at 27.1%. Currently, the midstream sector has the most significant growth potential, with a contribution of 6.5%.

The midstream sector has been lagging due to stakeholder disagreements on the standard to follow for responsible

sourcing of ASM mined cobalt. Fortunately, a breakthrough was finally reached in late 2022 with the introduction of the ASM Cobalt Standard. Better Mining is well-positioned to implement this standard together with the midstream, and we anticipate greater contribution from the midstream sector as a result.

Better Mining’s collaboration with the public sector continues to be successful. Bilateral donors and development organisations now contribute 21.5% of the funding, with a focus on high-impact areas such as reducing child labour and capacity building for cooperatives.

Figure 9: Contributions from Better Mining Supporters in 2022



MINERAL FOCUS OF BETTER MINING SUPPORTERS' CONTRIBUTIONS IN 2022

The primary mineral of interest to the industry is cobalt. Where it is ASM mined, this often occurs alongside copper ASM mining in the Democratic Republic of the Congo (DRC). Better Mining is currently the only established initiative working on a sectorially relevant number of ASM mines in cobalt. As is evident from this Impact Report, Better Mining has made significant progress.

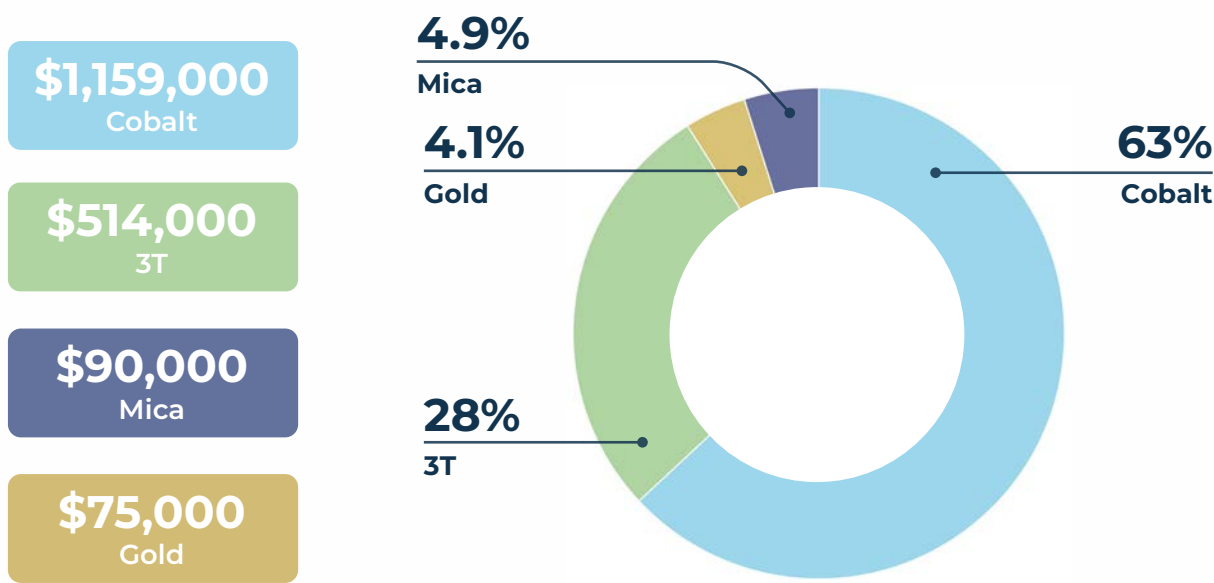
In 2022, mica emerged as a significant focus, and the contributions received helped prepare for the implementation of Better Mining on the ground in Madagascar in 2023. Better Mining anticipates an increase in contributions toward mica in 2023.

The 3T (tin, tantalum, and tungsten) work portfolio accounts for 28% of the total. While the downstream sector contributes

proportionally less funding for upstream impact and assurance in the 3T sector, there are significant impact opportunities available, particularly outside of the African Great Lakes region, where no existing upstream mechanism is in place.

Industry has made little progress in developing a sustainable model for robust upstream assurance in the African Great Lakes region for gold. Considering the regional economics of the gold supply chain, it is presently extremely difficult to finance robust upstream assurance for ASM mined gold through the value chain. Consequently, Better Mining strategically disengaged from gold in 2022 and transferred any global gold due diligence work entirely to RCS Global Group's audit practice.

Figure 10: Mineral Focus of Better Mining Supporters' Contributions in 2022

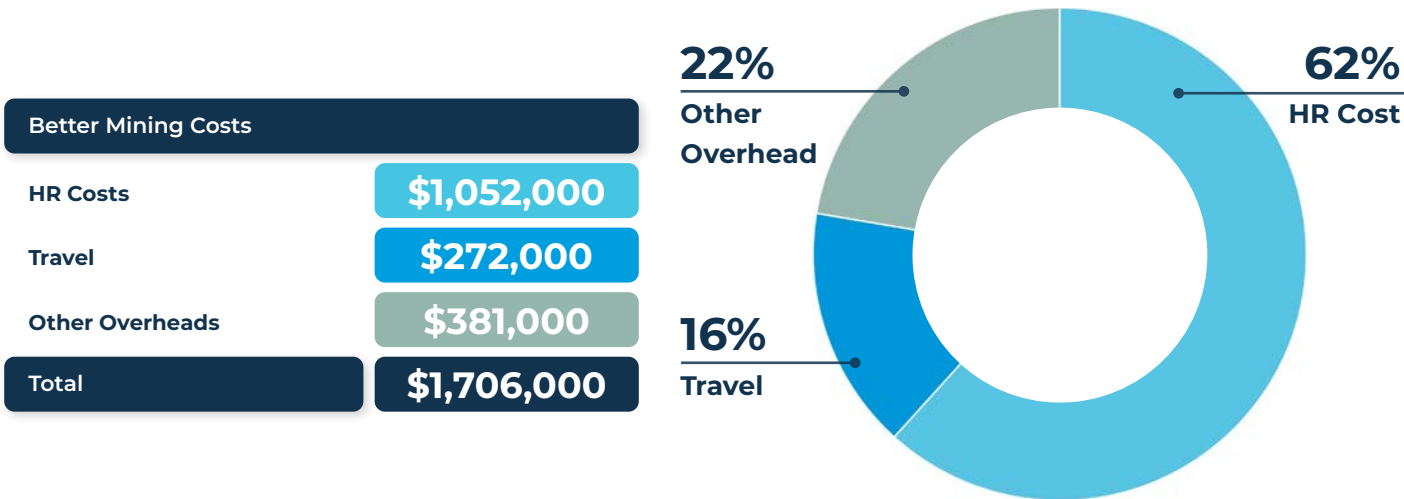


EXPENDITURE BY BETTER MINING

In 2022, a significant portion of the expenditure was allocated to staffing, with 62% of the funding directly financing 37 jobs created in Africa. These team members play a crucial role in ensuring compliance,

responsible practices, and data collection from the mine sites. Local travel expenses for risk monitoring and the implementation of corrective actions in remote ASM mines were also significant cost factors.

Figure 11: Expenditure by Better Mining for 2022

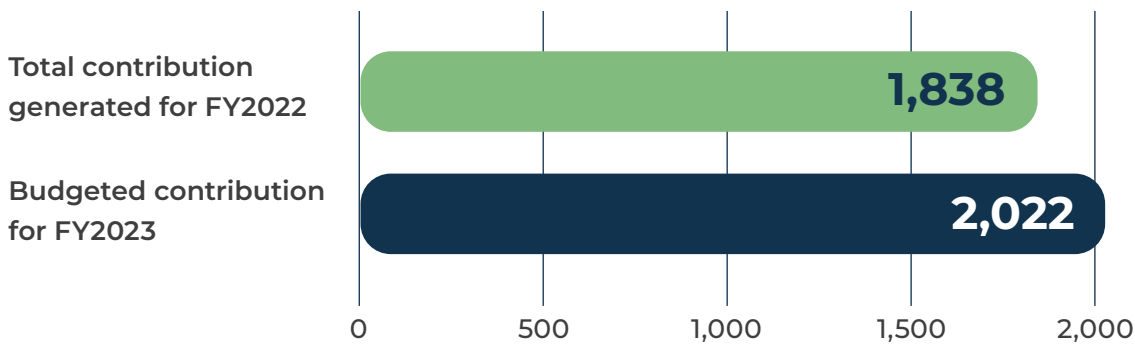


BUDGET FORECAST FOR 2023

Under new management by SLR, Better Mining anticipates an increase in contributions, with a total budget of \$2,022,000 USD for 2023, which represents an increase of 10% compared to what

was achieved in 2022. This increase is mainly due to expanding the program's footprint in cobalt, mica, and 3T minerals. Fundraising efforts to support the continued implementation of Better Mining are ongoing.

Figure 12: Budget Forecast for 2023, \$'000



LIMITATIONS

Since launch, Better Mining has made tremendous progress, but its reach and impact are restricted to factors beyond control.

The program is part of a range of solutions which are crucial to improving ASM and, despite the various challenges, RCS Global is motivated and committed to continuing to replicate, scale and achieve impact through Better Mining. However, this depends on the incentives, good will, and capacity of other stakeholders to

implement necessary improvements and remediation measures. Despite Better Mining's system functioning well, it may be that local actors don't have the capacity or financing to complete the CAPs recommended. Equally, development partners, while cognisant of the issues raised, may simply not have the resources to focus attention on the identified problem. Better Mining intends to continue working side-by-side with stakeholders – from cooperatives to local Government, to INGOs – to do what it can to be a catalyst for their interventions.

Weak Market Incentives for Better Practices

Market incentives to adopt better practices in the ASM sector remain extremely weak for various reasons, including weak, porous assurance, and traceability in the upstream value chain, which has undone legal frameworks like “conflict minerals” legislation. Taxation structures and intermediary product prices mean margins to implement systems to ensure better practices are slim, holding back meaningful progress in establishing responsible ASM supply chains. Despite the existence of the OECD Due Diligence Guidance and aligned smelter audit programs, there have been significant delays in reaching a mine to

market responsible sourcing framework for some ASM minerals, like cobalt and mica, with significant challenges also linked to the politics of geopolitically shaped value chains. There will not be the type of change in the upstream that many stakeholders would like to see in the upstream without successfully engaging China and Chinese industry, which plays a crucial role with its dominant market share in the upstream and midstream market segment. In the absence of stronger market incentives for better practices, unethically produced ASM materials continue to find their way into global value chains.

Declining Willingness to Fund Transparency and ASM Improvements

Despite Better Mining's success and data driven reporting and despite the efforts of our core funding partners, corporate and industry association's willingness to fund upstream impact beyond the smelters and refiners, as achieved by Better Mining, is declining. The need for consistent engagement with regulators to ensure that market incentives for responsible sourcing of ASM mined materials are being put in place and are then sustained is crucial. In the interim, with reduced funds, less impact will be driven, and fewer improvements can be achieved, making it a direct correlation. In the absence of effective legal mechanisms requiring the responsible sourcing of cobalt and mica, unethical practices will continue to fester outside of mines in active CAP processes.

Unintended Consequences

Solutions to ASM risks and incidents are often nuanced. Closing off a child's ability to work at an ASM mine does not necessarily mean that the child will return to school, as there may be no school to return to. Triggering the suspension of a mine's operations due to serious risks and incidents may cause miners and their dependents to have their only income immediately cut off. Better Mining's continuous collaboration with UNICEF is a good example of efforts taken to identify ways to address and deal with a systemic issue (child labour) while avoiding negative knock-on effects. Simply identifying child labour incidents, risks, and recommending actions without exploring how they would unfold in the local reality is not a sufficient approach. Better Mining collaborates

with other stakeholders to create holistic solutions that seek to minimise unintended consequences.

Sudden Contextual Changes

ASM improvement programs can be sustainable and resilient against changes in the local or regional context when they are scaled, as Better Mining has proven. However, trends beyond its control will continue to impact the program's abilities. For example, migration patterns of miners frequently fluctuate, and with these sudden surges in the number of miners at a particular site, the order and security of the site may be destabilised and the number of identified risks will rise. Further, parts of the Great Lakes region remain affected by insecurity which does affect Better Mining's operations when the security of our staff members is at risk and we need to take precautionary or evacuation measures.

De-risking of Supply Chains

The ASM sector remains the highest risk source of raw materials. International de-risking by corporate disengagement from value chains that contain ASM minerals will not stop ASM mind and/or unethically mined raw materials from entering global supply chains. Every gram of child mined cobalt and mica presently continues to be consumed in the global economy. The establishment of credible upstream mechanisms that monitor, engage and drive risk management is a suitable avenue for corporate engagement, irrespective of an individual company's sourcing practices. Instead of de-risking, more can be done to leverage the good work that programs are doing to help advance governance improvements in the region. This is an impact lever that remains under-appreciated and therefore underutilised.

ANNEX I: OECD STEP 5 REPORT

This report supports corporations reporting under the various iterations of “conflict minerals” legislation, globally, including but not limited to Section 1502 of the Dodd-Frank Wall Street Reform & Consumer Protection Act in the United States of America (DF1502) and the European Union’s Conflict Minerals Regulation (together “conflict minerals” legislation).

The report achieves this by presenting an update on the implementation of Better Mining, an RMI-accredited Upstream Mechanism (“UM”).

The scope of the report is limited to the tantalum, tin, and tungsten (3T) sectors, as these are covered under “conflict minerals”

legislation. The gold artisanal and small-scale mining (ASM) sites in the Better Mining program are not included as Better Mining was implementing trial monitoring tools and not operating as an Upstream Mechanism. This report presents anonymised data from 31 3T ASM sites in two countries where Better Mining was implemented during the reporting period of January 2022 to December 2022.

The purpose of this OECD Step 5 Due Diligence report is to explain how Better Mining implements OECD Due Diligence Guidance aligned practice and to report on Better Mining’s annual performance.

At a target cost of an average of US\$ 50,000 per site per annum, Better Mining has pioneered a model proven to be scalable that is effective in improving ASM site conditions systematically and at scale within available budgets.

Better Mining is creating a sector-wide window of transparency and is demonstrably working to improve practices systemically.

For detailed information on how Better Mining works and how to become a member, please refer to the **RCS Global website**.

RCS Global Group implements Better Mining with the support of the Responsible Business Alliance’s Responsible Minerals Initiative (RMI), Ford Motor Co, General Motors, Volvo Cars, CATL, Cisco, Intel, LG Electronics, Google, Huayou Cobalt, Hanrui Cobalt, Sony and Techtronic Industries, as well as CMOC, IXM, and Telf AG.

HOW BETTER MINING IMPLEMENTS THE OECD DUE DILIGENCE GUIDANCE A STEP-BY-STEP ASSESSMENT

STEP 1: STRONG COMPANY MANAGEMENT SYSTEMS

For Better Mining, due diligence is an ongoing, proactive, and reactive process that needs to be undertaken by all companies in a supply chain. Based on this principle, Better Mining expects companies participating in Better Mining supply chains to proactively carry out due diligence and to react to changes in circumstances and risks in the supply chain.

Better Mining implements an ongoing process of robust data collection and stakeholder engagement to encourage conformance with international, national, and regional due diligence standards. Better Mining’s Risk Management Protocol (RMP) sets out a process for identification and management of reported risks in an OECD Due Diligence Guidance conformant, measurable, and accountable manner.

Deployed daily to the ASM sites in the program, locally recruited and trained Better Mining field agents are equipped with a smartphone application to gather incident and risk data. This data is transmitted to Better Mining’s database to be verified and analysed by

RCS Global’s international risks expert team. The team translates OECD Due Diligence Guidance Annex II relevant incidents into risks and assigns unique corrective actions to local stakeholders for implementation on the ASM sites in the program.

In close collaboration with local stakeholders, Better Mining’s international and in-country field teams oversee the implementation of risk management and improvement advancement for the mines in scope, via the Better Mining Corrective Actions Plan (CAP) process.

As part of this process, Better Mining engages the relevant local stakeholders in monthly meetings at each ASM site in the program to discuss risks and to workshop the monthly issued corrective actions assigned by Better Mining. The implementation of the CAP, in turn, is on-site monitored and data tracked, with a view to map the continuous improvement of conditions at each ASM site in the program.

Digital Product Traceability

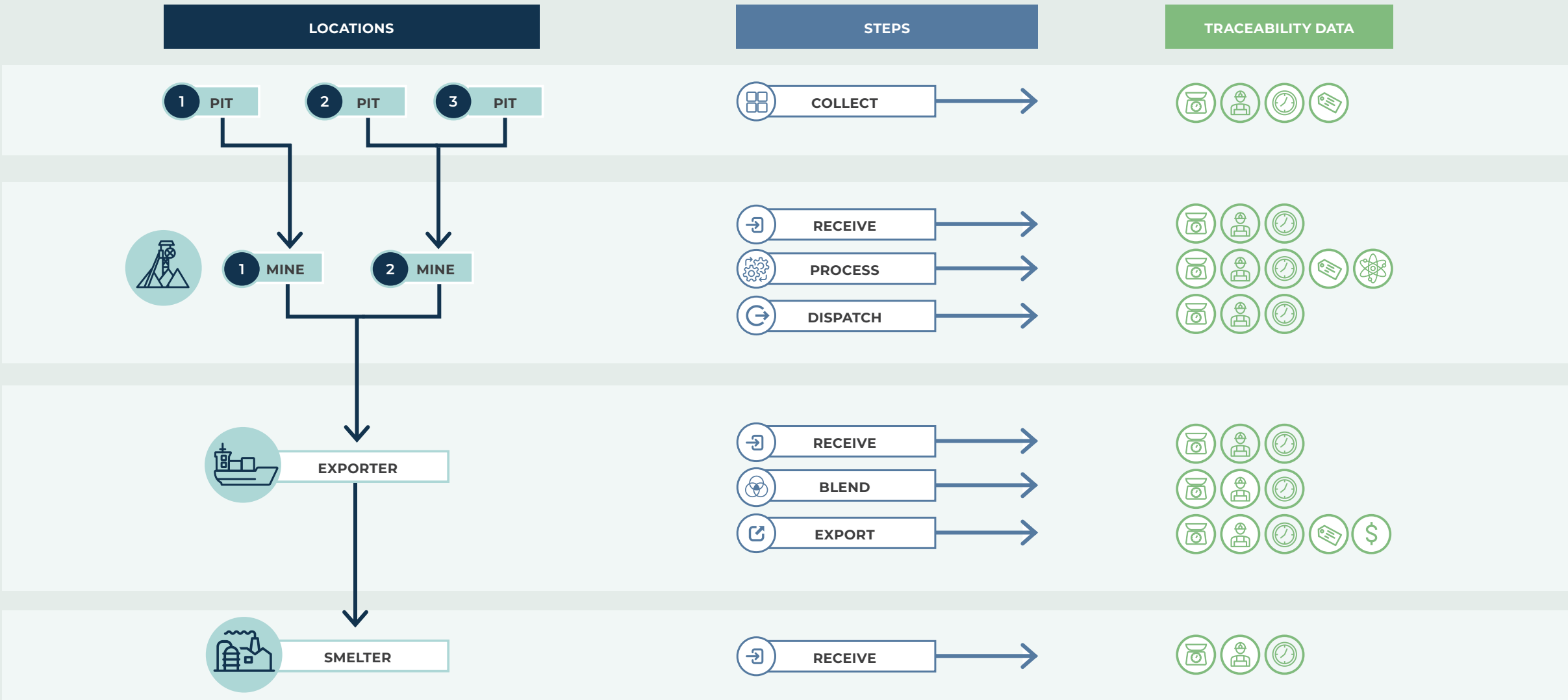
Better Mining helps mining operators and exporters to establish a system of controls and transparency over mineral supply chains including implementing RCS Trace, RCS Global's digital product traceability solution, which connects the physical to the digital and provides digitally recorded product traceability data from ASM mines (pit or tunnel) to the smelters and refiners (SORs). RCS Trace helps Better Mining offer a strong and demonstrable chain of custody implementation data trail.

RCS Trace is mineral agnostic and can be easily tailored to each unique supply chain. The low-cost, high-versatility system uses a mobile application which allows remote and off-grid data recording ideal for ASM sites. The automated data validation and traceability reports support ASM cooperatives and operators to successfully establish a chain of custody. RCS Trace works by covering the entire supply chain from pit level to smelter, collecting data at every business step

along the way from first collection on site to processing, blending, and exportation. For each step, essential data is recorded including the location, type of mineral, purity, time, and who recorded the data point. This is accompanied by more specific data points such as the weight of individual bags and unique tag IDs. Tags can be preconfigured to each unique supply chain and distributed based on production volumes to prevent tampering. The data is collected on-site with a mobile application by designated mining

operator staff, agents from a country's dedicated agency for mineral traceability, or Better Mining agents. Using the application, the tags are scanned at each step and a questionnaire is completed to capture the additional data points. Once the data is submitted and sent to Better Mining's database, it is validated by a preset algorithm as well as reviewed by the Better Mining Responsible Sourcing expert team. This process culminates in a detailed traceability report which is shared with the mining operators and receiving smelters.

Figure 13: RCS Trace digital product traceability data collection



STEP 2: RISK IDENTIFICATION AND ASSESSMENT

The first implementation step in the Better Mining risk management approach consists of a preliminary analysis of a supply chain, known as the Supply Chain Assessment (SCA). This evaluation process serves to identify and assess upstream supply chain risks covered by the program, as well as to propose a tailored risk management strategy aligned with the OECD Due Diligence Guidance, which may include different levels of deployment of Better Mining due diligence systems.

Better Mining trained field agents are deployed on an ongoing basis to mine sites.

These agents collect incidents and socio-economic data through a custom-developed smartphone app. When an incident is recorded in the Better Mining app, it is transferred immediately to a secure database and verified/confirmed by an assigned data coordinator.

The collection and verification of incidents and socioeconomic data play an important role in the Better Mining Risk Management Approach. Better Mining has developed a custom procedure to translate the collected incidents and socio-economic data into risks.

Better Mining’s Risk Identification and Assessment Methodology

The Better Mining risk identification and assessment methodology translates single ‘incidents’ (events that have occurred and have caused a negative impact on the supply chain) into ‘risks’ (potentially adverse impacts). Better Mining identifies risks from these recorded incidents and assigns corrective actions to mitigate the identified risks.

Instead of only focusing on closing incidents, ASM sites monitored by Better

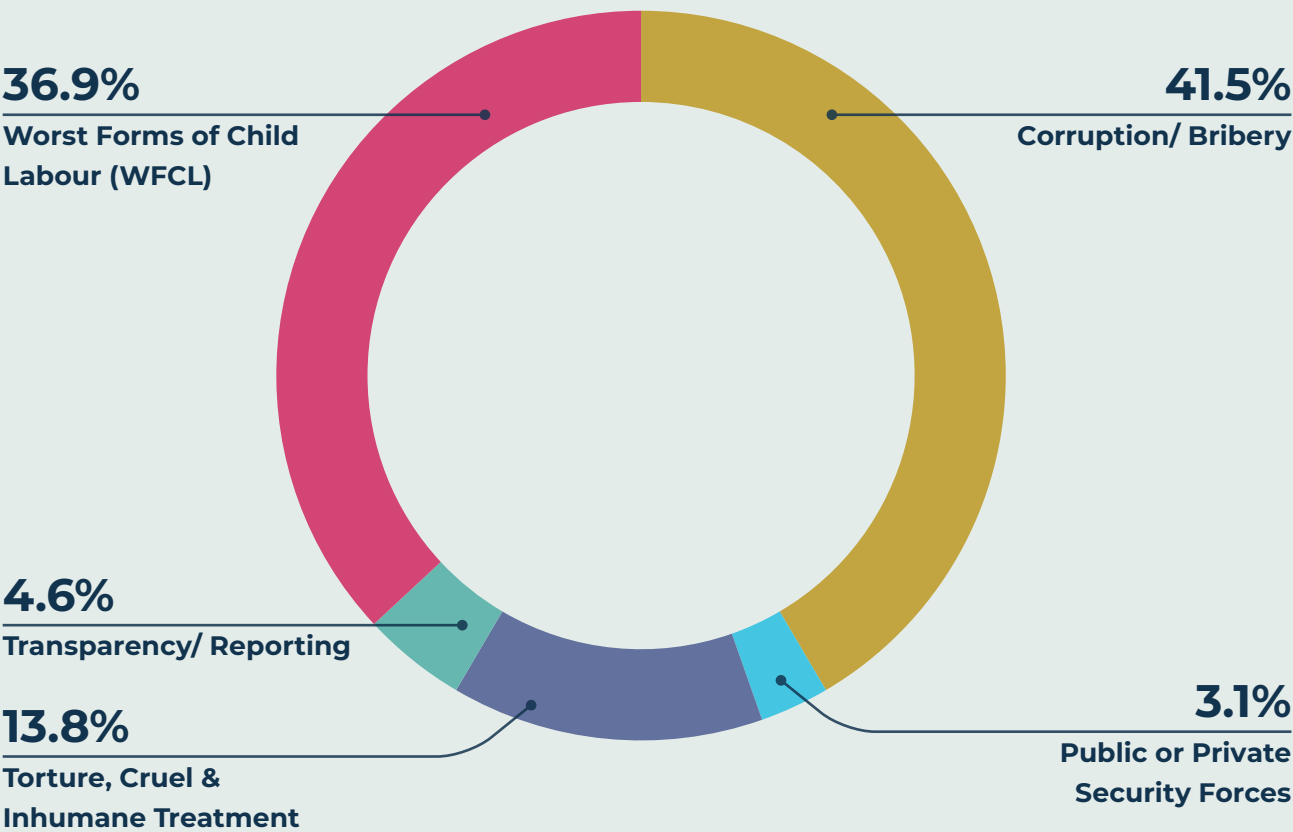
Mining are expected and supported to implement risk-based due diligence commensurate to the severity and likelihood of identified risks. Risk mitigation is the preferred approach to do so. Risk mitigation addresses deeper structural issues than a focus on incident closure would allow, and it is therefore a far more meaningful analytical lens and far more practically impactful approach than a focus on incident closure alone.

OECD Annex II Risks Identified and Assessed by Better Mining

The risk analysis in this report is based on 65 incidents related to OECD Due Diligence Guidance Annex II risks that were registered across the 31 3T ASM sites in the program during the period under review. The 65

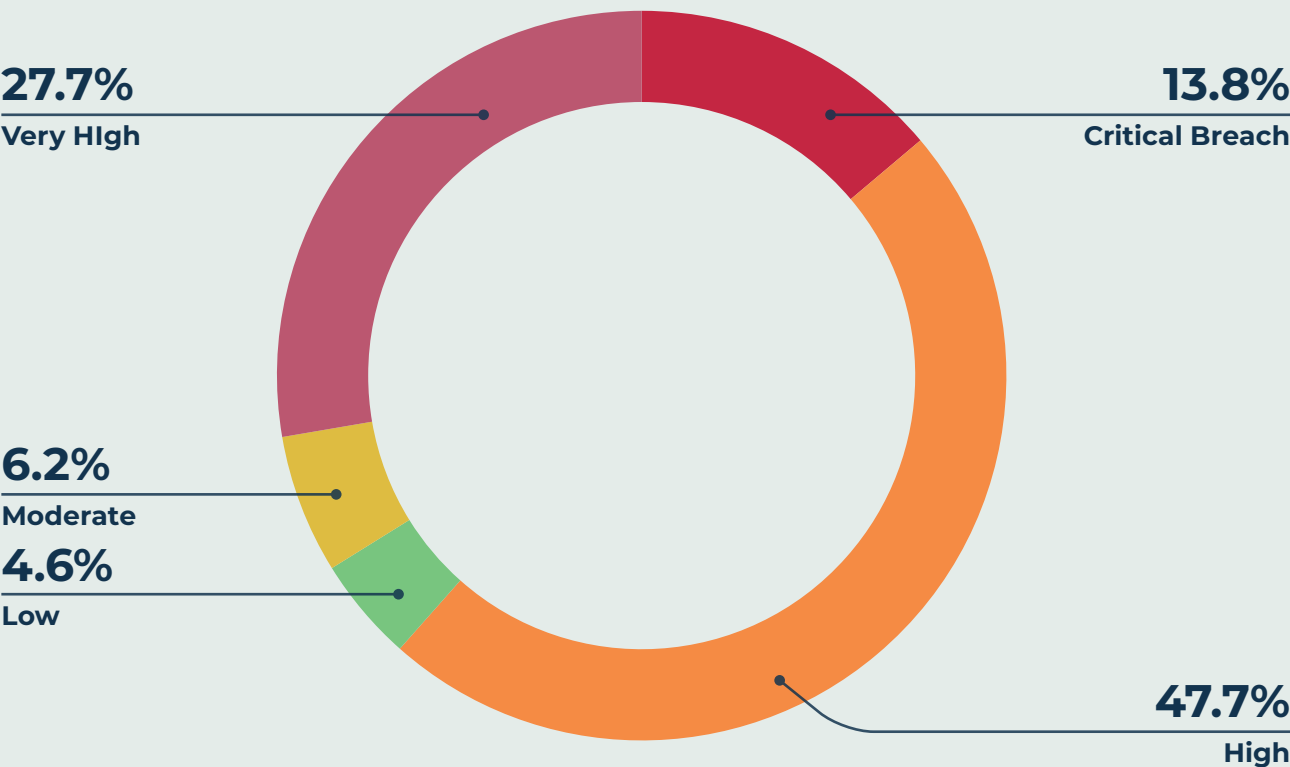
incidents were recorded and categorised into 3 identified risk categories and their associated 5 risk areas out of a possible 26 risk areas in the Better Mining methodology.

Incidents per risk



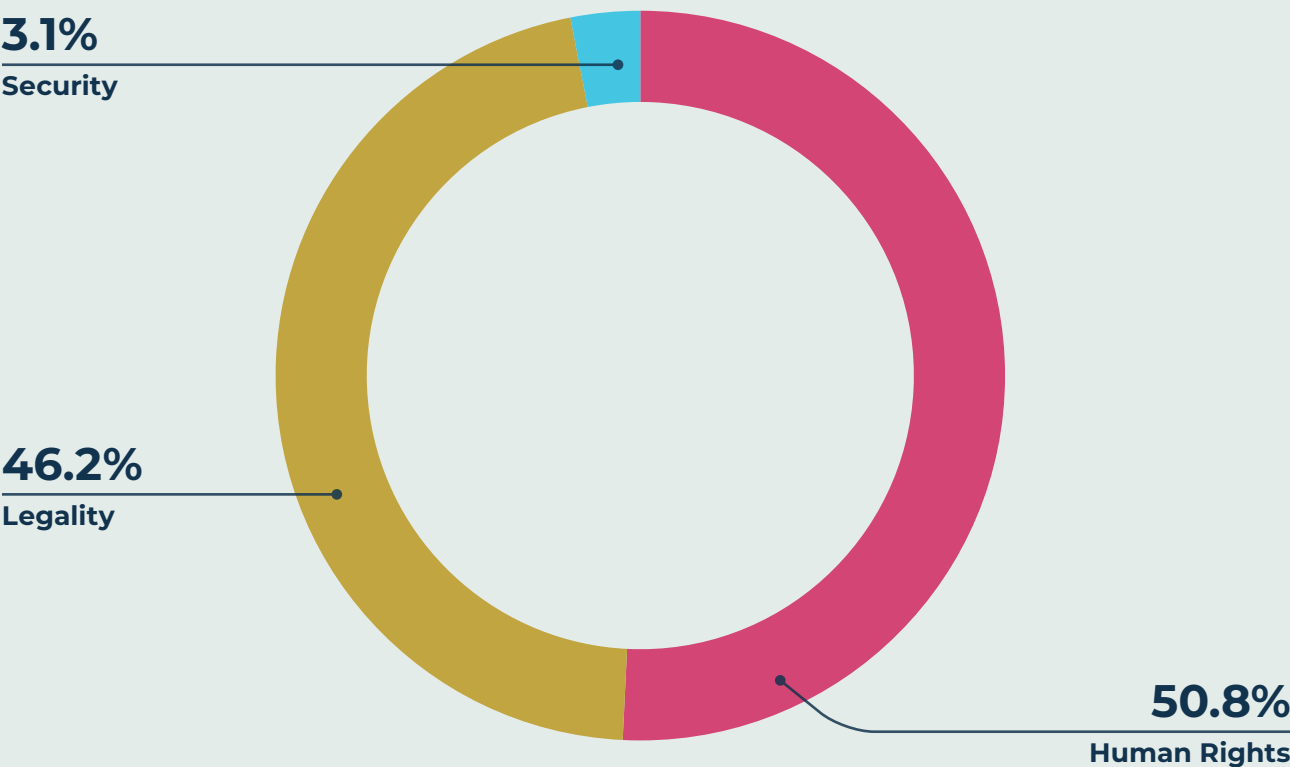
RISK	Number of incidents
Corruption / Bribery	27
Public or Private Security Forces	2
Torture, Cruel and Inhuman Treatment	6
Transparency / Reporting	3
Worst Forms of Child Labour (WFCL)	24
TOTAL	65

Incidents per score category



SCORE CATEGORY	Number of incidents
Critical Breach	9
Very High	18
High	31
Moderate	4
Low	24
TOTAL	65

Incidents per risk category



RISK CATEGORY	Number of incidents
Human Rights	31
Legality	30
Security	2
TOTAL	65

Critical Breaches

Critical Breaches represent significant non-conformances with Better Mining requirements and the OECD Due Diligence Guidance. Better Mining has a Critical Breach procedure that defines a process in line with Annex II of the OECD Due Diligence Guidance.

Critical Breaches can be observed during the initial Supply Chain Assessment (SCA), which Better Mining implements prior to system deployment on ASM sites or during the ongoing risk monitoring at sites. They can also be identified while implementing Trace,

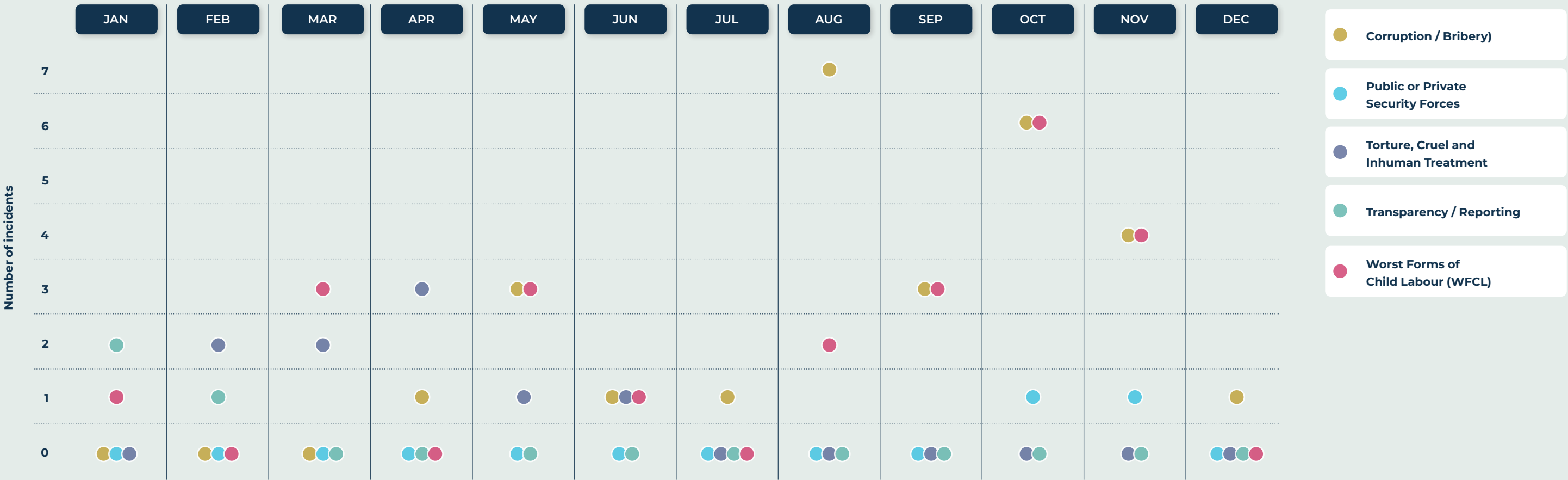
RCS Global’s digital product traceability solution, which Better Mining deploys from ASM pit level to the Smelters or Refiners.

Critical Breach incidents trigger an immediate alert for users of the Better Mining system and relevant stakeholders. In response to a Critical Breach incident, a specific Corrective Action Plan tailored to the incident is issued for implementation to relevant stakeholders with an accelerated timeline. The timeline depends on the type and severity of the incident identified, as well as the context. If mitigation action does not

occur during the assigned timeline, Better Mining follows a process, depending on the situation, to disengage temporarily or permanently from the site.

During the reporting period, 9 out of 65 incidents related to Annex II risks were classified as Critical Breaches. 8 out of 9 Critical Breach incidents were classified as risks relating to the Worst Forms of Child Labour. Of those, seven incidents were cases of children performing underground work (i.e. working in pits), and one incident was a case of children carrying heavy loads. The ninth

critical breach was categorised under risks relating to Public or Private Security Forces. In this incident, members of the national army were indirectly involved in mining activities on one mine site. Detailed descriptions of Critical Breach incidents can be found in the incident list published below.



Worst Forms of Child Labour

Better Mining recorded 24 incidents of WFCL where children were directly involved in mining activities, including 8 critical breaches.

Worst Forms of Child Labour (WFCL) is defined in ILO Convention 182 and Recommendation 190, as hazardous child labour and all forms of child slavery and practices similar to slavery, the trafficking of children, forced child labour, and the use of children in armed conflict. WFCL risk increased in 2022 in comparison to the previous reporting period (November 2020 - October 2021).

In 16 instances, Better Mining agents recorded children crushing, sieving or washing minerals; these were recorded with a “very high” severity. More precisely, the majority of these incidents involve children washing ores (13 incidents out of 16 incidents, affecting a total of 46 children). In multiple instances, such incidents are typically linked

with other risks across several categories. For example, in 5 incidents, children were found washing ore in abandoned washing basins, which under the relevant national legislation should be rehabilitated. In the remaining 3 recorded incidents, a total of 18 children were found crushing minerals.

In one incident of children carrying heavy loads, nine children carried heavy bags of minerals from one mine site to a neighbouring mining village. This was recorded as a WFCL case and as a Critical Breach. On this same mine site, seven additional WFCL incidents included cases of children digging in pits, affecting a total of 24 children; these seven incidents were also treated as Critical Breaches.

On average, WFCL incidents remained constant over time and were identified at three mine sites in particular, with one mine site alone recording all Critical Breaches.

Torture, Cruel & Inhumane Treatment

The risk of Torture, Cruel & Inhumane Treatment was identified during 2022 with a total of nine incidents, all recorded between February and June 2022. The bulk of incidents reported were cases where mining operators' private security forces were lacking training

on the Voluntary Principles on Security and Human Rights. In addition, one incident involved a case of arbitrary detention by a Mine Police Officer. Finally, Better Mining also observed a case of excessive use of force by a mining operator's staff member.

Transparency/ Reporting

Three incidents were classified as indicators of Transparency/Reporting risk. These incidents were recorded due to the failure of mining operators to publish annual due diligence reports.

Public or Private Security Forces

The risk of Public or Private Security Forces was identified at the end of 2022 and this was caused by two interlinked incidents. The first incident related to the establishment of a military squadron of fourteen soldiers on one mine site. After the implementation of a corrective action (see below), Better Mining was able to verify that this military presence was adequately mandated and authorised. However, six weeks later, soldiers of the military squadron started to be involved in mining activities. Overnight, they made

artisanal miners work in a pit to collect gemstones. This was classified as a Critical Breach and Better Mining suspended the site from the program. For this Critical Breach, the procedure is as follows: a series of corrective actions with accelerated timelines is assigned to the mining operator and once all corrective actions have been implemented, Better Mining conducts an evaluation of the mine site to ensure the risk has been remediated.

Corruption/ Bribery

Risk of Corruption/ Bribery was also registered, with an increase of recorded incidents in the second half of the year. Overall, this is the risk with the highest number of recorded incidents (27), and in comparison to the previous reporting period (November 2020 - October 2021 with 7 incidents), it has dramatically increased. Eight incidents related to state agents collecting illegal payments from artisanal miners, pit leaders and washing basin managers. One incident related to the payment of an illegal security fee requested by a subsite leader and a member of a former mining cooperative.

In 15 instances, Better Mining recorded payments made to illegitimate actors in the supply chain. These included payments made to members of a former mining cooperative not allowed on the mine site and payments made to national intelligence officers. Lastly, on three occasions, two agents from the mining operator's own security forces received bribes from artisanal miners to facilitate the illegal diversion of mineral ores.

STEP 3: RISK MANAGEMENT

Better Mining drives risk management through the following process: Corrective Action Plans (CAPs) are issued on an ongoing, monthly basis to stakeholders at the mine sites under monitoring. Each CAP file includes a risk scoring for each risk and a short description of the identified risks. Additionally, it includes a set of corrective actions which are linked to the risks and assigned to the relevant stakeholder for implementation. CAPs are continuously updated based on risk information recorded by the Better Mining field agents working on the sites, as well as the local Better Mining project teams. Better Mining issues good practice aligned CAPs most appropriate for the site context and the specificities of each supply chain.

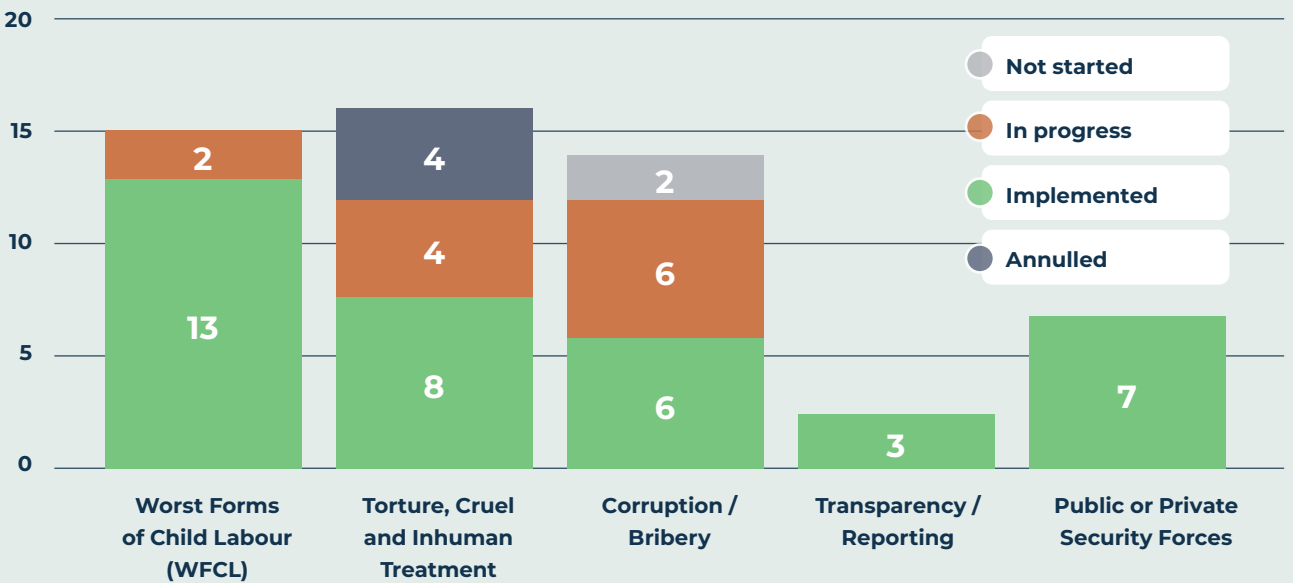
Better Mining evaluates CAPs to be ‘implemented’, ‘in progress’, ‘annulled’ or ‘not started’ monthly, in turn, based on a thorough review of implementation evidence, including documentation, statistics, government letters, or monitoring of implementation by the Better Mining field agents and the Better Mining project teams. Progress on CAPs implementation is the primary indicator for Better Mining reporting to downstream buyers and Better Mining supporting companies that a supply chain meets continuous improvement requirements.

Annulled status

During the monitoring of a corrective action’s implementation, it may become clear that a suggested action is not feasible or that the risk has been mitigated to a satisfactory status without implementing this specific mitigation action. In such cases, a corrective action may be closed without evidence of implementation or it may be replaced with a new, more appropriate, action if necessary.

Across the 31 ASM sites in scope and in response to the 65 incidents registered relating to OECD Annex II risks, Better Mining has recommended 54 corrective actions during the reporting period.

OECD Annex II Risks where mitigation was supported by Better Mining’s Corrective Action Plans



Worst Forms of Child Labour

More than 85% (13 out of 15) of the WFCL corrective actions issued in 2022 have been implemented. The two remaining are in progress, thus showing an improvement compared to BM’s 2021 3T report in which 19 CAs out of 30 were implemented (63%) and 3 (10%) were not started. Both in progress corrective actions have a 2023 deadline, which makes their current status coherent.

WFCL corrective actions can encompass different aspects, sometimes punitive measures such as the closure of a leader’s pit when children were found digging, while other actions aim at informing and/or reminding artisanal miners of the prohibition of child labour through awareness-raising meetings or trainings. Additional implemented mitigation actions involve joint workshops with state authorities on child labour and how to remedy it.

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Torture, Cruel & Inhumane Treatment

Out of the 16 corrective actions initially issued, eight were successfully implemented, while four were cancelled and subsequently replaced with new corrective actions. The implemented corrective actions include, but are not limited to, updating a mine concession's code of conduct, reminding security officers of the consequences of excessive use of force, and reinforcing the mine operator's monitoring team to ensure the appropriate enforcement of the code of conduct.

Three corrective actions were cancelled mid-year and included: (1) conduct trainings on voluntary principles of security and human rights for all Mine Police officers and Mine Operator's security officers, (2) deliver a KYC procedure on any police officer assigned to the Mine Concession, and (3) provide a list of all Mine Police officers assigned to the site. These three actions were replaced by two better-suited corrective actions: (1) create a code of conduct for Mine Police officers (status: implemented) and (2) communicate this new code of conduct to all agents deployed on the mine concession (status:

implemented). One additional corrective action was cancelled later in 2022 and replaced by a set of two new actions. In this case, the Mine Police hierarchy was unable to provide the names of all Mine Police agents affected to the concession for confidentiality reasons. The two new corrective actions, both in progress, include the investigation and sanction of any suspected cases of excessive use of force by Mine Police officers and the communication to the Mine Police hierarchy of any future case of excessive use of force.

Under Better Mining methodology, when an identified risk is being mitigated by a set of past actions, yet to be implemented, it may not be necessary to propose new actions. In the above-mentioned scenarios, the lack of security training for security officers was already addressed by actions assigned in 2021.

Corruption/Bribery

Only two out of the fourteen corrective actions have a status of 'not started', while six have been implemented and the remaining six are still in progress. Corrective actions assigned to the Corruption/Bribery Risk often target mine operator's security agents or agents of national agencies who request illegal payments from artisanal miners and/or mine pit leaders. To mitigate this type of risk, it is necessary to implement corrective

actions that call for investigations, severe sanctions, and communications with relevant authorities or hierarchies to request the relocation or expulsion of said agents from the mine concession. The current insecurity in the Great Lakes region and the lack of government engagement to address cases of corruption are two significant obstacles for the implementation of these actions.

Transparency/ Reporting

The three corrective actions assigned to manage this risk were issued because mine operators did not publish an annual report on due diligence. Thus, Better Mining assigned a timeline for the publication of those reports, and all three actions were implemented in early 2022.

Public or Private Security Forces

All seven of the corrective actions issued in relation to this risk were implemented in 2022. One action was triggered following the illegal presence of Mine Police officers on a mine site. As these officers were not mandated, engagement with provincial authorities on the issue led to their departure. On a separate matter, Better Mining proposed to actively consult and engage with civil society and local authorities to end an illegal taxation scheme set up by governmental agents. Under this scheme, pit leaders, washing basin managers and artisanal miners lacking a formal identification had to pay the national intelligence agency to continue their operations. Although the presence of these agents was allowed, the taxation was outside of any legal framework. The assigned corrective action was successfully implemented, as demonstrated by the departure of those said agents.

Five corrective actions assigned to manage the Public or Private Security Forces risk were prompted by an unauthorised military presence on a mine site in October 2022. Thanks to communications with military authorities, Better Mining was able to confirm this military presence was in fact authorised and mandated in accordance

with national laws, the first action was thus implemented. However, these military forces started to engage in illegal mining activities. In response, Better Mining assigned the operator a corrective action to suspend all activities on the mine site until the risk could be mitigated. To support this, Better Mining issued four corrective actions, each with short implementation deadlines (less than a month). Additional corrective actions were issued under risks that are not OECD-related but that contributed to the risk management of this issue. They included: an increase in police night patrols, an inventory and removal of traceability equipment during the mine site's period of closure, communications on the mine site's suspension, and an investigation led by provincial authorities on the incident in question. Two actions included an on-site assessment for Better Mining, alongside relevant stakeholders, to confirm the risk mitigation progress and a supply chain assessment of the suspended mine site by Better Mining. Both are yet to be conducted due to the increased insecurity in the region.

MITIGATION OF CRITICAL BREACHES

The tables below show Critical Breach corresponding mitigation actions. All but two corrective actions relating to critical breaches have been implemented. It is important to note that the below actions were assigned to individual sites, explaining why some actions are repeated.

Public or Private Security Forces	Status	Date of Implementation
Request a copy of the mandate authorising the deployment of State Military troops on the Mine Site.	● Implemented	November 2022
Request an investigation regarding the armed presence on site and the involvement of these elements in the illegal mining of the Mine Concession.	● Implemented	January 2023
Provide evidence of the State Military's intervention on the Mine Site.	● Implemented	January 2023
Communication with the military chain of command on the incident in question, requesting immediate support to remove the armed presence from the mine site as the military were involved in mining activities.	● Implemented	December 2022
Communication with the military chain of command on the presence of military personnel involved in mining. This communication should seek to clarify the circumstances in which the military were deployed (involvement of the Neighbouring Mine Cooperative, no invitation from the Mine Operator to come on-site etc.).	● Implemented	December 2022

Worst Forms of Child Labour (WFCL)	Status	Date of Implementation
Discuss with local government and security organs on the fight against the use of children in illegal mining.	● Implemented	March 2022
Suspension of Name's pit for direct involvement in worst forms of child labour.	● Implemented	April 2022
The letter must contain disciplinary measures in the event that Name is caught employing children again.	● Implemented	November 2022

Hold a joint Mine Operator-National Agencies-Civil Society awareness campaign to remind people of the following rules: <ul style="list-style-type: none"> No child has the right to be on the mine site No child has the right to work on the mine site No child has the right to carry out mining activities outside and around the mine site 	● Implemented	July 2022
Signature of the Mine Operator's zero tolerance policy on child labour signed by pit leaders.	● In progress	
Update Mine Operator's child labour policy with the list of sanctions that will be applied in the case of minors engaged in mining activities (fines, removal from the site, etc. for those responsible).	● Implemented	October 2022
Communicate the new disciplinary measures and the child labour ban in mining operations through letters sent to each washing basin owner and manager, pit leader and pit manager.	● Implemented	January 2023
Apply the disciplinary sanctions for minors engaged in mining activities.	● Implemented	January 2023
At Mine Site, suspend the pit of Name where 7 children worked in the pit at the end of August.	● Implemented	October 2022
Propose at least 3 measures to address worst forms of child labour on site.	● Implemented	October 2022
Collaborate with Local NGO to organise an awareness-raising workshop on child labour.	● In progress	
Apply the following corrective actions: <ul style="list-style-type: none"> Immediate closure of Name's pit Conduct an investigation into reported worst forms of child labour Apply disciplinary sanctions proposed in the OECD 2022 Critical Breach CAPs 	● Implemented	December 2022
Apply the following corrective actions: <ul style="list-style-type: none"> Immediate closure of Name's pit Conduct an investigation into reported worst forms of child labour Apply disciplinary sanctions proposed in the OECD 2022 Critical Breach CAPs 	● Implemented	January 2023
Put up boards around subsites of Mine Site on the ban on child labour in mining activities.	● Implemented	December 2022

STEP 4: AUDIT

Better Mining's process has been independently assessed and found to be aligned with the requirements of the OECD Due Diligence Guidance.

A third-party OECD Alignment Assessment evaluated Better Mining against the criteria set out by the Responsible Minerals Initiative for Upstream Mechanisms. The scope of the audit included 3T monitored sites in Rwanda and the DRC.

The timeframe for the 3T sites was September 2018 to September 2019 for Rwanda and the DRC assessment covered January 2019 to January 2020.















Better Mining was found to be meeting the standards to be considered a Level 1: Full Recognition Upstream Mechanism. The standard, implementation and governance of Better Mining was found to be fully aligned with the OECD Due Diligence Guidance.

During 2023, Better Mining will undergo a new independent OECD Alignment Assessment against the criteria set out by the Responsible Mineral's Initiative for Upstream Mechanisms.



ANNEX I: INCIDENTS AND RISKS DATA


















1. INCIDENT DESCRIPTION		
Date	Incident	Incident Description
20/1/2022	Children (U18) engaged in worst forms of child labour (underground/underwater work)	At Subsite, a child between the ages of 12 and 14 was observed in front of Name's pit having dinner with adult workers. The child looked like he had just come from the pit.
17/2/2022	Children (U18) crushing / sieving /washing ores	Two children between the ages of 12 and 16 years old wash the minerals at Name's washing basin located at the Subsite.
8/3/2022	Children (U18) crushing / sieving /washing ores	Six children, ranging in age from 12 to 14 years old, wash minerals in a drain where artisanal miners mine cassiterite.
29/3/2022	Children (U18) engaged in worst forms of child labour (underground/underwater work)	Two children between 14 and 15 years old digging in the pit of Name located at the Subsite.
31/3/2022	Children (U18) crushing / sieving /washing ores	Three children between 12-14 of age wash the mineralized sand wastes near Name's drain.
19/4/2022	Excessive force	Name, an artisanal miner, was hit on the head with sticks by Name, head of the security and traceability department of Mining Operator. This artisanal miner was intercepted, in the Mining village, with a parcel of about 25kg of minerals he was trying to divert.
22/4/2022	Illegal taxation by state agents	Elements of the Mine Police from the Neighbouring Mining Concession, including Name and Name, accompanied by Name and Name, identifying themselves as members of the Former Mining Cooperative, charged the pit chiefs of the Subsite, Subsite and Subsite, the sum of 40,000 Local Currency, on top of a pit inspection fee.
25/4/2022	Arbitrary detention	Name of the Mine Police based in Mining Concession arrested four artisanal miners at the Subsite without cause.
3/5/2022	Illegal taxation by state agents	At the Subsite, Name of National Agency and Name of National Agency paid 100\$ to sign the official report of the removal of the body to the pit's head, Name. Without this report, the deceased cannot be handed over to anyone for burial.
26/5/2022	Illegal taxation by state agents	National agency agents, including Name, Name, Name, Name, Name, and Name, agents from National Agency, including Name and Name, and some Mine Police agents assigned to the Mine Site, are charging a daily sum of between 5,000 Local Currency and 10,000 Local Currency to pit heads and washing basins leaders where workers are not identified by National Agency and are without artisanal miners' cards.
26/5/2022	Payments to illegitimate actors in the supply chain	Several Former Mining Cooperative agents are receiving between 5,000 Local Currency and 10,000 Local Currency at various pits.
26/5/2022	Children (U18) engaged in worst forms of child labour (underground/underwater work)	At the Subsite, two children, aged between 13 and 16, were caught working in Name's pit by the local mining monitoring sub-committee.
30/5/2022	Children (U18) crushing / sieving /washing ores	Two children of about 14 years old are washing mineralized sand in Name's drain.
31/5/2022	Children (U18) engaged in worst forms of child labour (underground/ underwater work)	Three children, between 12 and 14y old of age, were caught by the Local Mining Monitoring Sub-Committee team working in Name's pit at the Subsite.

2. INCIDENT & RISK ANALYSIS DATA			
Incident Score	Incident Score Category	Risk Category	Risk
25	 Critical Breach	Human Rights	Worst Forms of Child Labour (WFCL)
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)
25	 Critical Breach	Human Rights	Worst Forms of Child Labour (WFCL)
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)
20	 Very High	Human Rights	Torture, Cruel & Inhumane Treatment
16	 High	Legality	Corruption/ Bribery
20	 Very High	Human Rights	Torture, Cruel & Inhumane Treatment
16	 High	Legality	Corruption/ Bribery
16	 High	Legality	Corruption/ Bribery
16	 High	Legality	Corruption/ Bribery
25	 Critical Breach	Human Rights	Worst Forms of Child Labour (WFCL)
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)
25	 Critical Breach	Human Rights	Worst Forms of Child Labour (WFCL)

1. INCIDENT DESCRIPTION		
Date	Incident	Incident Description
6/6/2022	Children (U18) crushing / sieving /washing ores	A child, who is between 12 and 14 years old, is washing waste from mineralised sand in an abandoned washing basin at the Subsite.
22/6/2022	Payments to illegitimate actors in the supply chain	A Former Mining Cooperative security agent receives between 2,000 Local Currency and 10,000 Local Currency at various washing basins and pits.
19/7/2022	Illegal taxation by state agents	Name, commander of the Mine Police, and Name, Mining Operator's Security agent, are illegally charging 40,000 Local Currency to some washing basins managers and 150,000 Local Currency to pit leaders at the Subsite, Subsite and Subsite.
10/8/2022	Children (U18) crushing / sieving /washing ores	A young boy, aged between 15 and 17 years old, washes mineralized sand at Name's washing basin.
11/8/2022	Irregular taxation or payments	Name, a Former Mining Cooperative agent, and Name, a Subsite site leader, charge each producing pit and each washing basin 5,000 Local Currency per day as a security fee.
12/8/2022	Illegal taxation by state agents	At the Mine Site, Name, an agent of National Agency, charges each producing pit between 2,000 and 5,000 Local Currency per day.
15/8/2022	Payments to illegitimate actors in the supply chain	Name, a Former Mining Cooperative agent, supported by some Former Mining Cooperative security agents, are charging 500 Local Currency to each passer-by who crosses the Subsite-Subsite road as a fee for the rehabilitation of this road, which is in an advanced state of decay.
15/8/2022	Payments to illegitimate actors in the supply chain	An amount of 5,000 Local Currency is collected daily by Name, a Former Mining Cooperative agent, and Name, pit leader of Subsite, for each functioning pit and washing basin.
24/8/2022	Illegal taxation by state agents	The team of 10 Mine Police elements recently installed at the Mine Site by the Mine Police Squadron Commander for Name Territory charges a daily fee of 20,000 Local Currency per producing pit and 15,000 Local Currency per active washing basin.
24/8/2022	Payments to illegitimate actors in the supply chain	Name, a Former Mining Cooperative agent, and Name, Subsite's pit leader, illegally charge each producing pit and active washing basin 5,000 Local Currency.
29/8/2022	Payments to illegitimate actors in the supply chain	On the Subsite-Subsite-Subsite road, Name, a Former Mining Cooperative agent, with several Former Mining Cooperative security agents, illegally charges all passers-by 500 Local Currency every Monday, as a fee for the rehabilitation of the road.
31/8/2022	Children (U18) engaged in worst forms of child labour (underground/underwater work)	Seven children between the ages of 10 and 15 worked in Name's pit all day.
8/9/2022	Payments to illegitimate actors in the supply chain	Agents to the National Agency, including Name, charge a fee of 2,000 Local Currency per person to register artisanal miners.
8/9/2022	Payments to illegitimate actors in the supply chain	Name and Name, two national intelligence officers, charge a fee of 2,000 Local Currency per person to register artisanal miners.
9/9/2022	Children (U18) crushing / sieving /washing ores	Four children, aged between 11 and 14, are washing mineralized sand next to Name's drain.
1/9/2022	Children (U18) engaged in worst forms of child labour (carrying heavy loads)	Nine children carry packages of minerals from the Subsite to the Mining Village.
16/9/2022	Payments to illegitimate actors in the supply chain	Name of Former Mining Cooperative, together with some of the site managers of the Mine Site, charges a sum of 5,000 Local Currency and 10,000 Local Currency to each washing basin and pit in production.

2. INCIDENT & RISK ANALYSIS DATA			
Incident Score	Incident Score Category	Risk Category	Risk
20	<div></div> Very High	Human Rights	Worst Forms of Child Labour (WFCL)
16	<div></div> High	Legality	Corruption/ Bribery
16	<div></div> High	Legality	Corruption/ Bribery
20	<div></div> Very High	Human Rights	Worst Forms of Child Labour (WFCL)
9	<div></div> Moderate	Legality	Corruption/ Bribery
16	<div></div> High	Legality	Corruption/ Bribery
16	<div></div> High	Legality	Corruption/ Bribery
16	<div></div> High	Legality	Corruption/ Bribery
16	<div></div> High	Legality	Corruption/ Bribery
16	<div></div> High	Legality	Corruption/ Bribery
25	<div></div> Critical Breach	Human Rights	Worst Forms of Child Labour (WFCL)
16	<div></div> High	Legality	Corruption/ Bribery
16	<div></div> High	Legality	Corruption/ Bribery
20	<div></div> Very High	Human Rights	Worst Forms of Child Labour (WFCL)
25	<div></div> Critical Breach	Human Rights	Worst Forms of Child Labour (WFCL)
16	<div></div> High	Legality	Corruption/ Bribery

1. INCIDENT DESCRIPTION		
Date	Incident	Incident Description
19/9/2022	Children (U18) crushing / sieving /washing ores	A total of ten children, aged between 11 and 14, are washing mineralized sand in the Subsite, Subsite and Subsite.
4/10/2022	Children (U18) crushing / sieving /washing ores	2 boys aged between 9 and 13 store and wash mineralized sand on a drain in the mine.
4/10/2022	Illegal army presence at mine site	14 Military Forces elements from the military intelligence unit arrived at the Mine Site and moved, with their belongings, into a house located approximately 200 metres from the Mine Site transit depot.
14/10/2022	Children (U18) crushing / sieving /washing ores	2 boys, aged 12 to 15, wash waste from the mineralized sands in an abandoned washing basin at the Subsite.
19/10/2022	Payments to illegitimate actors in the supply chain	A member of Former Mining Cooperative's security is going around charging between 5,000 Local Currency and 10,000 Local Currency per producing pit and 2,000 to 5,000 Local Currency per active washing basin.
21/10/2022	Illegal taxation by state agents	Agents of the national intelligence agency charge artisanal miners 2,000 Local Currency and pit leaders 10,000 Local Currency.
21/10/2022	Illegal taxation by state agents	Name, member of the National Intelligence Agency, charges a sum of 2,000 Local Currency per artisanal miner and 10,000 Local Currency per pit leader as registration fees for miners and pit leaders.
21/10/2022	Other Bribery	Name, Mining Operator's Security agent, was bribed with a sum of 4,000 Local Currency by Name to facilitate the diversion of his ore package of 17kg to the Mining Village in Neighbouring Mining Concession.
24/10/2022	Children (U18) crushing / sieving /washing ores	A young boy between the ages of 10 and 15 crushes Mineral Ore rocks in the hope of finding Metal.
27/10/2022	Children (U18) crushing / sieving /washing ores	Five children aged between 9 and 14 years old wash waste from the mineralized sands in an abandoned washing basin in the Subsite.
28/10/2022	Children (U18) crushing / sieving /washing ores	Three children aged between 10 and 14 work in an abandoned washing basin at the Subsite. Two of them are washing mineral sand waste in an abandoned washing basin. The third is carrying a parcel of mineralized sand.
24/10/2022	Other Bribery	Name, Mining Operator's Security agent, received a sum of 50,000 Local Currency from a mining operator to facilitate the diversion of a 30 kg parcel of Metal to Name township in Neighbouring Mining Concession.
28/10/2022	Other Bribery	Name, Mining Operator's Security agent, received the sum of 50,000 Local Currency to facilitate the diversion of a consignment of about 30 kg of Metal to the Mining Village.
28/10/2022	Children (U18) crushing / sieving /washing ores	Two girls aged between 12 and 15 manually crush waste Metal rocks in the Subsite.
2/11/2022	Children (U18) engaged in worst forms of child labour (underground/underwater work)	Six children aged between 13 and 16 are digging mineralized sand in the pit of Name at the Subsite.
3/11/2022	Children (U18) crushing / sieving /washing ores	About 15 children between the ages of 10 and 16 crush mineralized rocks at the Subsite
11/11/2022	Children (U18) crushing / sieving /washing ores	Approximately 5 girls aged 12-14 years wash waste from mineralized sands in abandoned washing basins at the Subsite.

2. INCIDENT & RISK ANALYSIS DATA			
Incident Score	Incident Score Category	Risk Category	Risk
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)
16	 High	Security	Public or Private Security Forces
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)
16	 High	Legality	Corruption/ Bribery
16	 High	Legality	Corruption/ Bribery
16	 High	Legality	Corruption/ Bribery
9	 Moderate	Legality	Corruption/ Bribery
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)
9	 Moderate	Legality	Corruption/ Bribery
9	 Moderate	Legality	Corruption/ Bribery
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)
25	 Critical Breach	Human Rights	Worst Forms of Child Labour (WFCL)
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)
20	 Very High	Human Rights	Worst Forms of Child Labour (WFCL)

1. INCIDENT DESCRIPTION		
Date	Incident	Incident Description
14/11/2022	Payments to illegitimate actors in the supply chain	Some Former Mining Cooperative security agents charge a sum of 500 Local Currency to each passer-by on the Subsite-Mine Site axis as a fee to finance the rehabilitation of the road. The money is shared among the Former Mining Cooperative agents.
18/11/2022	Payments to illegitimate actors in the supply chain	Name, a Former Mining Cooperative agent, in agreement with Mining Operator's security guards assigned to Mine Site, charges each pit in production and active washing basins an amount of 10,000 Local Currency and 5,000 Local Currency (week of 14 to 18 November 2022).
21/11/2022	Children (U18) engaged in worst forms of child labour (underground/underwater work)	Three children aged between 14 and 17 are digging in Mr Name's pit.
19/11/2022	Army indirectly involved in mining activity	On the night of Date, army forces from the military intelligence section made unidentified artisanal miners work in the pit of Name, which produces Gem Stone and Mineral Ore. Only Gem Stone appears to have been taken. The house in which the soldiers are stationed belongs to Name, the former president of Former Mining Cooperative; this house even served as Former Mining Cooperative's office when they were allowed on the site. Name is now a member of the national parliament.
22/11/2022	Payments to illegitimate actors in the supply chain	Former Mining Cooperative members charge pit leaders 5000 Local Currency.
25/11/2022	Payments to illegitimate actors in the supply chain	Name, agent of Former Mining Cooperative, illegally charge an amount between 5,000 and 10,000 Local Currency to each pit in production.
2/12/2022	Payments to illegitimate actors in the supply chain	Name, agent of Former Mining Cooperative, charges between 5,000 and 10,000 Local Currency to producing pits and active washing basins of the Mine Site (week of 28 November to 2 December 2022)
31/1/2022	Insufficient reporting on due diligence	Missing publicly available annual due diligence report.
31/1/2022	Insufficient reporting on due diligence	Missing publicly available annual due diligence report.
28/2/2022	Security lacking Voluntary Principles training	Smelter security lacks training on Voluntary Principles on Security and Human Rights
31/3/2022	Security lacking Voluntary Principles training	Smelter security lacks training on Voluntary Principles on Security and Human Rights.
30/4/2022	Security lacking Voluntary Principles training	Smelter security lacks training on Voluntary Principles on Security and Human Rights.
31/5/2022	Security lacking Voluntary Principles training	Smelter security lacks training on Voluntary Principles on Security and Human Rights.
28/2/2022	Insufficient reporting on due diligence	Missing publicly available annual due diligence report.
28/2/2022	Security lacking Voluntary Principles training	Mine Site security is missing training on Voluntary Principles on Security and Human Rights.
31/3/2022	Security lacking Voluntary Principles training	Mine Site security is missing training on Voluntary Principles on Security and Human Rights.
30/6/2022	Security lacking Voluntary Principles training	Smelter security lacks training on Voluntary Principles on Security and Human Rights.

2. INCIDENT & RISK ANALYSIS DATA			
Incident Score	Incident Score Category	Risk Category	Risk
16	High	Legality	Corruption/ Bribery
16	High	Legality	Corruption/ Bribery
25	Critical Breach	Human Rights	Worst Forms of Child Labour (WFCL)
25	Critical Breach	Security	Public or Private Security Forces
16	High	Legality	Corruption/ Bribery
16	High	Legality	Corruption/ Bribery
16	High	Legality	Corruption/ Bribery
	Low	Legality	Transparency/ Reporting
	Low	Legality	Transparency/ Reporting
12	High	Human Rights	Torture, Cruel & Inhumane Treatment
12	High	Human Rights	Torture, Cruel & Inhumane Treatment
12	High	Human Rights	Torture, Cruel & Inhumane Treatment
12	High	Human Rights	Torture, Cruel & Inhumane Treatment
4	Low	Legality	Transparency/ Reporting
12	High	Human Rights	Torture, Cruel & Inhumane Treatment
12	High	Human Rights	Torture, Cruel & Inhumane Treatment
12	High	Human Rights	Torture, Cruel & Inhumane Treatment



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