

# [RUTONGO MINES LTD]

## SUPPLY CHAIN POLICY

Version 1.0 – 16-06-2017

*Developed in collaboration with Better Sourcing Program Ltd*

We, **[Rutongo Mines Ltd]**, recognise the risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, and understand that we have the responsibility to respect human rights and not contribute to conflict. We further recognise the importance of transparency in mineral supply chains and the positive impact of responsible investment into artisanal and small-scale mining projects on local development.

We commit to adopt and implement the following Policy on Responsible Sourcing of Minerals:

- We fully adhere to the Better Sourcing Standard and continuously work towards achieving and maintaining conformance with all criteria therein. We further commit to promoting, commensurate with our level of influence, conformance with the Better Sourcing Standard among all actors in the upstream part of the supply chain.
- We commit to carrying out our operations in full compliance with all applicable national, regional and extra-territorial laws and regulations.
- We carry out on-going, proactive and reactive due diligence over our mineral supply chains from the point of extraction to the point of export in conformance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas and relevant supplements.
- We commit to assigning authority and responsibility to senior staff with the necessary competence, knowledge and experience to oversee the supply chain due diligence process; to ensuring internal accountability with respect to the implementation of the supply chain due diligence process; and to reporting findings of supply chain risk assessments to the designated senior management of the company.
- We recognise that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.
- Where we or any company/organisation in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, we will support or take steps to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.
- We commit to refraining from any action that contributes to the financing of conflict. Specifically, we do not tolerate and agree to eliminate:
  - Any direct or indirect support to non-state armed groups, public or private security forces who:
    - Illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
    - Illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
    - Illegally tax or extort intermediaries, export companies or international traders.
  - We consider “direct or indirect support” to include, but not be limited to, procuring minerals

from, making payments to or otherwise providing logistical assistance or equipment to non-state armed groups, public or private security forces.

- We commit to maximising transparency in relation to our supply chain and activities:
  - We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments; and
  - We will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, our supply chain and activities; and
  - We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments, and we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that:

- They do not have required licenses, agreements, permits or authorisations that are valid, current and cover all operations of the company or organisation; and / or
- They commit or are sourcing from, or are linked to, any party committing serious human rights abuses; and / or
- They provide or are sourcing from, or linked to, any party that directly or indirectly supports armed groups, public or private security forces engaged in the illegal activities described above; and / or
- They do not ensure all minerals and metals are fully traceable from mine pit to receiving smelter; and / or
- Working conditions present an imminent threat to the life of employees, contractors or visitors.

In accordance our specific position as local exporter in the supply chain, we commit to engage with suppliers and relevant stakeholders, to devise, adopt and implement a risk management plan for any risks that were reasonably identified in relation to all other areas covered by the Better Sourcing Standard. We commit to regularly monitor and track performance of upstream suppliers with a view to preventing or mitigating those risks through measureable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.



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