



JOINING FORCES FOR A FAIR ARTISANAL COBALT

PRESS KIT Entreprise Générale du Cobalt (EGC)

LAUNCH OF ENTREPRISE GÉNÉRALE DU COBALT: SUPPORT
STRUCTURE OF COBALT'S ARTISANAL MINING, SUPERVISION, AND
TRADING IN THE DEMOCRATIC REPUBLIC OF CONGO

MARCH 2021



Message from the General Manager

« Today's announcement is very important for the Congolese artisanal cobalt sector. It responds to the wishes of the Democratic Republic of the Congo government to improve and promote the national artisanal cobalt production. For our country to benefit from the intrinsic value of cobalt, currently boasted by the development of carbon-free energies, it was essential that measures be taken to support the formalization of this industry. By cleaning-up this sector, which has been subject to recurring illegality and fraud for several years, and of which our artisanal miners are the first victims.

Our mission is to defend our most vulnerable communities as well as to confirm the central positioning of the Democratic Republic of Congo, which has 63% of the world reserves of this strategic mineral ».



M. Jean-Dominique Takis

General Manager of Entreprise Générale de Cobalt (EGC)

About Entreprise Générale du Cobalt (EGC)

Entreprise Générale du Cobalt SA (EGC) is a subsidiary of GECAMINES, established in 2019 and mandated by the Democratic Republic of the Congo government to exercise a monopoly in the country on the sourcing of cobalt from artisanal mining operations, whereby processing prior to export is required before it can be traded. Furthermore, it should also ensure that this production meets the highest standards of social and environmental responsibility and traceability.

Boasting more than 67% of the world's cobalt production, the Democratic Republic of the Congo is now the world's leading cobalt producer.

On October 27th, 2020, Entreprise Générale du Cobalt (EGC) signed a trading agreement with TRAFIGURA, one of the world's leading independent commodity trading houses. The agreement includes the provision of finance by TRAFIGURA to fund the creation of strictly controlled artisanal mining zones, the installation of ore purchasing stations, and financing all costs related to buying, transforming, and delivering of cobalt hydroxyde to end buyers.

In support of this agreement, EGC has established a Technical Committee with TRAFIGURA and the international non-profit organization PACT, which experience and expertise will contribute to support EGC in its vision and enable it to achieve its objectives. PACT works alongside local communities in nearly 40 countries to eradicate poverty, notably by making artisanal and small-scale mining formal, safer and more productive.

History

- **March 9th, 2018:** promulgation of the new mining code by law No. 18/001
- **November 24th, 2018:** DECREE No. 18/042 declaring cobalt, germanium and Columbite-Tantalite «coltan» as strategic ores
- **November 5th, 2019:** decree no. 19/15 on the safeguarding of activities relating to strategic ores derived from artisanal mining
- **December 2nd, 2019:** Entreprise Générale du Cobalt (EGC) was officially launched



Values



INTEGRITY



SAFETY



TRANSPARENCY



RESPONSIBILITY

INTEGRITY

We handle the purchase, processing and exclusive trading of strategic ores from the Democratic Republic of the Congo, ensuring stringent standards in this field. Our goal is to constantly improve working conditions for our artisanal mining within a framework that is consistent with the highest social and environmental standards.

SAFETY

Our priority is to guarantee the safety of our artisanal miners working in artisanal mining areas and to protect the health of all employees in the Democratic Republic of the Congo. Our role is to ensure a safe and sound work environment for all our direct and indirect employees as well as nearby communities.

TRANSPARENCY

We have established a series of internal controls as well as external audits for each stage of our value chain in order to ensure a transparent framework with our stakeholders.

RESPONSIBILITY

We are well aware of our impact in our ecosystem. We continually focus our efforts to safeguard human rights, health, safety and the protection of the environment.

Objectives

IMPROVING ARTISANAL MINING WORKING CONDITIONS AND PROTECTING VULNERABLE POPULATIONS

Our cobalt production is responsible and sourced from authorized cooperatives and their artisanal miners, which in turn guarantees the protection of vulnerable populations (pregnant women, children, etc.), and also guarantees decent working conditions for artisanal miners.

INCREASING INCOME FROM ARTISANAL MINING

EGC's monopoly over the buying and trading processes reduces illegal activities associated with the mining and trading of artisanal cobalt, while mitigating the negative economic impact that the mining of these ores has had, or could have, on global cobalt prices as well as on artisanal miners' revenues.

GUARANTEEING THE TRACEABILITY OF OPERATIONS

The supervision and implementation of traceability processes at all stages of the value chain is essential to ensure the legality and compliance of operations with the highest social, environmental, and financial standards.

STRENGTHENING THE REPUTATION AND IMAGE OF THE DEMOCRATIC REPUBLIC OF CONGO

The Democratic Republic of the Congo has been impacted by a negative image due to illegal artisanal mining operations involving women and children. EGC's action will help improve the country's reputation and enhance the image of its ethical mining industry.



Executive Committee/ Administration



EGC'S BOARD OF DIRECTORS IS COMPOSED OF THE FOLLOWING MEMBERS:

- **Mr. Albert YUMA MULIMBI, Chairman of the Board**
- Mr. Jean-Dominique TAKIS KUMBO
- Mr. Elisée KAZADI TSHIBANGU
- Mr. Emile MUTUNDA KOJI
- Mr. Mabolia YENGA
- Mr. Dominique BUSHEBU LUMANA
- Mr. Pierrot KITOBO SAMBISAYA
- Mr. Justin KAMWANYA KALEMUNA
- Mr. Luc BADIBANGA MWANZA

Mission

ECONOMIC SOVEREIGNTY

EGC is committed to serving the Democratic Republic of the Congo in regaining control of the cobalt industry, which is a strategic component of the global energy transition and the country's economic growth. Bolstered by its partnerships with leading industrial players and its cooperation with the various national and provincial political and administrative authorities, EGC is committed to upgrading Congolese cobalt sourced from artisanal production in order to promote economic development in the Democratic Republic of the Congo.



SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

As a global organization confronted with several challenges related to sustainability and social responsibility, EGC aims to strengthen the position of the Democratic Republic of the Congo as a world leader in cobalt production by protecting this valuable and prestigious heritage, while enabling artisanal miners to benefit from this resource and earn a decent living.

EGC offers an immediate solution to the working conditions of artisanal miners as well as an environment that complies with social, economic, and environmental norms. It also ensures the safety of vulnerable populations such as pregnant women and children; not only by protecting them from exploitative working conditions, but also by offering them entrepreneurial opportunities to improve their living conditions. EGC stands as the guarantor for the country's artisans and local authorities for a responsible and fair mining operation which sync with the objectives of economic profitability, as well as for the protection of the environment.



CONTROL DILIGENCE

TRAFIGURA

The supply agreement signed between EGC and TRAFIGURA includes financing arrangements by TRAFIGURA to support the creation of strictly controlled artisanal mining zones, the installation of ore purchasing stations and the costs related to the transparent and traceable delivery of cobalt hydroxide to its clients.

Under the supply terms, EGC will ensure that the ore traded with the support of TRAFIGURA complies with the OECD Due Diligence.

PACT

To support the supply agreement with TRAFIGURA, EGC signed a memorandum of understanding with the international non-profit organization PACT, which will ensure responsible due diligence in sourcing from artisanal miners. PACT works alongside local communities in nearly 40 countries to eradicate poverty, including making formal artisanal and small-scale mining safer and more productive.





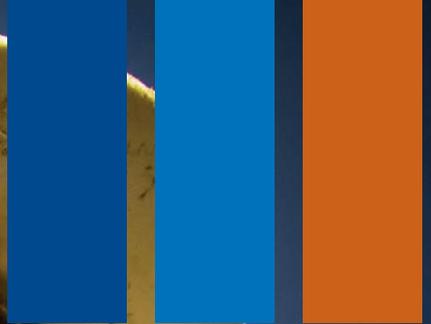
ENTREPRISE
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DU COBALT





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Approach

Entreprise Générale du Cobalt is currently structuring its activities around two divisions: the production and marketing divisions respectively.

PRODUCTION

The production phase covers the mining of cobalt ores by artisanal miners from artisanal mining areas, their transit to trading centers and their processing into cobalt hydroxide in local plants. This phase, which involves a large number of stakeholders, public and private players, and civil society, requires an administrative approach with the authorities involved for the conduct of business, and a contractual approach with the subcontractors in charge of operational support and of the effective implementation of the various activities on the sites, in particular by supporting the artisanal miners in their day-to-day activities and ensuring the safety of the neighboring communities.

MARKETING

The marketing phase consists of ensuring that the entire project value chain is operating according to RDC's and end buyers' expectations in terms of cobalt hydroxide' corporate social responsibility certification as well EGC's standards, from logistics between sites, traceability of the first kilogram of ore extracted to final delivery and marketing of products to end customers. This phase calls for specific skills in transportation - from the artisanal mining areas, to the end customers on another continent - traceability through the use of world-renowned partners and blockchain and trading technologies, to reach out to buyers such as car manufacturers and producers of electronic devices and to establish stable partnerships with them.

Along with its partners, EGC is currently setting up the complete architecture of the project, whose progress will be presented in the operations section of its website at www.egcobalt-rdc.com



EGC: Responsible Sourcing Requirements

EGC has been mandated by the country's highest authorities to organize and supervise artisanal and small-scale cobalt mining in the Democratic Republic of the Congo, through the development of a responsible value chain.

A central component of fulfilling EGC's mission is ensuring that artisanal and small-scale cobalt production is undertaken in accordance with defined standards. The purpose of these standards is to ensure decent working conditions and eliminate the key social, ethical and environmental risks that have historically plagued artisanal cobalt production.

These EGC Responsible Sourcing Requirements have been developed by the EGC Technical Committee to provide the single reference standard for defining responsible artisanal and small-scale cobalt production in the DRC. The EGC Technical Committee developed the Standards to align with DRC law, the OECD Guidance, and with due consideration of work undertaken by other actors to develop responsible supply chain standards for artisanal cobalt production.

The EGC Responsible Sourcing Requirements apply to all ASM cobalt sites. The EGC Technical Committee will implement management controls and assurance processes to drive the application of the standards set out in these Standards across the EGC supply chain through a process of continual improvement and with the support of technical partners. The Sourcing Requirements have four components:

- **Miners:** EGC's responsible sourcing requirements define the 'golden rules' that all workers on ASM cobalt sites must adhere to.
- **Co-operatives:** EGC's responsible sourcing requirements define the governance and operational management requirements that EGC will place on co-operatives that are authorized to operate on ASM cobalt sites.
- **EGC:** EGC's responsible sourcing requirements define the standards that EGC will hold itself to in its governance, management and oversight of the supply chain from mine through to processing plant.
- **TRAFIGURA:** EGC's responsible sourcing requirements define the standards that Trafigura, as Technical Committee member and purchaser of EGC's cobalt production, will undertake to ensure the effective implementation of the EGC's Responsible Mining Standards.

For more information, download the EGC Mining Standards at www.egcobalt-rdc.com

Key Figures



80%

of the **world's reserve of cobalt** is located in the Democratic Republic of the Congo

1 to 2 million

Congolese depend directly or indirectly on the **production of Cobalt**



The emergence of electric vehicles and their penetration rate which will reach **27% by 2026** make Cobalt the most

Strategic Commodity
of the future



The DRC produced

94.000

tonnes of Cobalt or
**67% of the world's
production in 2020**

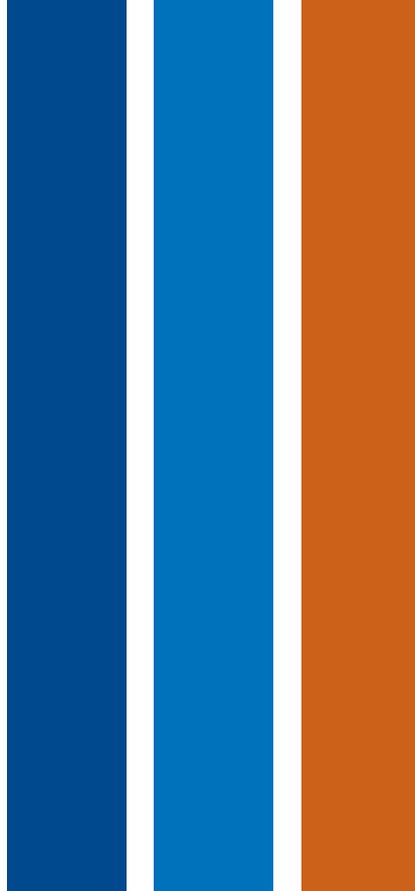
Rechargeable batteries
are estimated to account for

63%

of the **global Cobalt
demand by 2025**



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