



ASX ANNOUNCEMENT

17 June 2022

## Release of Inaugural Sustainability Report

**AVZ Minerals Limited** (ASX: AVZ, OTCQX: AZZVF) (**AVZ** or **Company**) is pleased to announce the release of its inaugural Sustainability Report for the year ended 31 December 2021.

The sustainability report is available to view on the Company's website.

This announcement was authorised for release by the Board of Directors of AVZ Minerals Limited.

For further information, visit [www.avzminerals.com.au](http://www.avzminerals.com.au) or contact:

**Mr. Jan de Jager or Mr. Ben Cohen**  
Joint Company Secretary  
AVZ Minerals Limited  
Phone: +61 8 6117 9397  
Email: [admin@avzminerals.com.au](mailto:admin@avzminerals.com.au)

**Media Enquiries:**  
Mr. Peter Harris  
Peter Harris & Associates  
Phone: +61 (0) 412 124 833



### FORWARD LOOKING INFORMATION

This announcement contains certain forward-looking statements and comments about future events. Forward looking statements can generally be identified by the use of forward-looking words such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings or financial position or performance are also forward-looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Forward looking statements involve known and unknown risks, uncertainty and other factors which can cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements and many of these factors are outside the control of the Company. As such, undue reliance should not be placed on any forward-looking statement. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this announcement nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company.

Except as required by law or the ASX Listing Rules, the Company assumes no obligation to provide any additional or updated information or to update any forward-looking statements, whether as a result of new information, future events or results, or otherwise.

**AVZ Minerals Limited**  
Level 2, 1 Walker Avenue  
West Perth, WA 6005  
Australia

T: + 61 8 6117 9397

F: + 61 8 6118 2106

E: [admin@avzminerals.com.au](mailto:admin@avzminerals.com.au)

W: [www.avzminerals.com.au](http://www.avzminerals.com.au)

ABN 81 125 176 703

### Directors

Non-Executive Chairman: John Clarke

Managing Director: Nigel Ferguson

Technical Director: Graeme Johnston

Non-Executive Director: Rhett Brans

Non-Executive Director: Peter Huljich

**ASX Code: AVZ**  
**OTCQX Code: AZZVF**

For personal use only

For personal use only



# Sustainability Report

2020 - 2021



For personal use only



## TABLE OF CONTENTS

|     |  |    |
|-----|--|----|
| 1.  | ABOUT THIS REPORT                                    | 6  |
| 2.  | ABOUT AVZ MINERALS LIMITED                           | 8  |
| 3.  | VISION AND VALUES                                    | 10 |
| 4.  | GOVERNANCE   | 13 |
|     | 4.1 Leading sustainable development                  | 13 |
|     | 4.2 Regulatory Compliance                            | 13 |
|     | 4.3 Conflict Minerals                                | 13 |
|     | 4.4 Modern Slavery                                   | 13 |
|     | 4.5 Supply Chain                                     | 14 |
| 5.  | ENVIRONMENT  | 17 |
|     | 5.1 Environmental and Social Impact Assessment       | 17 |
|     | 5.2 Environmental Management                         | 17 |
|     | 5.3 Striving towards net zero emissions              | 19 |
| 6.  | SOCIAL RESPONSIBILITY                                | 25 |
|     | 6.1 Stakeholder Engagement Framework                 | 25 |
|     | 6.2 Key Stakeholders                                 | 25 |
|     | 6.3 Project Stakeholder Context                      | 27 |
|     | 6.4 Previous Stakeholder Engagement                  | 30 |
|     | Social Vision and Sustainable Development Plan       | 31 |
|     | 6.5 Sustainable Development Plan Implementation      | 34 |
| 7.  | HUMAN RIGHTS IMPACT ASSESSMENT                       | 38 |
|     | 7.1 Human Rights Risks                               | 38 |
|     | 7.2 Management of Human Rights Risks                 | 38 |
| 8.  | HEALTH AND SAFETY                                    | 41 |
|     | 8.1 Annual Update - 2021                             | 41 |
| 9.  | SUSTAINABILITY REPORTING                             | 44 |
|     | 9.1 IFC Performance Standards and Equator Principles | 44 |
|     | 9.2 United Nations Sustainable Development Goals     | 44 |
|     | 9.3 World Economic Forum ESG Metrics and Disclosures | 46 |
|     | 9.4 Sustainability Action Plan                       | 47 |
| 10. | REFERENCES   | 52 |

For personal use only

LIST OF FIGURES

|          |  |    |
|----------|--|----|
| Figure 1 | Location of the Manono Project.....                        | 8  |
| Figure 2 | Local Communities within the Exploration Permit area.....  | 29 |
| Figure 3 | Stakeholder Interest and Influence.....                    | 30 |
| Figure 4 | Process for creating shared value (source: IFC, 2010)..... | 32 |

LIST OF TABLES

|         |   |    |
|---------|---|----|
| Table 1 | - Strategic actions towards achieving carbon neutrality (ERM, 2021) | 20 |
| Table 2 | - Manono Project projected LCE Emission Intensity                   | 21 |
| Table 3 | - Key stakeholders, area of interest and engagement methods         | 25 |
| Table 4 | - Villages surrounding the Project Area                             | 28 |
| Table 5 | - Strategies to achievement of the UN SDG                           | 45 |
| Table 6 | - Combined IFC, EQ4 and WEF Annual Action Plan                      | 48 |

LIST OF APPENDICES

|                 |    |
|-----------------|----|
| Appendix A..... | 53 |
| Appendix B..... | 69 |

For personal use only





## Message from the Chairman, AVZ Minerals Board

I am very pleased to present the Company's inaugural Sustainability Report detailing the work undertaken by the Company on the world class Manono Lithium and Tin Project.

The importance of a focus on Environmental Social and Governance (ESG) issues, is recognised by the Board as integral in supporting the longevity of the Project and maximising its contribution to stakeholders.

The Company is determined to turn this thinking into action, promoting an organisational culture that embraces sustainable business practices, that meet stakeholder expectations.

The successful development and operation of the Manono Project will enable AVZ to make a positive contribution to the lives of many in the region, particularly in the host communities where we operate, creating shared value through direct and indirect employment opportunities, whilst delivering measurable positive outcomes across the community through advancements in health and wellbeing, education, and environmental management.

## Message from the CEO, AVZ Minerals

I am excited to present AVZ's first Sustainability Report, highlighting our ESG advancement since commencing the Project. ESG intersects all areas of our business from environmental stewardship to social development and robust governance practices.

The Manono Project will contribute significantly to the global green energy transition with the lithium produced consumed in the production of lithium ion batteries powering electric vehicles, hand held appliances and battery storage systems.

Our ambition to achieve net zero emissions by 2030, is realistic and will be underpinned by the "green power" produced from the Mpiana Mwanga hydro electric power plant, and other renewable initiatives being investigated by AVZ, including hydrogen production for fuel cell electric vehicles, production of biofuels, solar array expansion and battery storage.

The Manono Project will deliver significant socio-economic benefits to the region, preserve environmental values and establish a transparent, ethical supply chain.



For personal use only

For personal use only

# ABOUT THIS REPORT



AVZ is committed to the sustainable development of the Manono Lithium and Tin Project, working with our host communities towards ending poverty, improving health and education, reducing inequality, contributing to economic growth, minimising greenhouse gas emissions and preserving biodiversity values.

## 1. ABOUT THIS REPORT

AVZ is committed to transparent disclosure of material Environmental, Social and Governance (ESG) matters, that keep our stakeholders informed on pertinent sustainability issues with respect to the Company and its project interests.

AVZ is pleased to publish its inaugural Sustainability Report for the period 1 July 2020 to 30 December 2021.

AVZ aligns its corporate policies and processes with the International Finance Corporation Performance Standards (IFCPS) and Equator Principles (EP). An assessment of AVZ's performance against these international standards is presented in Appendix A.

AVZ is committed to working towards ending poverty, improving health and education, reducing inequality, contributing to economic growth, minimising greenhouse gas emissions and preserving biodiversity values through the implementation of the United Nations 17 Sustainable Development Goals (UN SDG). AVZ's contribution towards these goals is presented in Section 9.2.

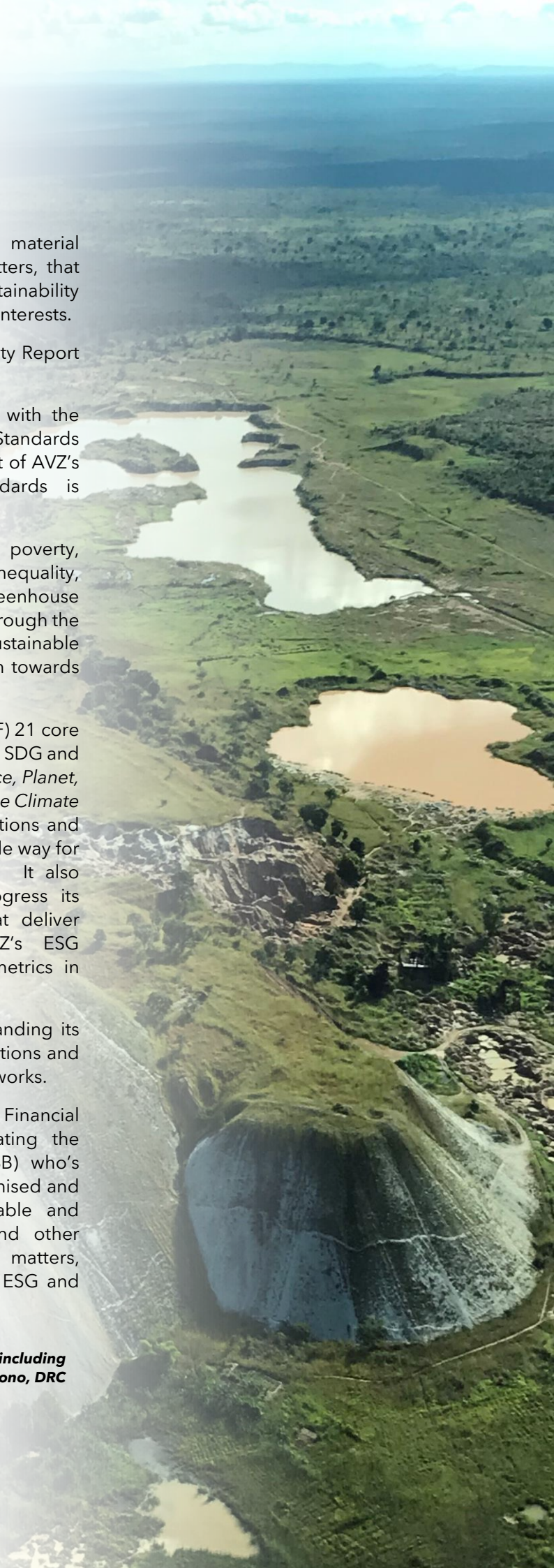
AVZ has adopted the World Economic Forum (WEF) 21 core metrics and disclosures that are aligned with the UN SDG and fall under the ESG pillars of: *Principles of Governance, Planet, People and Prosperity*. These metrics incorporate *The Climate Change Financial Disclosure (TCFD)* recommendations and provide an independent, consistent and comparable way for AVZ to highlight its sustainability achievements. It also provides AVZ with a robust framework to progress its sustainability goals through defined actions that deliver positive outcomes for its stakeholders. AVZ's ESG performance is documented against the WEF metrics in Appendix B.

As AVZ grows and develops, it will consider expanding its ESG reporting aligned with its stakeholder expectations and current and evolving sustainability reporting frameworks.

AVZ welcomes the initiatives of the International Financial Reporting Standards (IFRS) Foundation in creating the International Sustainability Standards Board (ISSB) who's primary aim is to establish an internationally recognised and adopted set of high quality, transparent, reliable and comparable reporting standards on climate and other environmental, social and governance (ESG) matters, consolidating the valuable contributions of other ESG and climate related reporting frameworks (IFRS, 2021).

***Historical legacy mining infrastructure including Roche Dure Pit, Manono, DRC***

For personal use only





For personal use only



## ABOUT AVZ MINERALS

The restoration of the Mpiana Mwanga hydro-electric power plant is a critical component of the Manono Project that will supply green energy to operations and the local community, supporting AVZ's ambition to achieve net zero emissions by 2030

## 2. ABOUT AVZ MINERALS LIMITED

AVZ Minerals Limited (AVZ) is an Australian Company listed on the Australian Stock Exchange. AVZ holds interests in exploration projects prospective for lithium, tin, tantalum and associated minerals in the Democratic Republic of Congo (DRC). AVZ's interests include a 75% shareholding in the the Manono Lithium and Tin Project ('Manono Project', or the 'Project') a lithium-rich pegmatite deposit through its holding in Dathcom Mining SA, the DRC registered mining company that holds the asset on behalf of its shareholders, and a 100% interest in the surrounding Manono Extension Project (lithium, tin, tantalum). AVZ's subsidiaries include Dathcom Mining SA, Maj Bora Ya Manono SASU, Nyuki Logistics Company SASU, AVZ Power SAU, AVZ Minerals Congo SARL and the AVZ Foundation.

The Manono Project, AVZ's flagship project, is located on the 188km<sup>2</sup> Permis de Recherche (PR) PR13359 (referred to herein as the Exploration Permit), in the Tanganyika District, 500 km north of the city of Lubumbashi and 2.5km from the town of Manono in the south of the Democratic Republic of Congo (DRC) Figure 1.

Historical tin mining, operated by Géomines (CONGO-ETAIN), occurred within the Exploration Permit area between 1919 and 1982. The mine was abandoned in 1985 with historical infrastructure and unrehabilitated landforms still in place today.

Following closure of the Géomines operation, local artisanal miners have continued to mine tin by hand for sale to local traders forming the main source of local income.

The Manono Project is widely considered to be one of the largest undeveloped hard rock lithium projects globally with Joint Ore Reserves Committee (JORC) 2012 compliant Mineral Resource Estimate of 401 Mt @ 1.65% Li<sub>2</sub>O (spodumene). The Project DFS was published in April 2020 ('DFS') contemplates mining at a proposed initial production rate of 4.5 million tonnes per annum (Mt/a).

AVZ Power SAU proposes to restore the Mpiana Mwanga hydro-electric power plant (HEPP) to meet the energy requirements of the Manono Project including the processing plants and future electric mining fleet, significantly reducing carbon emissions to the environment. Surplus power will be made available to community facilities.

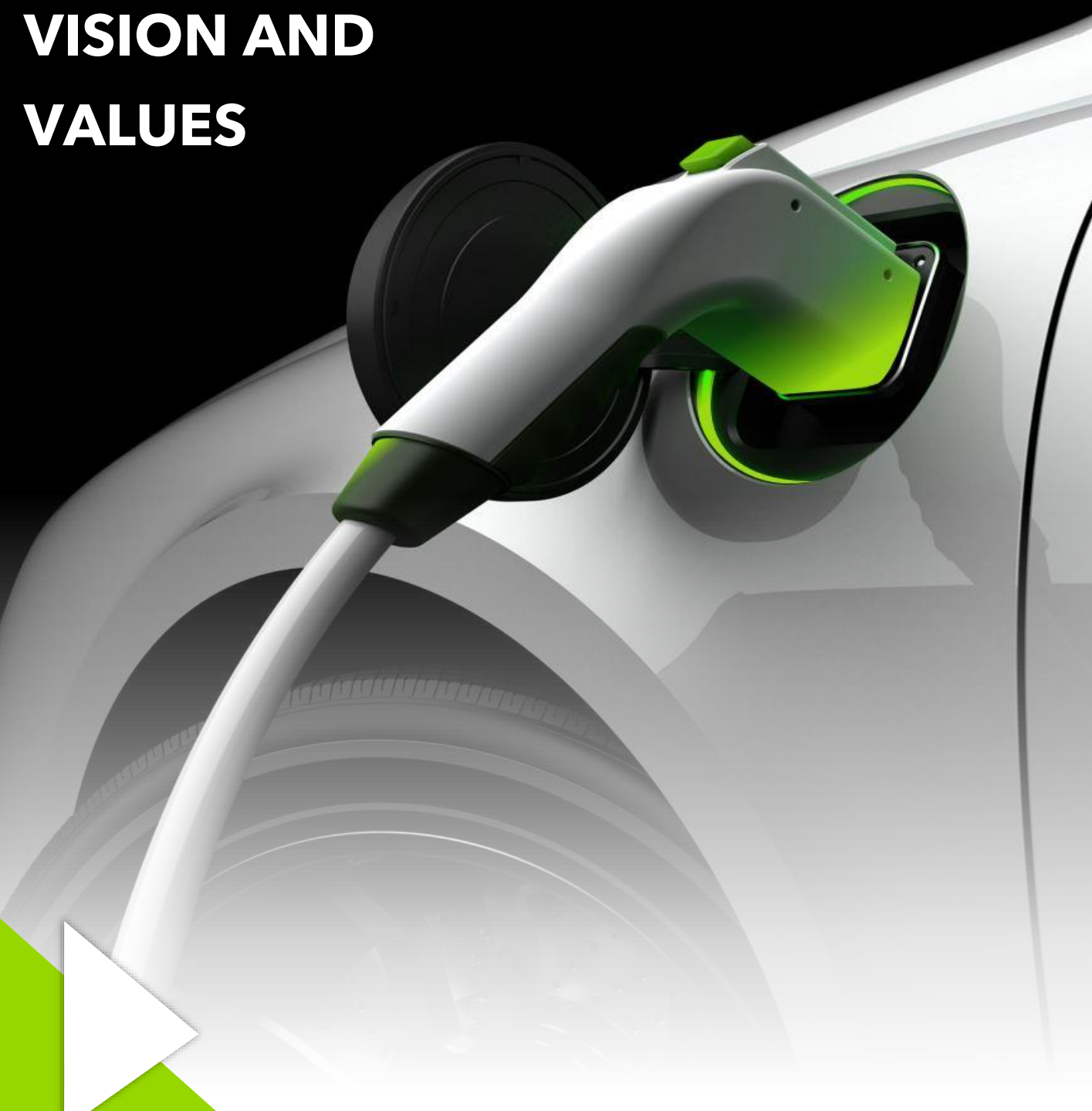
Dathcom Mining SA (Dathcom) development of the Manono Project, is expected to commence following award of the Permis d'Exploitation and Financial Investment Decision.



Figure 1 Location of the Manono Project

For personal use only

# VISION AND VALUES

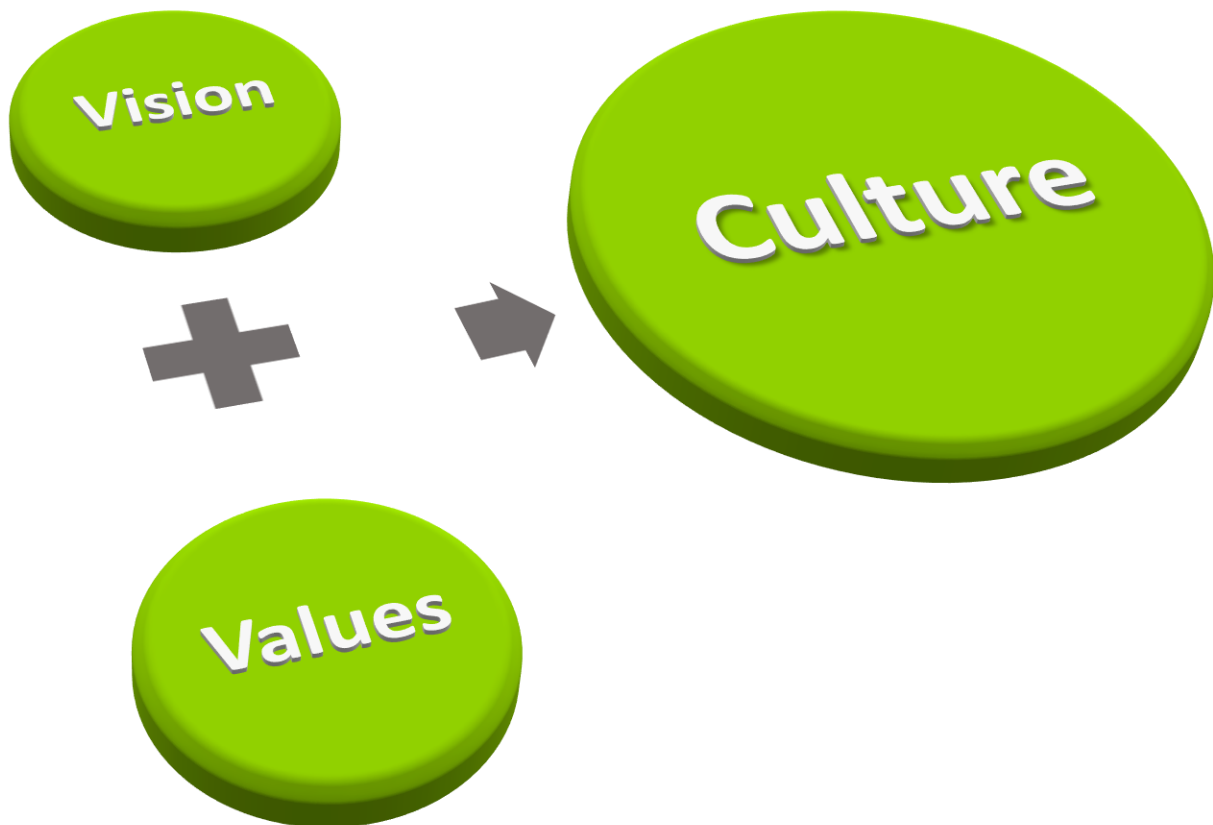


A transformative and respectful organisation focused on underpinning the global green energy transition, uplifting the lives of host communities and concurrently delivering long term benefits for stakeholders and the environment.

### 3. VISION AND VALUES

The AVZ team, including employees in both the DRC and Australia, senior company executives and members of the Board, participated in a foundational workshop in late 2021, to identify and establish AVZ's Vision and Values.

*"Defining our Vision and Values was an important and necessary milestone as we approach the next exciting phase of project development. Our Vision establishes a clear goal for all employees and contractors to work towards, whilst our core Values support the Company's Vision and provides a pathway for shaping its culture." (CEO, Nigel Ferguson, January 2022).*



For personal use only

## VISION - What we aspire to achieve

*Underpinning the global green energy transition*

## VALUES - What matters most to us

### Transformative

As demonstrated by:

- Uplifting the lives of host communities and all stakeholders
- Helping to create and improve sustainable industries
- Delivering concurrent social, environmental and economic benefits
- Leaving a positive legacy for future generations

### Respect

As demonstrated by:

- Being trusted to do what we say
- Valuing diversity and difference
- Listening intently

### Excellence

As demonstrated by:

- Setting high standards
- Maintaining exemplary performance
- Promoting a culture of innovation, dedication and hard work

### One Team

As demonstrated by:

- Operating effectively together, regardless of individual backgrounds or seniority
- Maintaining a strong and shared sense of loyalty
- Being proud and celebrating our achievements
- Maintaining strong relationships

For personal use only



## GOVERNANCE

AVZ is committed to acting ethically, honestly, with integrity and in compliance with DRC and International laws. AVZ has zero tolerance for any form of bribery or corruption within its business or supply chain worldwide.

## 4. GOVERNANCE

### 4.1 Leading sustainable development

AVZ's Vision and Values provide the foundation for development of AVZ's ESG objectives through its commitment to develop:

***"A transformative and respectful organisation focused on underpinning the global green energy transition, uplifting the lives of host communities and concurrently delivering long term benefits for its stakeholders and the environment."***

The Board has strong ESG leadership and experience and has demonstrated this through the establishment of a corporate Sustainability Committee reporting directly to the Board. The Sustainability Committee is chaired by a Non-Executive Director and will provide strategic advice to the Board on establishing sustainability policy, strategies and voluntary sustainability reporting.

The Committee will also identify sustainability risks and opportunities, monitor progress against sustainability goals and make recommendations to the Board on performance targets.

The Sustainability Committee charter is published on the AVZ website [[Corporate Governance – AVZ Minerals Limited](#)].

### 4.2 Regulatory Compliance

The mining industry in the DRC is regulated through national legislation and regulations approved by the DRC parliament and executive. The key legislation is the Mining Code enacted by decree 007/2002 adopted on 11 July 2002 (as amended by Law No. 18/001 on 9 March 2018) and its ancillary Mining Regulations, enacted by Decree No. 038/2003 on 26 March 2003 (as amended and supplemented by decree No 18/024 of June 08, 2018).

In May 2021, Dathcom applied for a Permis d'Exploitation (herein after referred to as a Mining Licence) under article 64 of the Mining Code. Approval of the Mining Licence will provide Dathcom with the exclusive right to carry out development, construction and mining operations within the Licence area.

### 4.3 Conflict Minerals

The Manono Project is located within a conflict-affected and high-risk area (CAHRA) of the DRC. CAHRA is identified by the Organisation for Economic Co-operation and Development (OECD).

AVZ is committed to complying with the CAHRA and OECD Annex II requirements by ensuring that its operations and those that it engages with comply with international human rights, modern slavery abolition, and supply chain standards.

In 2020 AVZ established its Conflict Minerals Policy based on a commitment to responsible and ethical mining.

The AVZ Conflict Minerals Policy is located on the AVZ website [[Corporate Governance – AVZ Minerals Limited](#)].

### 4.4 Modern Slavery

Modern slavery involves serious exploitation where offenders use coercion, threats or deception to exploit victims and undermine their freedom.

Modern slavery is defined under the Australian Modern Slavery Act 2018 (Cth) (MSA) as serious exploitation including trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour and deceptive recruiting for labour or services.

AVZ has a zero-tolerance approach to all forms of modern slavery, including within its supply chain and operations. AVZ is committed to acting transparently, honestly, ethically and with integrity in all its business dealings and relationships.

In 2021, AVZ developed a Modern Slavery Policy that outlines AVZ's commitment to:

- Comply with applicable international, national and local legislation and regulations
- Identify modern slavery risks within its supply chain and business operations
- Establish minimum standards for employees and contractors with respect to the identification of modern slavery risks.

AVZ's Modern Slavery Policy is located on the AVZ website [[Corporate Governance – AVZ Minerals Limited](#)].

#### 4.5 Supply Chain

In accordance with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Supplement on Tin, Tantalum and Tungsten* (OECD, 2016), AVZ commits to establishing the following OECD recommended internal controls:

##### Establish strong company management systems

- Adopt and commit to a supply chain policy for minerals originating from conflict-affected and high-risk areas
- Structure internal management systems to support supply chain due diligence
- Establish a system of controls and transparency over the mineral supply chains
- Strengthen company engagement with suppliers.

##### Establish a company level grievance mechanism

- Develop a mechanism allowing any interested party (affected persons or whistle-blowers) to voice concerns regarding the circumstances of mineral extraction, trade, handling and export in a CAHRA.

##### Identify and assess risks in the supply chain

- Identify the scope of the risk assessment of the mineral supply chain
- Map the factual circumstances of the company's supply chains under way and planned
- Assess risks in the supply chain.

##### Design and implement a strategy to respond to identified risks

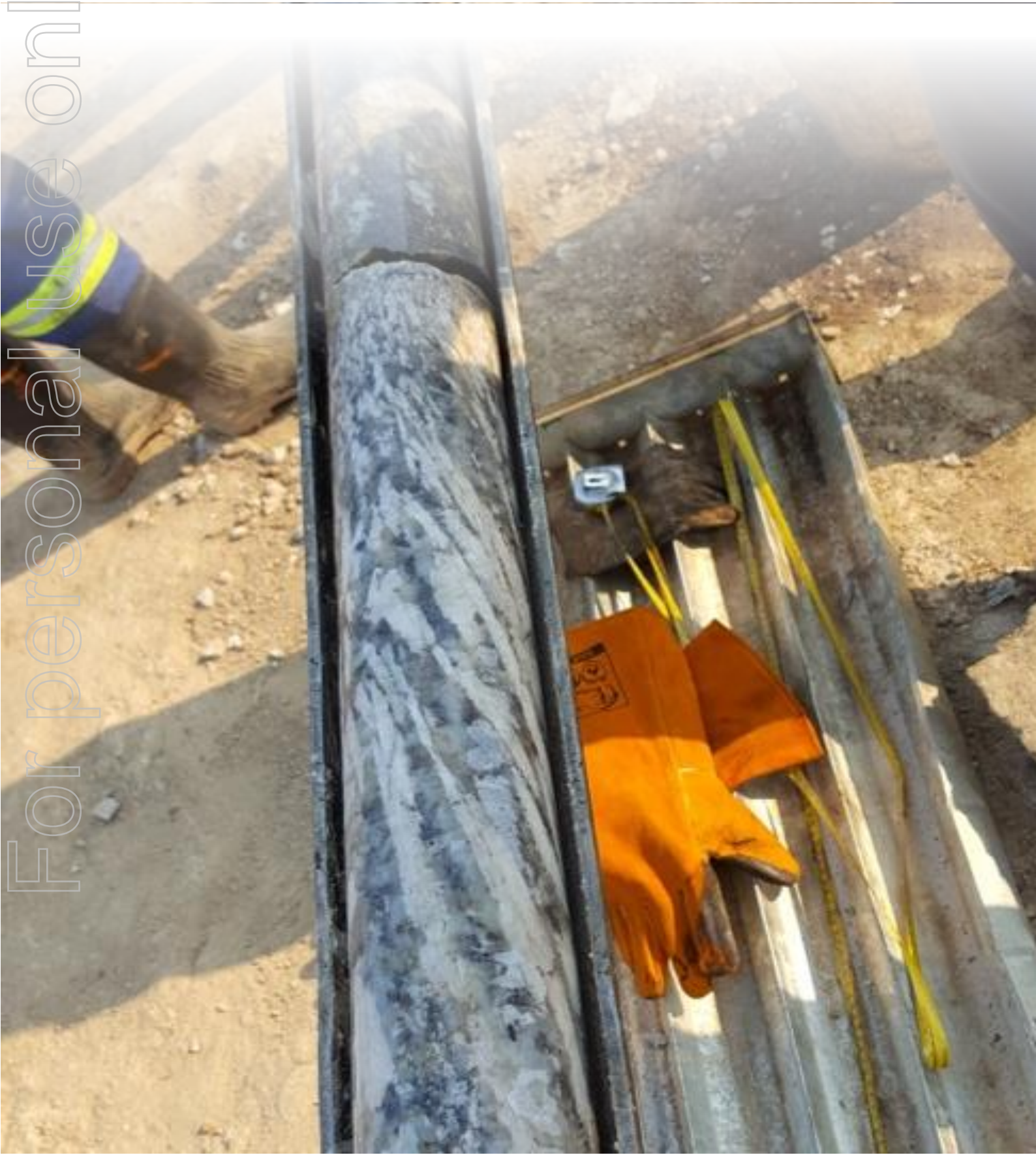
- Report findings to designated senior management
- Devise and adopt a risk management plan
- Implement a risk management plan, monitor and track performance of risk mitigation, report back to senior management and consider suspending or discontinuing engagement with suppliers after failed attempts at mitigation
- Undertake additional risk assessments for risks requiring mitigation or after a change of circumstances
- Carry out independent third-party audit of upstream (smelters / refineries) due diligence practices
- Report annually on supply chain due diligence

For personal use only



- Annually report or integrate, where practicable, into annual sustainability or corporate responsibility reports, additional information on due diligence for responsible supply chains of minerals from CAHRA.

For personal use only



For personal use only



# PLANET

We aim to minimise our environmental footprint, avoid and reduce negative impacts of our activities and enhance broader environmental values over the full project lifecycle for the benefit of current and future generations

## 5. ENVIRONMENT

### 5.1 Environmental and Social Impact Assessment

During 2020 and 2021, AVZ and its subsidiaries submitted and received approval for seven environmental and social impact assessments (ESIA) for its infrastructure and mining projects.

These ESIA were submitted to the DRC Environment Minister between August 2020 and May 2021 and approved between November 2020 and August 2021.

Nyuki Logistics Company SASU (Nyuki) was granted three separate ESIA approvals by the Agence Congolaise de l'Environnement (ACE) in December 2020 for the:

- Road refurbishment from Ngoye to Kabondo Dianda (~340km)
- Ferry Crossing at the Lualaba River adjacent to Mulongo and Kabwe
- The Kabondo Dianda Intermodal Staging Station (KD ISS)

AVZ Power SAU (AVZP) was granted three separate ESIA approvals in November 2020 for the:

- Road refurbishment from Manono to Mpiana Mwanga
- 120 kV high voltage overhead Power Lines from Mpiana Mwanga to Manono for ~87km
- The Mpiana Mwanga hydro-electric power plant (HEPP) refurbishment.

Dathcom Mining SA was granted the ESIA approval for the mining and ore processing facilities at the Manono Project in August 2021. Approval of the Manono Project ESIA included ministerial endorsement of the Project Environmental Management Plan (EMP), Mine Closure Plan (MCP) and Sustainable Development Plan (SDP).

As a part of the ESIA, comprehensive baseline environmental studies were completed to inform the Manono Project and associated infrastructure projects.

### 5.2 Environmental Management

AVZ's Environmental Vision is to:

***"Minimise our environmental footprint, avoid and reduce negative impacts of our activities and enhance broader environmental values over the full project lifecycle for the benefit of current and future generations".***

Our project activities and operations will be designed, planned and implemented in accordance with our Environmental Vision.

The AVZ Environmental Policy commits to:

- Complying with all applicable legal and environmental requirements
- Setting environmental objectives and targets based on the prevention of pollution and environmental harm, including the reduction of greenhouse gas emissions
- Minimising waste disposal through waste avoidance, recycling and resource recovery
- Ensuring the sustainable use of resources through considering reduction and re-use principles
- Focusing on continuous improvement in environmental performance
- Conducting regular audits and assessments to identify environmental aspects and impacts.
- Minimising adverse environmental impacts

For personal use only

- Maintaining a framework for reviewing objectives and targets and monitoring performance through auditing and self-regulation
- Communicating our environmental policy and commitments to internal and external stakeholders including our suppliers, contractors and host communities
- Raising employee awareness, encouraging participation and providing training in sustainable environmental management practices
- Regularly liaising with the local communities on environmental issues
- Allocating appropriate resources to implement the Environmental Policy.

AVZ has developed an Environmental Management System (EMS) that is aligned to the principles of ISO14001:2015. AVZ is committed to implementing, maintaining and continually improving its EMS.

The EMS includes the following elements:

**Leadership and Commitment:**

An Environmental Policy is developed and organisational roles, responsibilities and authorities relevant to the EMS are established and communicated.

**Planning:**

Identify risks and opportunities, environmental aspects and compliance obligations and plan and implement actions to address these requirements.

**Environmental Objectives:**

Establish environmental objectives and plan actions to achieve them. Ensure objectives are consistent with the Environmental Policy and are measurable, monitored, communicated and updated.

**Support:**

Provide the resources required to implement the EMS, ensure persons engaged to carry out activities on behalf of the Organisation are competent, educated, trained and experienced in areas associated with environmental aspects to minimise impact to the environment. Ensure personnel are aware of the EMS and of the implications of non-conformance. Communicate the EMS to internal and external stakeholders.

**Documented Information:**

Ensure information is documented as required by ISO14001:2015 and as necessary to meet organisational requirements. Implement an appropriate document control system to ensure currency, accuracy and version control of documents.

**Operations:**

Ensure that processes are in place during the full life cycle of operations (Planning, Design, Construction, Operations, Closure) including in the event of an emergency.

**Performance evaluation:**

Implement processes to monitor, measure, analyse and evaluate organisational activities and that internal audits and management reviews are conducted periodically to identify areas for improvement.

For personal use only

### Improvement:

Identify opportunities for continuous improvement through audits, inspections and management review, ensuring non-conformances are managed quickly through implementation of corrective actions.

## 5.3 Striving towards net zero emissions

AVZ anticipates that future climate change conditions will present unique opportunities and risks to the business through physical changes to the environment, changes in Government policy and changes to investor, consumer and stakeholder preferences and expectations.

AVZ's ultimate environmental goal is to achieve carbon emission neutrality as soon as possible after commencing mining operations. AVZ is implementing a series of short-and-long-term strategic actions (Table 1), to proactively build resilience into its assets and manage issues relating to climate change.

These actions include both planning for physical and transitional risk and reducing greenhouse gas (GHG) emissions from our operations as much as is sustainably possible.

To plan for and respond to climate change, AVZ will:

- Monitor changes in International Policy and Regulations through the Corporate Risk Management process
- Consider emission profiles and low emission alternative technologies in the project design stage
- Investigate the use and application of carbon capture sequestration technology
- Continue to generate and use renewable energy from the HEPP and optimise plant output
- Investigate the use and application of other renewable energy generation technologies
- Investigate generation of power using excess steam at the sulphuric acid plant
- Investigate the use of hydrogen electrolysis for powering Fuel Cell Electric Vehicles (FCEVs)
- Establish emergency procedures for climate-related hazards and natural disasters, including early warning systems for extreme weather events
- Establish awareness amongst our personnel about our Climate Change Strategy in the on-boarding process
- Develop and establish awareness amongst the community in which we operate about our Climate Change Strategy and Environmental Management Plan
- Maintain transparency by reporting, annually on energy consumption in terms of IPCC Scope 1 and Scope 2 emissions for all the assets
- Work to understand the consequences of Scope 3 emissions and pro-actively work with and incentivise third party service providers to reduce their scope 3 emissions
- Establish requirements for Special Economic Zone (SEZ) companies to align their corporate activities with the Manono Climate Change Strategy.

For personal use only

**Table 1 - Strategic actions towards achieving carbon neutrality (ERM, 2021)**

| Action  | Timeframe  |
|---|--|
| Refurbish the HEPP to produce renewable power for the Manono Project. Provide surplus electricity to the local community.   | Commissioning prior to mining operations                         |
| Investigate alternative low carbon energy sources and carbon capture technology to reduce emissions at the primary lithium sulphate (PLS) calciner plant. Diesel usage in the PLS contributes ~50% of Project GHG emissions. The use of biofuels or an alternative energy source would significantly reduce project emissions. Carbon capture technology will be used to convert carbon emissions to solids for disposal or sale. | Engineering design<br>SEZ development (biofuels)                 |
| Where practical and commercially available, procure electric vehicles.  | Commencement of Operations or when commercially available        |
| Establish an electric mining fleet once the technology becomes commercially available and operationally viable.   | When technology is available, and a new mining fleet is required |
| Investigate conversion of excess renewable power into hydrogen for use in the operation of fuel cell electric vehicles.   | When commercially viable   |
| Establish ~5,000 hectares of forest in the DRC with an estimated sequestration of 2,092,900 tonnes CO <sub>2</sub> e/a.   | Commence within 5 years of commencement of operations            |
| Achieve net zero GHG emissions for Scope 1 and 2 emissions across operations.   | By 2030  |
| Continuously work with service providers to reduce Scope 3 emissions as far as is sustainably possible and in accordance with relevant laws and protocol standards.   | Commencement of Operations                                       |

### 5.3.1 GHG emissions

A greenhouse gas (GHG) assessment was undertaken in January 2021 (ERM, 2021) to:

- determine the Project's Scope 1 and Scope 2 emissions (using the IPCC emission estimation methodology)
- benchmark the Project emission intensity against other pegmatite mines and lithium production facilities
- conduct a review of proposed GHG mitigation Strategies.

Project activities including, generation of hydroelectric power, open-pit mining of lithium, tin and tantalum and processing of spodumene concentrate (SC6) and primary lithium sulphate (PLS) were included in the assessment over the life of the Project (20 years).

For personal use only

The assessment predicted that GHG emissions relevant to the production of PLS (i.e., 715,443 t CO<sub>2</sub>-e/life of project) are expected to be greater than the emissions associated with the production of SC6 (i.e., 552,785 t CO<sub>2</sub>-e/ life of project). This is primarily due to the quantities of diesel expected to be combusted in the calciner during production of PLS and accounts for almost 50% of the total emissions for the life of the Project. Mean annual emissions are predicted to be 27,639 t CO<sub>2</sub>-e/year and 35,772 t CO<sub>2</sub>-e/year for SC6 and PLS production, respectively, with an annual total of 63,411 t CO<sub>2</sub>-e/year (ERM, 2021).

Importantly, the higher lithium content of PLS compared to SC6 results in an approximate four-fold reduction in GHG emissions associated with the transport from mine to the customer.

In context, the Project emission intensity (i.e., total emissions per tonne of product produced) for both SC6 and PLS production is predicted to be substantially less emission-intensive than other existing facilities in Australia (Table 2) and is only slightly more intensive than brine produced lithium concentrate equivalent (LCE) globally. This is due to the innovative use of hydroelectric and solar power technology that is substantially lower in emission-intensive production. The Project's emissions intensity for LCE production is also lower than the emission intensities for other mineral mines (ERM, 2021).

In addition to the use of sustainable energy sources, AVZ is exploring other GHG mitigation and offset strategies including the use of alternative energy sources in the PLS Kiln, carbon sequestration initiatives, carbon offsetting through planting of vegetation at scale and electric vehicle technologies with the aim of achieving net zero emissions by 2030.

The Manono Project Greenhouse Gas Assessment is located on the AVZ website [[Manono Project Greenhouse Gas Assessment – AVZ Minerals Limited](#)].

**Table 2 - Manono Project projected LCE Emission Intensity**

| Project LCE Emissions Intensity<br>Benchmarking against Values from the Roskill (2020) White Paper |  |
|--|--|
| Description  | Emission Intensity (t CO <sub>2</sub> -e/ t LEC) |
| <b>Manono Lithium and Tin Project</b>  | <b>7.1<sup>a</sup></b>                           |
| Roskill White Paper: Mineral industry minimum value  | 8.0 <sup>b</sup>                                 |
| Roskill White Paper: Mineral industry weighted mean value  | 9.3 <sup>b</sup>                                 |
| Roskill White Paper: Mineral industry maximum value  | 12.0 <sup>b</sup>                                |
| Roskill White Paper: Brine industry minimum value  | 2.0 <sup>b</sup>                                 |
| Roskill White Paper: Brine industry weighted mean value  | 2.8 <sup>b</sup>                                 |
| Roskill White Paper: Brine industry maximum value  | 5.0 <sup>b</sup>                                 |

a. calculated by ERM

b. Source: (Roskill, 2020) - Lithium's Growing CO<sub>2</sub> Footprint. Note: Roskill's emissions intensity relates to the CO<sub>2</sub> emissions (from all fuel sources, on and off-site) required to produce one tonne of refined lithium carbonate and/or lithium hydroxide, stoichiometrically normalised to a lithium carbonate product (lithium carbonate equivalent LCE). This calculation includes all CO<sub>2</sub> emissions grouped under Scope 1 and 2 categories as set out by the Greenhouse Gas Protocol. In addition, where applicable, it accounts for the CO<sub>2</sub> emitted in transporting feed material to any refining facilities involved in the production of refined lithium carbonate or lithium hydroxide.

For personal use only

### 5.3.2 Task Force on Climate-related Financial Disclosures (TCFD)

Climate change is one of the most significant risks facing organisations today and while it is widely recognised that continued emission of greenhouse gases will cause further warming of the planet that could lead to damaging economic and social consequences, the exact timing and severity of physical effects are difficult to estimate. The large-scale and long-term nature of the problem makes it uniquely challenging, especially in the context of economic decision making (TCFD, 2022).

AVZ recognises the importance of identifying the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world.

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information that informs efficient capital-allocation decisions (TCFD, 2022).

AVZ is committed to transparent disclosure of climate related risks and financial related disclosure and will commence this assessment during the design phase of the project.

### 5.3.3 Protection of Biodiversity

The DRC is among 17 countries in the world containing megadiversity with a high rate of endemism, covering a vast area of 2,345,409 km<sup>2</sup> in Central Africa and contains varied physical and climatic conditions supporting habitats that include dense rainforests, wooded savannahs and open forests. These habitats support diverse flora and faunal assemblages including endemic species that are threatened and rare (World Atlas, 2021).

Forests cover an area of approximately 155.5 million hectares, representing 67% of the land area of the DRC. Forests are subject to threatening processes that result in a net loss of ~0.2% annually. The Congo accounts for ~10% of the world's forests and more than ~47% of African forests. The DRC has set aside large forest reserves that provide high quality habitat for species not found anywhere else in the world (OFAC, 2008).

AVZ recognises the national and global significance of the biodiversity of the DRC and has identified protection and enhancement of biodiversity as a key environmental objective. Whilst the Manono Project will not impact on rainforest areas or partially and fully protected species (EmiAfrica, 2021), the following actions have been identified for implementation within the first five years of operations as part of AVZ's strategy to achieve net GHG emissions by 2030:

- Development and implementation of a Biodiversity Management Plan, including an assessment of project areas against the IUCN key biodiversity areas
- Rehabilitation and revegetation of disturbed land with local provenance species, as agreed with government and community stakeholders
- Supporting programs that aim to:
  - reduce deforestation and rehabilitate disturbed forest areas
  - promote use of sustainable fuel sources for domestic activities
  - protect and enhance the habitat of threatened rare and protected flora and fauna species
  - protect and enhance other important and sensitive environmental areas.



For personal use only



## PEOPLE

The Project will greatly enhance employment opportunities in the local communities AVZ operate. The AVZ Foundation has been established with the vision to empower and uplift the lives of local communities, to end the poverty cycle.



## STAKEHOLDER ENGAGEMENT

Stakeholder engagement is the process of sharing information and knowledge, seeking to understand and respond to concerns, and building constructive and responsive relationships that are important for successful management of a project's environmental and social risks, as well as the sustainability of a Project's outcomes.

## 6. SOCIAL RESPONSIBILITY

### 6.1 Stakeholder Engagement Framework

A Stakeholder Engagement Framework (SEF) was developed in September 2020 in line with DRC legislative requirements, IFC Principles and Standards, Equator Principles and the World Bank Framework. The key objectives of the SEF are to:

- Establish a systematic approach to stakeholder engagement that will assist to build and maintain constructive relationships with its stakeholders
- Assess the level of stakeholder interest and support for the Project, enable stakeholders' views to be considered in Project design and to improve the environmental and social sustainability of the Manono Project
- Ensure that information on environmental and social risks and impacts is disclosed to stakeholders, including vulnerable groups, in a timely, understandable, accessible and culturally appropriate manner
- Provide stakeholders with an accessible and inclusive means to raise issues and grievances allowing the Project to respond to and manage such grievances.

This SEF defines a technical and culturally appropriate approach to engagement, consultation and disclosure in the Manono Project environment. It ensures sufficient community participation and provision of adequate and timely information to all communities. It also allows adequate opportunity for stakeholders to voice opinions, concerns and issues that will be considered when making business decisions.

A Stakeholder Engagement Program will be developed to operationalise the SEF, reflect stakeholder and engagement activity updates, and outline the communications plan moving forward.

### 6.2 Key Stakeholders

Stakeholder trust and partnership is critical to AVZ's success. Regular transparent, two-way communication with stakeholders is key to building positive, successful partnerships and relationships and demonstrates AVZ's commitment to collaborative social development. It also demonstrates responsible business practice and meets continuous and periodic disclosure requirements.

Table 3 presents key stakeholders, their interests and the tools and strategies for engagement with these groups.

**Table 3 - Key stakeholders, area of interest and engagement methods**

| Stakeholder Group | Interest  | Engagement  |
|-------------------|---|---|
| Shareholders      | <ul style="list-style-type: none"> <li>➤ Investment returns</li> <li>➤ Business growth and profit</li> <li>➤ Management of risk</li> <li>➤ Environmental &amp; social governance</li> <li>➤ Transparent disclosure</li> </ul> | <ul style="list-style-type: none"> <li>➤ Announcements</li> <li>➤ Annual Reports</li> <li>➤ Sustainability Report</li> <li>➤ Data and metrics</li> <li>➤ Annual General Meetings</li> <li>➤ Presentations</li> <li>➤ Roadshows</li> </ul> |
| Customers         | <ul style="list-style-type: none"> <li>➤ Off take agreements</li> <li>➤ Product quality</li> <li>➤ Security of supply (sovereign risk)</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Site visits</li> <li>➤ General communication</li> <li>➤ Presentations</li> </ul>   |

For personal use only

| Stakeholder Group      | Interest  | Engagement   |
|------------------------|---|--|
|                        | <ul style="list-style-type: none"> <li>➤ Operational performance &amp; cost competitiveness</li> <li>➤ Transparent &amp; ethical supply chain</li> <li>➤ Efficient transportation &amp; shipping</li> </ul>   |  |
| Financial Institutions | <ul style="list-style-type: none"> <li>➤ Facility repayment</li> <li>➤ Share price</li> <li>➤ Business growth &amp; development</li> <li>➤ Operational performance</li> <li>➤ Environmental &amp; social governance</li> <li>➤ Management of risk</li> <li>➤ Corporate Strategies &amp; Management</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Audits</li> <li>➤ Annual Reports</li> <li>➤ Sustainability Report</li> <li>➤ Data and metrics</li> <li>➤ Meetings</li> <li>➤ General communication</li> <li>➤ Site visits</li> <li>➤ Website</li> <li>➤ Media</li> </ul>  |
| Governments & agencies | <ul style="list-style-type: none"> <li>➤ Regulatory compliance</li> <li>➤ Risks &amp; opportunities</li> <li>➤ Environmental &amp; social governance</li> <li>➤ Project investment</li> <li>➤ Operational performance</li> <li>➤ Social development</li> <li>➤ Employment &amp; training</li> <li>➤ Community engagement</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Approvals</li> <li>➤ Site visits and inspections</li> <li>➤ SDP and programs</li> <li>➤ Social develop collaboration</li> <li>➤ General communication/updates</li> <li>➤ Compliance reporting</li> <li>➤ Special events</li> <li>➤ Announcements</li> <li>➤ Website</li> <li>➤ Media</li> </ul> |
| Employees              | <ul style="list-style-type: none"> <li>➤ Corporate culture &amp; values</li> <li>➤ Corp. policies, strategies &amp; plans</li> <li>➤ Safe &amp; secure working conditions</li> <li>➤ Company performance &amp; financial stability</li> <li>➤ Employment security</li> <li>➤ Fair remuneration and working conditions</li> <li>➤ Professional development, career advancement and training</li> </ul> | <ul style="list-style-type: none"> <li>➤ Internal communications strategy</li> <li>➤ Corporate policies &amp; procedures</li> <li>➤ Inductions &amp; awareness sessions</li> <li>➤ Intranet / internet</li> <li>➤ Engagement activities</li> <li>➤ Formal and on the job training</li> </ul>   |
| Suppliers              | <ul style="list-style-type: none"> <li>➤ Tender processes</li> <li>➤ Supply contracts</li> <li>➤ Transparent &amp; ethical supply chain</li> <li>➤ Financial performance &amp; reliability</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Supply / Contract meetings</li> <li>➤ Supply chain audits</li> <li>➤ General communications</li> <li>➤ Site visits</li> </ul>   |
| Contractors            | <ul style="list-style-type: none"> <li>➤ Financial performance &amp; reliability, contract security</li> <li>➤ Safe working conditions</li> <li>➤ Operational performance</li> </ul>  | <ul style="list-style-type: none"> <li>➤ Contract &amp; schedule meetings</li> <li>➤ Inductions &amp; awareness training</li> <li>➤ Site meetings</li> <li>➤ General communication</li> <li>➤ Contractor forums</li> <li>➤ Announcements</li> </ul>  |

For personal use only

| Stakeholder Group            | Interest   | Engagement   |
|------------------------------|--|--|
| Communities                  | <ul style="list-style-type: none"> <li>➤ Social development collaboration</li> <li>➤ Employment &amp; business opportunities</li> <li>➤ Environmental &amp; social governance</li> <li>➤ Risk management</li> <li>➤ Cultural heritage &amp; land access</li> <li>➤ Financial performance &amp; reliability Transparent communication</li> <li>➤ Community sponsorship</li> </ul> | <ul style="list-style-type: none"> <li>➤ Community engagement</li> <li>➤ AVZ Foundation</li> <li>➤ Social development committee meetings</li> <li>➤ Engagement surveys</li> <li>➤ General communication</li> <li>➤ Site and community visits</li> <li>➤ Announcements</li> <li>➤ Special community events</li> <li>➤ Website</li> <li>➤ Media</li> </ul> |
| Non-government organisations | <ul style="list-style-type: none"> <li>➤ Engagement &amp; transparency</li> <li>➤ Social development collaboration</li> <li>➤ Partnership opportunities</li> <li>➤ Employment opportunities</li> <li>➤ Environmental &amp; social governance</li> <li>➤ Risk management</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Periodic &amp; targeted engagement</li> <li>➤ General communication</li> <li>➤ Announcements</li> <li>➤ Special community events</li> <li>➤ Website</li> <li>➤ Media</li> </ul>   |
| Institutions                 | <ul style="list-style-type: none"> <li>➤ Graduate programs</li> <li>➤ Education and training collaboration</li> <li>➤ Research, development &amp; innovation</li> <li>➤ Partnership opportunities</li> <li>➤ Clean energy technologies</li> <li>➤ Funding and program sponsorship</li> <li>➤ Technical expertise, advice &amp; information</li> </ul>                            | <ul style="list-style-type: none"> <li>➤ Graduate program meetings</li> <li>➤ Partnership agreements</li> <li>➤ Research/program support meetings</li> <li>➤ Technical committees</li> <li>➤ General correspondence</li> </ul>   |
| Media                        | <ul style="list-style-type: none"> <li>➤ Board &amp; Corporate Structure</li> <li>➤ Regular business updates</li> <li>➤ Operational and financial performance</li> <li>➤ Environmental &amp; Social Governance performance</li> </ul>  | <ul style="list-style-type: none"> <li>➤ Media engagement policy &amp; strategy</li> <li>➤ Relationship building</li> <li>➤ Engagement</li> <li>➤ Announcements</li> <li>➤ Site visits</li> <li>➤ Launches / special events</li> </ul>   |

### 6.3 Project Stakeholder Context

The Project is in the Tanganyika District which consists of six territories, including Kabalo, Kalemie, Kongolo, Manono, Moba, and Nyunzu (Figure 2). The Project components, including an open pit mine, processing plant, waste dumps, ROM and TSF are all located within the Manono Territory.

The social area of influence (Aol) was determined by the distance of the social receptor from the mine site and categorised into three groups:

- The area of direct influence, within a radius of 5 km around the project
- The extended area of influence, within a radius of 10 km
- The area of regional influence, within a radius of 15 - 20 km.

Table 4 Table 4 - Villages surrounding the Project Area Figure 2 provide an overview of the surrounding social receptors identified as being part of the Project's social Aol. Whilst those within

For personal use only

5km of the Project will likely experience most of the potential impacts, particularly disturbances from Project activities, the extended and regional area may also experience potential impacts, such as regional influx and increased traffic.

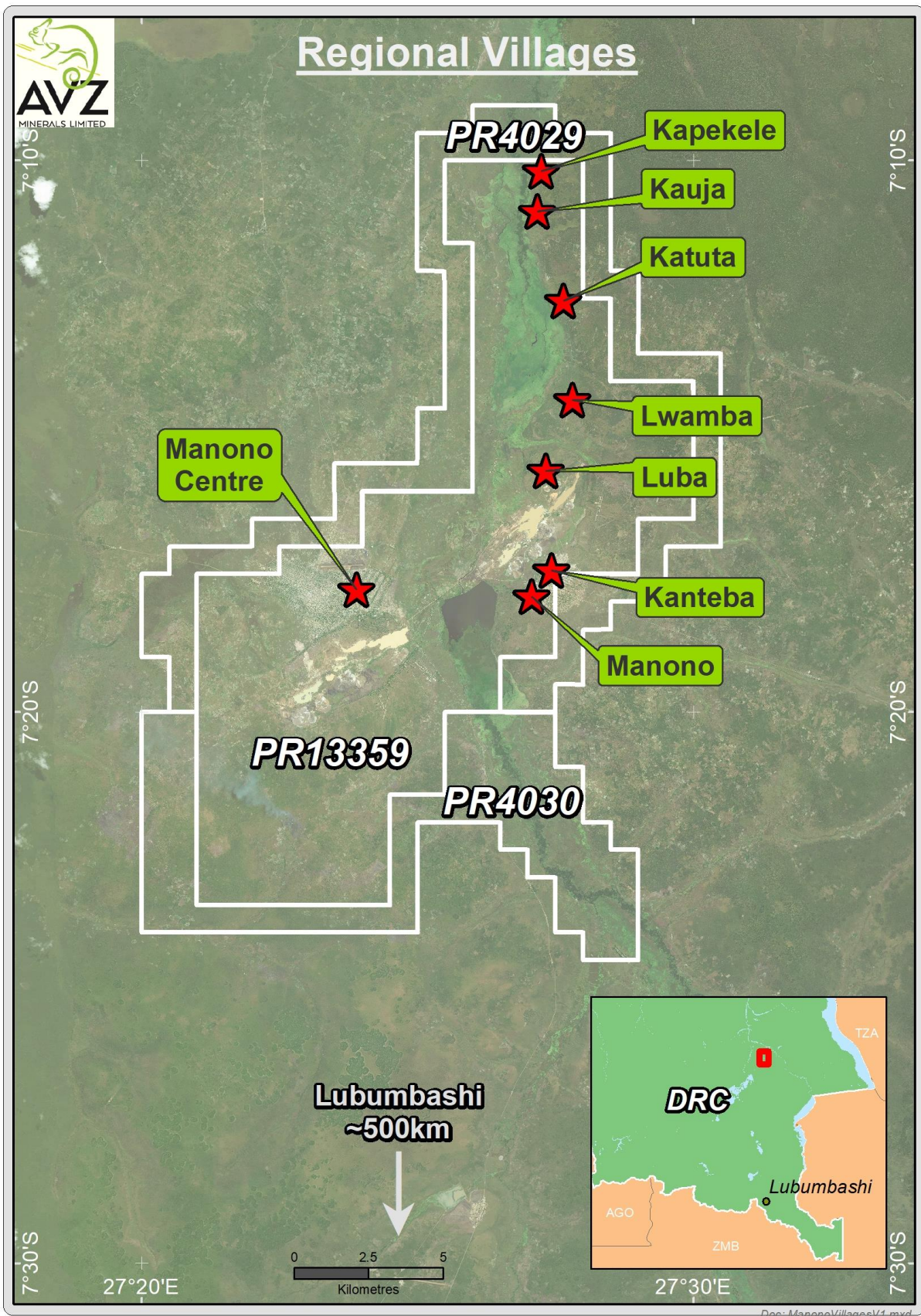
**Table 4 - Villages surrounding the Project Area**

| Village Name     | Population | Proximity - centre of Manono | Affected Area      |
|------------------|------------|------------------------------|--------------------|
| Manono           | 62 914     | 0 km                         | Direct influence   |
| Lwakato          | 130        | ± 4 km                       | Direct influence   |
| Pungwe           | 3468       | ± 5 km                       | Direct influence   |
| Kanteba          | 21 000     | ± 7 km                       | Extended influence |
| Malata           | 443        | ± 7 km                       | Extended influence |
| Luba             | 512        | ± 10 km                      | Regional influence |
| Boulevard Lwamba | 573        | ± 12 km                      | Regional influence |
| Munene           | 130        | ± 15 km                      | Regional influence |
| Kamala           | 424        | ± 15 km                      | Regional influence |
| Luvua            | 27 580     | 75 km                        | Regional influence |

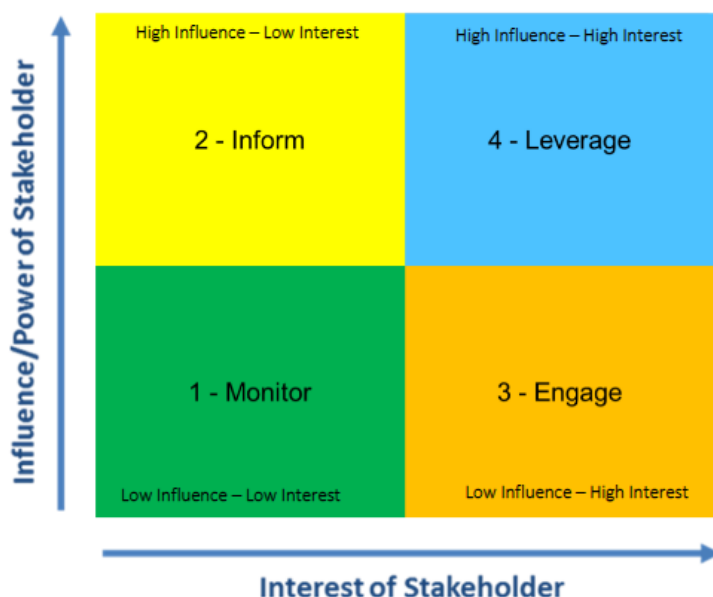
Stakeholders were initially identified during the stakeholder engagement for development of the ESIA during 2020 and 2021. This included community meetings, focus groups and information sharing meetings. A stakeholder mapping exercise was undertaken to identify and prioritise the Project stakeholders as well as identify issues likely to be of concern to the different stakeholder groups. The mapping exercise categorised stakeholders based on their interest and influence over the Project using the matrix below (Figure 3). The outcome of this exercise helps to determine the level of engagement and the types of tools that will be used to consult with different stakeholder groups.

For personal use only

For personal use only



**Figure 2 Local Communities within the Exploration Permit area**



**Figure 3 Stakeholder Interest and Influence**

Stakeholders fall into the categories of monitor, inform, engage and leverage, depending on their interest and influence.

The definition of these categories and the appropriate level of consultation is outlined below.

**Monitor** (low interest, low influence). This group includes those who have limited interest and influence on the Project.

**Inform** (high influence, low interest). These stakeholders have the potential to influence Project outcomes, but may not have a specific interest in any particular issues.

**Engage** (low influence, high interest). This category of stakeholders includes groups or organisations that are not adversely affected by the Project but whose interests determine them as stakeholders.

**Leverage** (high influence, high interest). These stakeholders are often the most important to the Project as they have the ability to influence Project outcomes and have a high level of interest and include local communities and government decision making authorities.

A key part of this process was identifying individuals and groups who may find it difficult to participate as well as those who may be differentially or disproportionately affected by the Project because of their marginalised or vulnerable status.

#### 6.4 Previous Stakeholder Engagement

The purpose of stakeholder engagement during the ESIA process in 2020/2021, was to inform stakeholders of the upcoming Project and to provide stakeholders with the opportunity to provide comment on all aspects of the Project. Stakeholder feedback was used to inform the content of the ESIA and EMPP.

The engagement process was designed to provide sufficient and accessible information to stakeholders, that included an overview of the Manono Project and associated infrastructure projects, the legislative context and the ESIA process. The consultation provided a mechanism for stakeholders to raise concerns and provide feedback and included follow up consultation to verify that feedback was recorded and considered in the ESIA.

For personal use only





**Stakeholder Consultation, Manono, DRC**

Face to face meetings and workshops were the primary method of stakeholder engagement that involved formal invitations to stakeholders by email, hand delivered and verbal invitations in both French, Swahili and Luba.

The following key concerns were recorded during the stakeholder engagement meetings:

- Employment opportunities for local communities
- Transparency of the employment process
- Effects of the Project operations on the agricultural industry; if many people transition from agricultural activities to being employed on the Project this may result in a lack of agricultural resources and potential food shortages
- Community development opportunities (e.g., training, schools and healthcare facilities) and support for the agricultural industry
- Illegal artisanal mining
- The location of the TSF to avoid negative impacts to the surrounding area
- Environmental impacts and rehabilitation activities.

These concerns will be considered during all phases of project development and into operations.

### **Social Vision and Sustainable Development Plan**

A Social Vision and SDP were created in consultation with the local community and approved in December and November 2020 and May 2021 as part of the approval of the seven ESIA's.

The goal of the SDP is to establish a framework for the creation of shared value and the sustained and cooperative social development of the communities within the Project's Aol.

Shared value can be achieved by examining local community needs and expectations, government priorities, and the company's objectives and drivers. Where these interests overlap, key target areas for creating shared value are formed. Identifying target areas ensures that funds are distributed towards Community Investment (CI) in the areas where they will create the most impactful outcomes (Figure 4).



**Figure 4 Process for creating shared value (source: IFC, 2010)**

Through this analysis process four focus areas have been identified:

**Health:** investments in the health sector would make strong contributions to the creation of share values through a healthy productive workforce. A focus on water, sanitation and hygiene, (WASH) programs can significantly reduce the incidence of cholera. WHO guidance on the prevention and treatment of malaria, from waterborne vector control to the rollout of insecticide treated bed nets and malaria vaccine amongst children, will significantly reduce the impact the disease has on the community (WHO 2019).

**Agriculture:** Opportunities exist to expand agricultural activities and yields with available arable land, availability of labour and high local demand for agricultural products. Some identified constraints include crop-eating pests, variation in seasonal rainfall, lack of seed stock used, poor soil fertility, processing capacity (packing and storage) and power supply and transport infrastructure. Expansion of the agricultural industry creates shared value through building healthier communities, stronger local economies and the potential for production of biofuels for use in mining and processing infrastructure, which could be enhanced by the proposed Manono (SEZ).

**Education:** Education attainment is an obvious area for shared value since today's students may be tomorrow's employees, either directly or indirectly, within supporting services. Many positive investments could be made in the local educational facilities at the primary, secondary, and tertiary levels. An opportunity also exists to bring in better qualified teachers and upskill the existing education workforce. There are also significant opportunities to promote gender diversity in this sector.

**Infrastructure:** Road conditions and electrification remain major challenges regionally and nationally. There may be opportunities for the creation of shared value by considering broader uses and connections of the infrastructure required for the mine, such as providing electricity to hospitals and schools and facilitating agricultural exports along infrastructure corridors constructed to transport mined materials to market. Several of these opportunities are also likely to occur as a part of the mine development and establishment of the SEZ. The Social Vision and SDP will be periodically reviewed in line with improvements to social conditions and evolving and changing social needs.

For personal use only

For personal use only



## SOCIAL DEVELOPMENT

Shared value can be achieved by examining community needs and expectations, government priorities and company objectives and drivers. Where these interests overlap, key target areas for creating shared value are formed.

## 6.5 Sustainable Development Plan Implementation

### 6.5.1 Employment

The Project plans to employ most of its workforce from the local area. It is estimated that approximately 600 people will be employed during construction and up to 500 during operations.

The Project aims to formalise artisanal mining activities within its Mining Licence through establishing a co-operative body to ensure a fair, transparent and safe working environment.

#### Exploration and early works

Exploration activities associated with the Manono Project have been ongoing since FY 2016/2017 to initially build then further refine the geological model and develop a realistic mine design to assess the viability of the Project. To facilitate exploration activities and transportation of equipment and supplies to site, AVZ has provided a range of employment opportunities to Congolese people in the local area, that has included:

- Casual employment of over 900 local people in drilling activities, infrastructure renovation and development and other support services, including mine maintenance crews, driller's offsider trainees, security personnel, camp construction contractors, contract catering services, medical practitioners and mine police
- Employment of 300 artisanal miners who were already working at Roche Dure where exploration activities were taking place
- Distribution of over \$1 million in casual salaries to the local population to date, with employment opportunities expected to increase significantly during construction
- Engagement of a Congolese unexploded ordinance clearing company (MAG) for a period of three months to sanitise the Dathcom work area (two weeks) and the villages in and around Manono
- Training and support for the launch of a new catering businesses; Super Appetit to supply meals to workers during drilling campaigns and other exploration related activities.

#### Activities during 2020/2021

In preparation for the grant of the Project Mining Licence, local Manono labour were engaged during 2021 to construct the preliminary supporting facilities at the Manono Project Camp Colline under a formal contract. Eighty cottages have been built with a further 182 scheduled to be constructed over coming months.

Construction contracts for major construction of the Manono Project will be awarded following the grant of the Mining Licence and Financial Investment Decision (FID). Dathcom policies are referenced within all Contracts and include a restriction on the number of non-Congolese employees that can be engaged for the construction of the Manono Project, in line with the DRC quota system.

### 6.5.2 AVZ Foundation and Manono Special Economic Zone

AVZ has established an incorporated not-for-profit organisation (AVZ Foundation) with the primary aim of delivering sustainable socio-economic benefits to the Manono Community in accordance with the SDP. The primary source of SDP funding will be from the *Cahier des Charges* that will be paid into the AVZ foundation once a positive revenue stream is established. Prior to this, a fixed contribution from AVZ will be made to allow for commencement of the Foundation's activities. The Foundation will be managed by a committee of representative stakeholders, including community leaders, with oversight from AVZ.

Funding for projects and businesses will be determined and prioritised by the Committee in consultation with AVZ representatives and specialist consultants. Early consultation with local communities regarding the AVZ Foundation and funding opportunities is planned.

The DRC government is working with AVZ in the establishment of a SEZ in the Manono region. The SEZ framework guarantees direct economic benefit to prospective business owners seeking to establish a new business in Manono. In return for inclusion within the SEZ, an annual fee based on a percentage of annual revenue will be payable by all new businesses (including the Manono Project) into the AVZ Foundation to create enduring funding for the sustainable development of the broader Manono Community.

### 6.5.3 Infrastructure development

In addition to the benefits of the AVZ Foundation and SEZ, the Manono Project will develop infrastructure both privately and via Public-Private Partnership agreements (with the DRC government) that will directly benefit local and regional communities, including:

- Improved roads in the region and in the town of Manono
- Raw water supply to Manono
- Potable water for schools and hospitals
- Cellular connectivity improved from 3G to 4G
- Access to emergency services such as ambulance and fire truck service (based on Manono Project site)
- Access to emergency medivac flights
- Residual HEPP electricity to Manono for reticulation by SNEL
- Employment of local people, both permanent and casual at Manono and in road maintenance activities and at the Kabondo Dianda Intermodal Staging Station
- Apprenticeships and on the job skills training
- Assistance with continuation of vaccine programs
- Efforts to eradicate standing water where Malaria carrying mosquitoes thrive.

### 6.5.4 Community Health

Since 2017, AVZ has made positive contributions to improving the health and wellbeing of the Manono Community through:

- Supplying vehicles and logistical support for 2 annual rounds of polio vaccinations
- Supplying measles vaccinations for local community children
- Providing maize and okra seed to the local community
- Flying in medical supplies for the local community during the wet season when transportation by road was not possible
- Flying local community members to Lubumbashi for emergency medical treatment and surgery
- Facilitating critical health care for local community members in Lubumbashi
- Conducting a baseline health assessment of medical facilities and health service capabilities in Manono.

For personal use only

For personal use only

*Congolese team, Manono, DRC*





## HUMAN RIGHTS

Shared value can be achieved by examining community needs and expectations, government priorities and company objectives and drivers. Where these interests overlap, key target areas for creating shared value are formed.

## 7. HUMAN RIGHTS IMPACT ASSESSMENT

In November 2020, in accordance with the Equator Principles (4), AVZ engaged a specialist consultant to undertake a Human Rights Impact Screening Assessment (HRIS) (ERM, 2020). This assessment identified several potential human rights risks and established management measures to avoid and minimise these risks. These risks and controls have been incorporated into the AVZ corporate risk assessment.

### 7.1 Human Rights Risks

The HRIS identified several human rights risks associated with the construction and operation of the Project, including:

#### Community health and safety

The Project will be constructed and operated in proximity (within 1.5km) to the surrounding local communities and associated activities may present risks that if left unchecked, could have an unintended adverse impact on the community.

#### Cultural heritage

Whilst the Manono Project area has been subject to historical disturbance from previous mining activities, unknown archaeological or cultural heritage values will be properly considered to avoid potential negative outcomes.

#### Stakeholder engagement

Proactive engagement with legitimate stakeholders impacted by the Project is recognised as critical to ensure sustainable positive outcomes.

#### Labour and working conditions

The Project is expected to create up to 600 jobs during the construction and 500 jobs during operation. The Project is expected to enhance the economic prosperity of the local region and improve the lives of the host communities helping to support the Project. Managing the magnitude of change will require attention to avoid allegations of violations of workers' rights.

#### Livelihood and resettlement

There is the potential for the Project to result in physical and/or economic displacement due to the construction of the Project that will require clearing of land and may cause displacement of residences and disruption to livelihood activities, including farming. A Displacement Study was completed as part of the ESIA in consultation with local community and will be reviewed over the life of project to ensure that these risks are managed appropriately.

### 7.2 Management of Human Rights Risks

AVZ has and will continue to take steps to proactively manage potential human rights risks and impacts associated with the Project. To date these initiatives have included:

- The development of an AVZ General Human Rights Statement Policy, that will apply to all AVZ operations, employees and contractors. The policy states that:
  - AVZ will immediately suspend and discontinue engagement with upstream suppliers where it is identified that there is a reasonable risk that they are sourcing from or linked to any party committing human rights abuses
  - AVZ has zero tolerance for direct or indirect support to armed groups through the extraction, transport, trade, handling or export of minerals

For personal use only



- The development of a Supplier Due Diligence Procedure, aligned with the Organisation for Economic Co-operation and Development (OECD, 2016) and United Nations (UNSC, 2011) Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRA. AVZ aims to ensure that goods and services purchased by the Project do not directly or indirectly fund human rights violations and will support efforts to enable conflict free minerals to enter global supply chains
- A commitment to partner with Internationally recognised due diligence and traceability assurance programs, such as the Better Sourcing Program or the International Tin Association Ltd - Tin Supply Chain Initiative Program to implement conflict free responsible procurement of tin, tantalum and tungsten ores and gold from artisanal, small scale and semi-mechanised mining operations. These programs do not apply to Lithium, which is not a conflict mineral and which due to its physical properties cannot be mined by hand
- The development and implementation of a range of policies governing employee and contractor behaviours, human resources practices and corporate social responsibilities are available on the AVZ website [[Corporate Governance – AVZ Minerals Limited](#)]
- Ensure that all sub-contracted companies within the DRC, including the soon to be established artisanal mining co-operative, adhere to the same standards as AVZ and Dathcom.

*Congolese School children, Manono, DRC*





# HEALTH AND SAFETY

Our Health and Safety philosophy of zero harm is based on the knowledge that:

All incidents are preventable, and all employees are empowered to stop work where there is the potential of danger to themselves or others.

All activities can be performed and managed in a way that protects the health and safety of employees, contractors, visitors and local communities.

## 8. HEALTH AND SAFETY

AVZ and its subsidiary companies are committed to protecting the health and safety of its employees, contractors and visitors and the communities in which we operate. AVZ has developed a Health and Safety Management System (safe system of work) to ensure that all critical risks are identified, and appropriate controls are implemented to reduce health and safety risks to as low as reasonably possible.

AVZ management takes the health and safety of its employees and contractors seriously and is accountable and responsible for providing:

- Safe places of work
- Safe systems of work
- Safe plant and equipment
- Safe and environmentally compliant work practices and procedures
- Adequate and effective supervision
- Suitable training for personnel
- An environment where employees, contractors, visitors and communities are encouraged to raise health and safety concerns and grievances and where employees feel free to refuse to carry out activities that have the potential to cause injury or harm to themselves or others.

The following ten safe working rules will be adhered to at all AVZ sites:

- Risk assessment - always conduct a job hazard analysis or a Take 5 prior to starting a task
- Housekeeping - always keep work areas clean and tidy - a tidy site is a safe site
- PPE - wear full body protection (head to toe) at all times
- Manual handling - plan your lifts and activities to protect yourself and others
- Height safety - avoid, prevent or control all potential falls (100% tie off)
- Electrical safety - Inspected, earthed and RDC protected
- Confined spaces - no training/no permit/no entry
- Isolation and lockout - No work on live equipment. Isolate, verify and lockout
- Vehicle and plant safety - maintain positive separation between people and plant
- Plant operations - only operate plant if you are licensed and approved to operate.

### 8.1 Annual Update - 2021

#### 8.1.1 COVID 19

COVID 19 has presented many challenges, in particular with regards to travel. AVZ has implemented several health protection initiatives to assist employees to stay safe and well during this period of COVID 19 transmission. These initiatives have included COVID testing of staff when feeling unwell, prior to international travel and PCR tests prior to travel within the DRC (in accordance with DRC requirements). Additional PPE has been made available to all staff including hand sanitiser, disinfectants and installing additional hand washing stations.

AVZ also supplied hand sanitisers and disinfectants to the local hospital in Manono.

### 8.1.2 Malaria

Malaria is a life-threatening disease caused by parasites that are transmitted to people through the bites of infected female *Anopheles* mosquitoes. It is a preventable and curable disease.

In 2020, there were an estimated 241 million cases of malaria worldwide. The estimated number of malaria deaths stood at 627 000 in 2020.

The WHO African Region carries a disproportionately high share of the global malaria burden. In 2020, the region was home to 95% of malaria cases and 96% of malaria deaths. Children under 5 accounted for an estimated 80% of all malaria deaths in the Region (WHO, 2019).

Several employees have travelled to the DRC from Australia, South Africa, Tanzania, Zambia and Malawi over the past 12 months. Employees travelling to DRC for work are provided with information regarding the vaccines and anti-malarial medication and insect repellents that are recommended when travelling to the DRC. Employees are encouraged to take a course of anti-malarial medication prior to and during their site visit to increase their immunity and avoid contracting malaria.

All employees are provided accommodation with fly screens and sleeping nets. Full PPE including long pants and long sleeve shirts are provided to all employees, including local contractors.

### 8.1.3 Other communicable diseases

The DRC has over 50% of the African continent's water reserves but despite this tremendous potential, 33 million people in rural areas still lack access to quality water. Despite sustained efforts, only 52% of the population has access to an improved water source and 29% has improved sanitation facilities (UNICEF, 2021).

Water infrastructure within the Tanganyika Province is largely non-existent with local communities collecting water predominantly from local springs (Luba springs). Local communities are encouraged to take collected water, prior to drinking, to the local treatment centre where water is treated with chlorine to eliminate the most harmful microbes to prevent cholera, typhoid fever and diarrhoea. However, this often does not occur for several reasons, including the distance to the nearest chlorination station and lack of education and awareness (UNICEF, 2017).

Employees currently onsite in the DRC are provided with chlorinated water for showers and toilets and potable water treated through an onsite Reverse Osmosis (RO) Plant. Septic tank systems are currently used onsite due to the low number of site employees. Prior to commencement of construction, accommodation facilities will be upgraded to include a larger RO Plant and a sewage treatment plant.



**Accessing water resources  
Manono, DRC**

For personal use only



For personal use

# SUSTAINABILITY REPORTING

AVZ is committed to transparent disclosure of material Environmental, Social and Governance (ESG) matters that are important to AVZ stakeholders

## 9. SUSTAINABILITY REPORTING

### 9.1 IFC Performance Standards and Equator Principles

The IFC Performance Standards (IFCPS) and Equator Principles (EP) have become the financial industry standard for environmental and social risk management to ensure that the projects they finance are developed in a socially responsible manner and reflect sound environmental management practices. By doing so, negative impacts on project-affected ecosystems and communities should be avoided. The objectives of these Standards include:

- To identify and evaluate environmental and social risks and impacts of the project.
- To adopt a mitigation hierarchy to anticipate and avoid negative impacts, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, affected communities, and the environment.
- To promote improved environmental and social performance of clients through the effective use of management systems.
- To ensure that grievances from affected communities and external communications from other stakeholders are responded to and managed appropriately.
- To promote and provide means for adequate engagement with affected communities throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.

AVZ has adopted these foundational standards in the development of sound environmental and social management systems.

### 9.2 United Nations Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.

At its heart, the 17 Sustainable Development Goals (SDGs) are an urgent call for action by all countries, developed and developing, to enter a global partnership.

The SDGs aim to end poverty and other deprivations, improve health and education, reduce inequality, spur economic growth, all while tackling climate change and working to preserve the biodiversity of our oceans and forests.



AVZ supports the UN SDG now and in the future through the strategies outlined in Table 5.



**Table 5 - Strategies to achievement of the UN SDG**

| SDG   | SDG Goal  | Strategy  |
|---|---|---|
|    | Goal 1 - No Poverty                             | <p>Create employment opportunities</p> <p>Deliver training and reskilling programs</p> <p>Identify business opportunities in consultation with the local community</p>  |
|    | Goal 2 - Zero Hunger                            | <p>Improve the economic standards of the Manono people through identifying and delivering opportunities for employment and business development.</p> <p>Encourage a transition from artisanal mining to sustainable agriculture wherever possible</p>   |
|    | Goal 3 - Good health and wellbeing              | <p>Provide grants for the upgrade of medical facilities and emergency services</p> <p>Provide tangible assistance in the delivery of medical programs to eradicate preventable disease</p> <p>Identify realistic goals to reduce water borne disease including malaria control measures</p>   |
|    | Goal 4 - Quality education                      | <p>Equip schools with the materials and aids required to deliver a good standard of education</p> <p>Create skills development programs and apprenticeships.</p> <p>Develop programs to encourage school attendance and student diversity</p> <p>Encourage quality teaching staff to relocate to Manono and to pay them for quality service provision</p> |
|   | Goal 5 - Gender equality                        | <p>Develop educational and employment programs and business opportunities for women and girls that positively encourages participation.</p>   |
|  | Goal 6 - Clean water and sanitation             | <p>Deliver potable water to schools and hospitals.</p> <p>Establish mechanisms for management of black and grey water</p> <p>Identify local business opportunities for delivery of water treatment services</p>   |
|  | Goal 7 - Affordable and clean energy            | <p>Design and construct renewable energy infrastructure for the Manono Project and local community</p> <p>Ensure mechanisms for the training of local maintenance personnel</p>   |
|  | Goal 8 - Decent work and economic growth        | <p>Comply with the DRC quota system through the employment of a majority of Congolese workforce during construction and operations</p> <p>Identify opportunities for local communities to develop sustainable, enduring and economically successful businesses and industry</p>   |
|  | Goal 9 - Industry innovation and infrastructure | <p>Remain informed and at the forefront of current and emerging innovative, sustainable design and development</p>  |
|  | Goal 10 - Reduce inequalities                   | <p>Operate fairly, transparently and honestly in all that we do. Encourage diversity and equal opportunity in education, employment and business opportunities</p>  |

For personal use only

| SDG   | SDG Goal   | Strategy  |
|---|--|---|
|    | Goal 11 - Sustainable Cities and Communities     | Work collaboratively with local communities in the co-design of a Social Vision and actionable SDP objectives   |
|    | Goal 12 - Responsible production and consumption | Achieve sustainable energy use, reuse of water and waste resources  |
|    | Goal 13 - Climate action                         | Strive toward net zero carbon emissions by 2030 through development of renewable energy infrastructure, procurement of suitable electric vehicles (EV and FCEV) and the application of carbon offsetting and sequestration technology |
|    | Goal 14 - Life below water                       | Construct and operate the Project without impact to inland surface water and marine environments  |
|   | Goal 15 - Life on Land                           | Protect biodiversity by minimising clearing of vegetation and implementing progressive rehabilitation and closure.<br>Achieve net zero carbon emissions by 2030 through the implementation of re-forestation offsets.                 |
|  | Goal 16 - Peace, justice and strong institutions | Act in a just and fair manner.<br>Support strong, just institutions (education, health, governance)<br>Participate in peaceful stakeholder and community engagement   |
|  | Goal 17 - Partnerships for Goals                 | Develop partnerships with communities, institutions, NGO's and governments to support advancement of UN SDG locally, regionally and globally.   |

### 9.3 World Economic Forum ESG Metrics and Disclosures

During 2021, AVZ made a commitment to commence reporting against the 21 core WEF ESG disclosures that are aligned to the UN SDG and build on metrics within established sustainability reporting frameworks. The report presented at Appendix B outlines our current performance against the WEF disclosures, with the intention to review our performance quarterly. By integrating ESG metrics into our governance, business strategy, and performance management process, we diligently consider all pertinent risks and opportunities relevant to our business.

To assess our sustainability performance progress against the WEF framework we have utilised the Socialsuite ESG Go disclosure platform that tracks, reports, and shares our ESG disclosures.

We have started the journey of building robust ESG credentials and look forward to continuing to improve our ESG performance into the future.

For personal use only



### 9.3.1 Sustainability Pillars

AVZ's Sustainability Pillars include principles of governance, planet, people and prosperity. These pillars are embedded within the WEF reporting framework and were adopted from the United Nation's 2030 Agenda for Sustainable Development.

#### Principles of Governance

Governance is a foundational principle in AVZ's purpose and values and provides the framework for embedding at the heart of the Organisation the principles of respect, ethics, accountability, transparency and stewardship that contribute to a healthy, prosperous and sustainable society.

#### Planet

AVZ recognises that a healthy planet provides clean air and water, agricultural lands, forests and fisheries. Sustainable consumption, production, responsible management of natural resources and reversing the effects of climate change will support the needs of present and future generations so that organisations and societies can succeed and create shared long-term value.

#### People

People are critical to AVZ's future success. Its employees, shareholders, host governments and communities play a vital role in contributing to the transition to a green energy future. AVZ is committed to contributing wherever realistically possible to the elimination of poverty, hunger and disease, improving access to world standard education and health services, improving critical infrastructure for sanitary conditions, clean water and sustainable energy, creating diverse and innovative employment and business opportunities to enhance and improve the wellbeing and prosperity of our host communities. These valuable contributions to the local community will be facilitated through payment of the *Cahier des charges*, a royalty payment from the successful operation of the Manono Lithium and Tin Project and managed through the AVZ Foundation.

#### Prosperity

AVZ aims to create an environment where employees and communities flourish, thrive and grow and where economic growth, innovation and shared value occurs in harmony with nature.

### 9.4 Sustainability Action Plan

AVZ is committed to integrating sound ESG practices in all that we do. AVZ's assessment of its performance against the IFC Performance Standards, the Equator Principles and the WEF metrics and disclosures, has highlighted the need to set annual performance targets and goals to drive progression towards achieving third-party validation of 100% performance. Table 6 outlines the targets and actions identified during AVZ's internal sustainability assessment



For personal use only

**Table 6 - Combined IFC, EQ4 and WEF Annual Action Plan**

| Framework   | Principle/Metric | Standard  | Target  | Action   | Timing   |
|---|------------------|---|---|--|--|
| <b>International Finance Performance Standards and Equator Principles</b> |                  |   |   |  |  |
| IFC, EP   | PS1, P9          | Assessment and Management of Environmental and Social Risks and Impacts | Monitoring of impacts to key environmental factors during all phases of the life of the project.                                | Develop and implement monitoring programs for key environmental factors (air quality, social amenity (noise), surface water quality, groundwater quality).   | Prior to major construction commencement   |
| IFC   | PS3              | Resource efficiency and pollution prevention                            | Assess if further baseline data is required to be collected prior to commencement of project prevention.                        | Collect additional baseline data as required prior to commencement of construction.  | Prior to major construction commencement   |
| IFC   | PS5              | Land acquisition and involuntary resettlement                           | Avoid unnecessary displacement of communities.  | A Displacement Study was completed as part of the ESIA in consultation with local community and will be reviewed over the life of project.   | Prior to major construction commencement   |
| EP  | P5               | Stakeholder Engagement  | Stakeholder consultation is undertaken during all phases of the project and following key milestones.                           | Undertake Stakeholder consultation prior to commencement of construction. Provide updates on project progress and timelines, key milestones, recruitment processes, and implementation of the SDP. | This process started in 2020 and will continue during all phases of the project as it moves forward. |
| EP  | P7               | Independent Review  | Undertake assessment of conformance with EP   | Prepare EP Action Plan   | Prior to major construction commencement   |
| EP  | P10              | Reporting and Transparency  | Make biodiversity data available to Global Biodiversity Information Facility (GBIF) and other national and global repositories. | Submit ESIA biodiversity data to GBIF as a minimum.  | Within 6 months of grant of the Mining Licence.  |
| EP  | Annex A          | Climate Change: Alternatives Analysis                                   | Evaluation of technically and financially feasible options to reduce project related GHG emissions.                             | Implement an options analysis process during infrastructure design, procurement, construction and operations.  | Prior to major construction commencement   |
| EP  | Annex A          | Climate Change Risk Assessment  | Assess current and anticipated climate change risks.  | Conduct a climate change risk assessment using TCFD recommendations  | Within 6 months of grant of the Mining Licence   |

For personal use only

For personal use only

| Framework   | Principle/Metric | Standard                  | Target  | Action   | Timing   |
|---|------------------|---------------------------|---|--|--|
| <b>World Economic Forum metrics and disclosures</b> |                  |                           |   |  |  |
| WEF   | GO-01-A          | Governing Purpose         | Seek Stakeholder Feedback on our Vision (Purpose) Statement and Values                          | <ul style="list-style-type: none"> <li>Consultation with host country stakeholders on AVZ's Vision and Value Statements as a part of the broader Project stakeholder consultation.</li> <li>The AVZ Vision and Value Statements will be reviewed every 5 years or more frequently as deemed necessary.</li> </ul>  | Within 12 months of grant of the Mining Licence. |
| WEF   | GO-02-A          | Quality of governing body | Development of Board matrix to identify gaps in experience and skills                           | <ul style="list-style-type: none"> <li>Board matrix to be developed and approved.</li> <li>Board will consider diversity in all future Board appointments.</li> </ul>  | Ongoing  |
| WEF   | GO-03-A          | Stakeholder Engagement    | Consultation on material issues with host country stakeholders                                  | <ul style="list-style-type: none"> <li>Ongoing host community consultation will be conducted at key project milestones and/or on a periodic basis in line with the SEF.</li> <li>Prepare a survey for Community members to complete following stakeholder engagement sessions</li> </ul>   | Ongoing  |
| WEF   | GO-04-A          | Anti-Corruption           | Anti-Bribery and Anti-Corruption Policies to be communicated to all employees                   | <ul style="list-style-type: none"> <li>Anti-Corruption training to be included in employee and contractor induction.</li> <li>Develop a register of anti-corruption training and an incident management system.</li> </ul>   | Ongoing  |
| WEF   | GO-04-B          | Ethical Behaviour         | Communicate and provide training on AVZ's policies and procedures relating to Ethical Behaviour | <ul style="list-style-type: none"> <li>Training on ethical behaviour and the internal grievance procedure to be included in employee and contractor inductions.</li> <li>Develop a register of ethical behaviour training delivered to employees and contractors.</li> <li>AVZ will establish a process that provides a clear and formalised process for seeking advice about ethical and lawful behaviour and organisational integrity</li> </ul> | Ongoing  |

For personal use only

| Framework | Principle/Metric | Standard                       | Target  | Action   | Timing |
|-----------|------------------|--------------------------------|---|--|--------|
| WEF       | GO-05-A          | Risk and Opportunity oversight | Board and Corporate oversight of ESG risks  | <ul style="list-style-type: none"> <li>Publish the Sustainability Committee Charter on the AVZ website</li> </ul>  | 2022   |
|           | PL-01-A          | GHG emissions                  | Develop Corporate level GHG emissions inventory<br>Disclose corporate commitments to GHG emissions targets                            | <ul style="list-style-type: none"> <li>Develop a timeline to Implement the AVZ Climate Change Strategy commitments during 2022.</li> </ul>   | 2022   |
| WEF       | PL-01-B          | TCFD                           | Implementation of TCFD recommendations  | <ul style="list-style-type: none"> <li>Develop a transition plan for implementation of TCFD recommendations.</li> </ul>  | 2023   |
| WEF       | PL-02-A          | Nature loss                    | Assessment of biodiversity values   | <ul style="list-style-type: none"> <li>Complete assessment of key biodiversity values against IUCN definitions for key Biodiversity Areas.</li> </ul>  | 2022   |
| WEF       | PL-03-A          | Freshwater availability        | Disclose volume of water abstracted from surface and groundwater for mining and processing and associated uses and reuse initiatives. | <ul style="list-style-type: none"> <li>Develop process to collect water use/reuse data</li> <li>Report data in Annual Sustainability Report.</li> </ul>  | 2023   |
| WEF       | PE-01-A          | Dignity and inclusion          | Establish and disclose diversity metrics and promote and improve social and economic inclusion in the workplace.                      | <ul style="list-style-type: none"> <li>AVZ will report the percentage of employees per broad employee category, by age group, gender and other relevant indicators of diversity within its 2022/2023 Sustainability Report.</li> <li>AVZ will report the diversity breakdown of executive management and the Board within its 2022/2023 Sustainability Report.</li> <li>AVZ proposes to develop programs that promote and improve social and economic inclusion in the workplace in alignment with its growth and development as a Company.</li> </ul> | 2023   |
| WEF       | PE-01-B          | Pay equality                   | Establish corporate policies promoting pay equality and establish and disclose pay equality metrics                                   | <ul style="list-style-type: none"> <li>Review corporate policies which support equality</li> <li>Establish relevant metrics and include appropriate disclosure</li> </ul>  | 2023   |
| WEF       | PE-01-C          | Wage level                     | Disclosure of wage parity and equality  | <ul style="list-style-type: none"> <li>Review appropriate disclosure of wage parity and equality</li> </ul>  | 2023   |

| Framework | Principle/Metric | Standard                           | Target  | Action   | Timing |
|-----------|------------------|------------------------------------|---|--|--------|
| WEF       | PE-01-D          | Child, forced or compulsory labour | Identify child labour, forced or compulsory labour risks  | <ul style="list-style-type: none"> <li>Update human rights screening assessment and risk assessment</li> </ul>   | 2023   |
| WEF       | PE-02-A          | Health and safety                  | Develop and disclose health and safety risks<br>Disclose non occupational medical and healthcare services provided to employees | <ul style="list-style-type: none"> <li>Commence collection of data and disclosure of health and safety statistics</li> <li>Commence collection of data and disclosure of non-occupational medical and healthcare services provided to employees</li> </ul> | 2023   |
| WEF       | PE-03-A          | Training provided                  | Disclose average hours of training per employee and related expenditure   | <ul style="list-style-type: none"> <li>Develop training matrix for employees and commence collection and include appropriate disclosure of training data</li> </ul>  | 2023   |
| WEF       | PR-01-A          | Rate of employment                 | Disclose the total number and rate of new employee hires and turnover by age, gender and other diversity indicators.            | <ul style="list-style-type: none"> <li>Develop a system of data collection and include appropriate disclosure.</li> </ul>  | 2023   |
| WEF       | PR-01-B          | Economic contribution              | Disclose financial assistance received from governments.<br>Disclose EVG&D.   | <ul style="list-style-type: none"> <li>No Actions required</li> </ul>  | NA*    |
| WEF       | PR-01-C          | Financial investment contribution  | Disclose capital expenditures, share buybacks and dividend payments and associated strategies.                                  | <ul style="list-style-type: none"> <li>No actions required</li> </ul>  | NA*    |
| WEF       | PR-02-A          | Total R&D expenses                 | Disclose research and development expenditure   | <ul style="list-style-type: none"> <li>No actions required</li> </ul>  | NA*    |
| WEF       | PR-03-A          | Total Tax Paid                     | Disclose total global tax paid by the Company   | <ul style="list-style-type: none"> <li>No actions required</li> </ul>  | NA*    |

\*Disclosed in financial reports

For personal use only

## 10. REFERENCES

Central Africa Forest Observatory (OFAC), 2008. State of Forests 2008. Part 1 – State of the Forests in Central Africa: Regional and National Syntheses (Chapter 7). OFAC ([observatoire-comifac.net](http://observatoire-comifac.net)) [viewed February 2022]

EmiAfrica Environmental Study, 2021. Titles I – VI Environmental Impact Study for the Manono Lithium and Tin Project.

ERM Worldwide Group Ltd (ERM), 2020. Manono Lithium and Tin Project, Human Rights Impact Screening (Project No. 0541532)

ERM Worldwide Group Limited (ERM), 2021, Manono Lithium and Tin Project, Democratic Republic of Congo, Greenhouse Gas Assessment (MN200-5525-ENV-EN-REP-001, Project No: 0541532)

International Finance Corporation World Bank Group (IFC), 2010. A Quick Guide Highlights from IFC's Good Practice Handbook. [IFC\\_com\\_inv\\_handbook\\_2.pdf](#). [viewed February 2022]

International Finance Reporting Standards Foundation (IFRS), 2022. International Sustainability Standards Board [IFRS - International Sustainability Standards Board](#) (viewed February 2022).

International Standards Organisation (ISO), 2021, ISO14001:2015 Environmental management systems – requirements with guidance for use. [ISO - ISO 14001:2015 - Environmental management systems – Requirements with guidance for use](#) (viewed February 2022)

International Union for Conservation of Nature (IUCN), 2016. Key Biodiversity Areas. [Global Standard for the Identification of Key Biodiversity Areas](#) [viewed, February 2022]

OECD (2016), OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Third Edition, OECD Publishing, Paris. <http://dx.doi.org/10.1787/97892264252479-en>

Task Force on Climate-related Financial Disclosures (TCFD), 2017. Final Report, Recommendations of the Task Force on Climate-related Financial Disclosures. [FINAL-2017-TCFD-Report.pdf](#) ([bbhub.io](http://bbhub.io)) [viewed March 2022].

UNICEF, 2021. Democratic Republic of Congo. Water, sanitation and hygiene: Every child has a right to water, sanitation and a safe and clean community. [Water, sanitation and hygiene | UNICEF](#) [viewed January 2022].

United Nations Security Council (UNSC), 2011. [Due Diligence Guidelines | United Nations Security Council](#) [viewed February 2022]

WorldAtlas 2022. The Democratic Republic of Congo Maps and Facts. [Democratic Republic of The Congo Maps & Facts - World Atlas](#) [viewed February 2022].

WorldAtlas, 2022. The World's 17 Megadiverse Countries – The Democratic Republic of Congo. [The World's 17 Megadiverse Countries - WorldAtlas](#) [viewed February 2022].

World Health Organisation (WHO), 2019 Compendium of WHO Malaria Guidance. [500 \(who.int\)](#) [viewed February 2022]

For personal use only

## **Appendix A**

### **Assessment of Performance against IFC and Equator Principles**

**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard                               | Standard Content  | Standard Requirements and Shared Objectives  | Actions   | Status   | Indicator   | % Completed  | UN Sustainability Development Goals |
|--|---|--|---|--|---|--|-------------------------------------|
| <b>IFC Performance Standards</b>                   |   |  |   |  |   |  |                                     |
| Performance Standard 1 (Equator Principle 2, 3, 4) | Assessment and Management of Environmental and Social Risks and Impacts | <p><b>Standards</b><br/>Establish and maintain an Environmental and Social Management System appropriate to the nature and scale of the project and commensurate with the level of its environmental and social risks and impacts.</p> <p>The ESMS will incorporate the following elements:<br/>(i) policy;<br/>(ii) identification of risks and impacts;<br/>(iii) management programs;<br/>(iv) organisational capacity and competency;<br/>(v) emergency preparedness and response;<br/>(vi) stakeholder engagement; and<br/>(vii) monitoring and review.</p> <p><b>Shared Objectives</b></p> <ol style="list-style-type: none"> <li>Identify and evaluate environmental and social risks and impacts of the project.</li> <li>Adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, Affected Communities, and the environment.</li> <li>Promote improved environmental and social performance through the effective use of management systems.</li> <li>Ensure that grievances from affected communities and external communications from other stakeholders are responded to and managed appropriately.</li> <li>Promote and provide means for adequate engagement with affected communities throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.</li> </ol> | <p><b>ESMS</b><br/>Develop an Environmental and Social Management System in accordance with ISO14001:2015 that comprises:<br/><b>Policies</b><br/>Environmental<br/>Human Resources<br/>Community and Stakeholder Engagement<br/><b>Risk Assessment</b><br/>Develop a Risk Register and identify hazards risks of the project<br/>Develop avoidance and mitigation measures to reduce risks to as low as reasonably possible (ALARP)<br/>Incorporate risk mitigation measures in management programs, plans and procedures<br/><b>Management Programs</b><br/>Develop Management Programs, Plans and Procedures in the areas of:<br/>Environmental Management<br/>Human Resources Management<br/>Supply Chain Management<br/>Community Engagement<br/><b>Organisation capacity and competency</b><br/>Develop Board and Organisational Structure<br/>Org Charts<br/>Recruit experienced and competent persons<br/>Assign responsibilities within position descriptions<br/><b>Emergency Preparedness and Response</b><br/>Incorporate risks into Risk Register<br/>Develop risk avoidance and mitigation measures<br/>Develop Emergency Management Plan<br/><b>Community and stakeholder engagement</b><br/>Develop a Community Engagement Plan<br/><b>Monitoring and Review</b><br/>Management review should be incorporated into all key management plans.<br/>An annual senior management review process should be developed and incorporate - review of risks, incidents (root cause), avoidance and management, and identification and approval of process improvements.</p> | <p><b>ESMS</b><br/>An Environmental Management System has been prepared and will be updated and expanded during project construction and operations.<br/><b>Policies</b><br/>AVZ has developed a range of policies in the core areas of Environment, Human Resources and Community engagement. Primary policies and other key strategic documents have been made publicly available on the AVZ website.<br/>A Sustainability Committee has been established and a Charter developed.<br/><b>Risk Assessment</b><br/>A Corporate Risk Assessment has been developed using the mitigation hierarchy and is updated periodically in line with changes to the phase of the project, legislative changes and emerging and actual risks based on near misses and incidents.<br/>An Audit and Risk Committee has been established and a Charter developed.<br/><b>Management Program</b><br/>Management systems and programs have been developed in the key areas of Environmental Management, Human Resources Management, Supply Chain Management, Stakeholder and Community through the development of key management documents and procedures<br/><b>Organisation capacity and competency</b><br/>A Board Chairman, Non-Executive Directors and Executive Directors have been appointed to the Board.<br/>All Board members have significant experience in Board and Executive positions.<br/>A Board Charter and Organisational Structure have been developed and are made publicly available on our website and within Annual Reports.<br/>A Nomination and Remuneration Committee has been established and a Charter developed.<br/><b>Emergency Preparedness</b><br/>An Emergency Management Plan has been developed. Training in Emergency Management Procedures will be rolled out onsite once primary Project Construction Activities commence.<br/><b>Community and Stakeholder Engagement</b><br/>A Stakeholder Engagement Framework (SEF), comprising identification of stakeholders, methods of engagement, a grievance procedure and monitoring and feedback of the SEF has been developed.<br/><b>Monitoring and Review</b><br/>All key policies and procedures include periodic reviews. Near misses, incidents and complaints are reviewed monthly during management and project meetings. Monitoring of environmental and social impacts will be conducted throughout the life of the project. Further monitoring programs will be developed as the Project evolves.</p> | <p>ESMS<br/>Policies<br/>Risk Assessment<br/>Management Programs<br/>Organisational competency<br/>Emergency Preparedness<br/>Community &amp; Stakeholder Engagement<br/>Monitoring and Review<br/><b>Overall Score</b></p> | <p><b>100% (ongoing)</b><br/><b>100%</b><br/><b>100%</b><br/><b>100%</b><br/><b>100%</b><br/><b>100%</b><br/><b>100%</b><br/><b>70%</b><br/><b>95%</b></p> |                                     |

For personal use only



**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**













| Performance Standard                         | Standard Content                             | Standard Requirements and Shared Objectives   | Actions   | Status  | Indicator  | % Completed  | UN Sustainability Development Goals |
|--|--|---|---|---|--|--|-------------------------------------|
| Performance Standard 2 (Equator Principle 6) | Labour and Working Conditions                | <p><b>Standard Requirements</b><br/>It applies to direct workers, contract workers, supply chain workers. The establishment of Human Resource Policies and Procedures that include:</p> <ul style="list-style-type: none"> <li>(ii) Disclosure to employees</li> <li>(iii) Working conditions and terms of employment</li> <li>(iv) Workers Organisations</li> <li>(v) Non-discrimination and equal opportunity (diversity)</li> <li>(vi) Retrenchment</li> <li>(vii) Grievance Mechanisms</li> <li>(viii) Child Labour</li> <li>(ix) Forced Labour</li> <li>(x) Occupational Health and Safety</li> <li>(xi) Contracted Workers conditions</li> <li>(xii) Supply Chain workers conditions</li> </ul> <p><b>Shared Objectives</b></p> <ul style="list-style-type: none"> <li>(i) Promote the fair treatment, non-discrimination, and equal opportunity of workers.</li> <li>(ii) Establish, maintain, and improve the worker-management relationship.</li> <li>(iii) Promote compliance with national employment and labour laws.</li> <li>(iv) Protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client's supply chain.</li> <li>(v) Promote safe and healthy working conditions, and the health of workers.</li> <li>(vi) Avoid the use of forced labour</li> </ul> | <p><b>Human Resource Policies</b><br/>Develop the following minimum standard policies and procedures:</p> <ul style="list-style-type: none"> <li>(ii) Disclosure to employees</li> <li>(iii) Working conditions and terms of employment</li> <li>(iv) Workers Organisations</li> <li>(v) Non-discrimination and equal opportunity (diversity)</li> <li>(vi) Retrenchment</li> <li>(vii) Grievance Mechanisms</li> <li>(viii) Child Labour</li> <li>(ix) Forced Labour</li> <li>(x) Occupational Health and Safety</li> <li>(xi) Contracted Workers conditions</li> <li>(xii) Supply Chain workers conditions</li> </ul> | <p><b>Human Resource Policies</b><br/>Many Human Resources policies and procedures have been developed and approved and are located on the AVZ website. These include Diversity Policy, Bullying and Harassment Policy, Health and Safety Policy, Modern Slavery Policy, Code of Conduct and Grievance Procedure. In addition, a Human Resource policy and procedures matrix has been established to identify additional policies and procedures that will be needed in the future once construction and operations commence.</p> <p><b>Employee and Contractor Contracts</b><br/>Employee and Contractors terms of employment and working conditions are outlined within employment contracts and supplier and services contracts.</p>   | <p>Human Resource Policies and Procedures</p> <p>Employee and Contractor contracts</p> <p><b>Overall Score</b></p> | <p><b>100% (based on stage of project - ongoing)</b></p> <p><b>100%</b></p> <p><b>100%</b></p>   |                                     |
| Performance Standard 3                       | Resource Efficiency and Pollution Prevention | <p><b>Standard Requirements</b><br/>During the project life cycle, the client will consider ambient conditions and apply technically and financially feasible resource efficiency and pollution prevention principles and techniques that are best suited to avoid, or where avoidance is not possible, minimize adverse impacts on human health and the environment. The principles and techniques applied during the project life cycle will be tailored to the hazards and risks associated with the nature of the project and consistent with good international industry practice. Also includes reduction and management of wastes, hazardous materials and pesticides.</p> <p><b>Shared Objectives</b></p> <ul style="list-style-type: none"> <li>(i) Avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities.</li> <li>(ii) Promote more sustainable use of resources, including energy and water.</li> <li>(iii) Reduce project related GHG emissions</li> </ul>   | <p><b>ESIA</b><br/>Undertake an ESIA, including baseline surveys to establish existing ambient conditions.</p> <p><b>EMPP</b><br/>Prepare and EMPP and associated plans and procedures as a guideline to the reduction and management of wastes, hazardous materials and pesticides.</p> <p><b>Pollution prevention / resource efficiency</b><br/>Identify and implement best practice resource efficiency and pollution prevention infrastructure, techniques and solutions during design, construction, operations and closure.</p>   | <p><b>ESIA and baseline studies</b><br/>Seven ESIA's have been completed and approved by the DRC government for the Manono Project and associated infrastructure projects. Environmental baseline studies were undertaken during the ESIA to establish baseline ambient conditions. Further studies will be undertaken prior to and during construction and operations to collect further baseline data and to monitor potential effects of the project on the environment and human health.</p> <p><b>EMPP</b><br/>An EMPP and a range of supporting plans and procedures have been implemented including storage and handling of wastes and hazardous materials.</p> <p><b>Pollution prevention / resource use efficiency</b><br/>A Climate Change Strategy has been developed that outlines a range of commitments with the aim of reducing greenhouse gas emission for the project to net zero emissions by 2030.</p> | <p>ESIA</p> <p>EMPP</p> <p>Pollution prevention / resource use efficiency</p> <p><b>Overall Score</b></p>          | <p><b>100% (for stage of the project)</b></p> <p><b>100%</b></p> <p><b>NYR</b></p> <p><b>100% (Based on what is required at this time)</b></p> |                                     |

For personal use only

### ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG






| Performance Standard                         | Standard Content                              | Standard Requirements and Shared Objectives  | Actions  | Status  | Indicator  | % Completed   | UN Sustainability Development Goals  |
|--|---|--|--|---|--|---|--|
| Performance Standard 4                       | Community Health, Safety, and Security        | <p><b>Standard Requirements</b></p> <p>(i) Evaluate risks and impacts to the health and safety of the affected communities during the project life-cycle</p> <p>(ii) Establish preventive and control measures consistent with good international industry practice</p> <p>(iii) Design, construct, operate, and decommission the structural elements or components of the project in accordance with good international industry practice taking into consideration safety risks to third parties or affected communities.</p> <p>(iv) Avoid or minimize the potential for community exposure to hazardous materials and substances that may be released by the project.</p> <p>(v) Identify direct impacts on priority ecosystem services may result in adverse health and safety risks and impacts to Affected Communities</p> <p>(vi) Avoid or minimize the potential for community exposure to water-borne, water-based, water-related, and vector-borne diseases, and communicable diseases that could result from project activities, taking into consideration differentiated exposure to and higher sensitivity of vulnerable groups.</p> <p>(vii) Where specific diseases are endemic in communities in the project area of influence, the client is encouraged to explore opportunities during the project life cycle to improve environmental conditions that could help minimize their incidence.</p> <p>(ix) Assist and collaborate with the Affected Communities, local government agencies, and other relevant parties, in their preparations to respond effectively to emergency situations, especially when their participation and collaboration are necessary to respond to such emergency situations. If local government agencies have little or no capacity to respond effectively, the client will play an active role in preparing for and responding to emergencies associated with the project.</p> <p>(x) Assess risks posed by its security arrangements to those within and outside the project site.</p> <p><b>Shared Objectives</b></p> <p>(i) Anticipate and avoid adverse impacts on the health and safety of the Affected Community during the project life from both routine and non-routine circumstances.</p> <p>(ii) Ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities</p> | <p><b>ESIA</b></p> <p>Undertake an ESIA, including baseline surveys to establish existing ambient conditions.</p> <p><b>EMPP / Closure Plan</b></p> <p>Develop an EMPP and Mine Closure Plan to guide environmental management of hazards and risks including preventative and control measures during the project life cycle.</p> <p><b>Environmental Monitoring Program</b></p> <p>Develop a monitoring program to monitor the potential effects of project activities on key environmental factors, including surface water quality, air quality, vegetation, soil, amenity (noises and vibration). Develop a trigger action response plan that ensures early identification if impacts and implementation of mitigation and corrective actions and monitoring of response.</p> <p><b>Risk Assessment</b></p> <p>Undertake a risk assessment and develop a risk register that identifies all potential project related hazards and risks that may impact on the health and safety of affected communities. As part of the risk assessment process and using the hierarchy of control develop avoidance and mitigation measures to reduce hazards and risks to ALARP</p> <p>Incorporate risk mitigation measures into management programs, plans and procedures, including an Emergency Response Plan.</p> | <p><b>ESIA</b></p> <p>The ESIA identified potential hazards and risks to human health from project activities which will be mitigated against. Baseline surface water quality, air quality and social amenity studies were undertaken to determine existing ambient conditions.</p> <p><b>EMPP / Mine Closure Plan</b></p> <p>An EMPP and Closure Plan have been developed and approved by the DRC government. These documents outline the environmental management measures that will be implemented through all phase of the project to manage hazards and risks and reduce impacts to human health and the environment to ALARP.</p> <p><b>Environmental Monitoring Program (EMP)</b></p> <p>An Environmental Monitoring Program will be developed prior to commencement of construction to monitor the potential effects of project activities on key environmental factors to reduce the risk of impact to human health and the environment.</p> <p><b>Risk Assessment</b></p> <p>A Project Risk Assessment has been conducted and a Risk Register has been developed identifying all potential project hazards and risks during all phases of the project with hazard controls developed based on the hierarchy of control. The Risk Assessment will be updated periodically as new hazards and risks become apparent or in line with legislative and project changes.</p> <p>As a part of identifying all project hazards and risks, AVZ engaged a specialist consultant to conduct a Human Rights impact screening to identify potential risks to human rights and management measures to ensure human rights abuses do not occur, recognising the complex challenges of operating environment in the DRC. The hazards and risks identified during this assessment have been incorporated in the Project Risk Register.</p> <p><b>Social Development</b></p> <p>During the ESIA, AVZ consulted with local communities to create a Social Vision and SDP. Several key objectives were established including significant upgrade of Community medical, water treatment, educational and transport infrastructure. During the 2020/2021 FY, AVZ provided funding to the DRC government with respect to the roll out of a Malaria vaccine within the Tanganyika District.</p> <p><b>Emergency Response Plan</b></p> <p>A project Emergency Response Plan has been prepared and will be implemented during all phases of the project life.</p> | <p>ESIA</p> <p>EMPP / Mine Closure Plan</p> <p>EMP</p> <p>Risk Assessment</p> <p>Social Development</p> <p>Emergency Response Plan</p> <p><b>Overall Score</b></p>   | <p><b>100%</b></p> <p><b>100% (ongoing)</b></p> <p><b>100% (ongoing)</b></p> <p><b>100% (ongoing)</b></p> <p><b>100%</b></p> <p><b>100%</b></p>                             | <p><b>6 CLEAN WATER AND SANITATION</b></p> <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p> <p><b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b></p> <p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p> <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p> <p><b>14 LIFE BELOW WATER</b></p> <p><b>15 LIFE ON LAND</b></p> |
| Performance Standard 5 (Equator Principle 6) | Land Acquisition and Involuntary Resettlement | <p><b>Standard Requirements</b></p> <p>(i) Client will consider feasible alternative project designs to avoid or minimize physical and/or economic displacement, while balancing environmental, social, and financial costs and benefits, paying particular attention to impacts on the poor and vulnerable.</p> <p>(ii) When displacement cannot be avoided, the client will offer displaced communities and persons compensation for loss of assets at full replacement cost and other assistance to help them improve or restore their standards of living or livelihoods.</p> <p>(iii) Engage with Affected Communities, including host communities, through the process of stakeholder engagement</p> <p>(iv) Establish a grievance mechanism related to land acquisition, resettlement and compensation.</p> <p>(v) Collect appropriate socio-economic baseline data to identify the persons who will be displaced by the project</p> <p>(vi) Develop a Resettlement Action Plan (requirements outlined in IFC PS)</p> <p>(vii) Develop a Livelihood Restoration Plan to compensate affected persons and/or communities</p> <p>(viii) Collaborate with governments in relation to resettlement, including providing financial assistance where appropriate.</p> <p><b>Shared Objectives</b></p>  | <p><b>Risk Assessment</b></p> <p>Conduct a risk assessment to identify project activities that have the potential to result in physical or economic displacement or impacts.</p> <p><b>Multi Criteria Options Analysis</b></p> <p>Where potential physical or economic displacement impacts are identified, a multi criteria options analysis will be undertaken, using the mitigation hierarchy to minimise impacts to as low as reasonably possible.</p> <p><b>Displacement study</b></p> <p>Where displacement cannot be avoided, a displacement study will be completed to identify the persons who will be displaced and their baseline socio-economic conditions.</p> <p><b>Community and Stakeholder Consultation Program</b></p> <p>Where resettlement cannot be avoided, in consultation with Affected Communities and other stakeholders (e.g., local, regional and national government departments) prepare a Community and Stakeholder Consultation Plan</p>   | <p><b>Risk Assessment</b></p> <p>A Risk Assessment has been undertaken that has identified physical and economic displacement risks.</p> <p><b>Multi Criteria Options Analysis</b></p> <p>Project design will avoid and minimise displacement of communities and persons (including poor and vulnerable persons) where possible, whilst balancing the environmental, social and economic costs and benefits.</p> <p><b>Displacement Study</b></p> <p>A displacement study was completed during the ESIA, this study will be reviewed prior to commencement of construction of the Project.</p> <p><b>Community and Stakeholder Consultation Program</b></p> <p>Where physical and/or economic displacement cannot be avoided, a community and stakeholder consultation program will be implemented with the aim of community and government collaboration in the development of a Resettlement Action Plan, a Livelihood Restoration Plan and a formal grievance process in accordance with IFC, UN and OECD resettlement guidelines.</p> <p><b>Resettlement Action Plan and Livelihood Restoration Plan</b></p> <p>Following project infrastructure design, the completion of the Displacement Study, and the implementation of the Community</p>  | <p>Risk Assessment</p> <p>Multi Criteria Options Analysis</p> <p>Displacement Study</p> <p>Community and Stakeholder Consultation Program</p> <p>Resettlement Plan/Livelihood Restoration Plan</p> <p><b>Overall Score</b></p> | <p><b>100% (ongoing)</b></p> <p><b>NYR</b></p> <p><b>100% (ongoing)</b></p> <p><b>NYR</b></p> <p><b>NYR</b></p> <p><b>100% (Based on what is required at this time)</b></p> | <p><b>1 NO POVERTY</b></p> <p><b>2 ZERO HUNGER</b></p> <p><b>3 GOOD HEALTH AND WELL-BEING</b></p> <p><b>4 QUALITY EDUCATION</b></p>  |

**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard   | Standard Content   | Standard Requirements and Shared Objectives   | Actions   | Status   | Indicator   | % Completed  | UN Sustainability Development Goals   |
|------------------------|--|---|---|--|---|--|---|
|                        |  | <p>(i) Avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs.</p> <p>(ii) Avoid forced eviction.</p> <p>(iii) Anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by:</p> <p>(iv) Providing compensation for loss of assets at replacement cost and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected.</p> <p>(v) Improve, or restore, the livelihoods and standards of living of displaced persons.</p> <p>(vi) Improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement site.</p>  | <p><b>Resettlement Action Plan and Livelihood Restoration Plan</b></p> <p>If displacement cannot be avoided, prepare a Resettlement Plan and Livelihood Restoration Plan that should include:</p> <p>Full disclosure of proposed resettlement process</p> <p>Details of compensation for loss of assets and livelihood</p> <p>Other financial and material assistance that will be provided</p> <p>Details of how the standard of living of affected communities and persons, (in particular those who are poor and vulnerable) will be improved and enhanced through resettlement.</p> <p>Affected Communities and government engagement process and methodology</p> <p>Grievance processes.</p>   | <p>Consultation Program, a Resettlement Action Plan and Livelihood Restoration Plan will be prepared and communicated to Affected Communities in accordance with the IFC, UN and OECD resettlement guidelines.</p>   |   |  |        |
| Performance Standard 6 | Biodiversity Conservation and Sustainable Management of Living Natural Resources | <p><b>Standard Requirements</b></p> <p>(i) Direct and indirect project-related impacts on biodiversity and ecosystem services and identify any significant residual impacts</p> <p>(ii) Identify avoidance, minimisation and restoration measures</p> <p>(iii) Implement offsets in relation to residual impacts</p> <p>(iv) No significant degradation of natural habitats, unless:</p> <p>no other viable alternatives within the region exist for development of the project on modified habitat; consultation has established the views of stakeholders, including affected communities, and conversion or degradation is mitigated according to the mitigation hierarchy.</p> <p>(v) No impact to critical habitat, unless no other viable alternatives within the region exist for development of the project on modified or natural habitats that are not critical; the project does not lead to measurable adverse impacts on those biodiversity values for which the critical habitat was designated, and on the ecological processes supporting those biodiversity values; the project does not lead to a net reduction in the global and/or national/regional population of any Critically Endangered or Endangered species over a reasonable period of time; and a robust, appropriately designed, and long-term biodiversity monitoring and evaluation program is integrated into the client's management program.</p> <p>(vi) No impact to legally protected and internationally recognised areas</p> <p>(vii) No introduction of alien or invasive species</p> <p>(viii) Evaluate primary suppliers to ensure that degradation of natural habitats is not occurring.</p> <p><b>Shared Objectives</b></p> <p>(i) Protect and conserve biodiversity.</p> <p>(ii) Maintain the benefits from ecosystem services.</p> <p>(iii) Promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities</p> | <p><b>ESIA</b></p> <p>Conduct and Environmental and Social Impact Assessment to:</p> <ul style="list-style-type: none"> <li>Define biodiversity values, including conservation significant and critical habitats within and surrounding the project area.</li> <li>Consult with stakeholders to determine ecosystem service values and cultural and heritage values.</li> <li>Identify direct and indirect project related impacts on biodiversity and ecosystems services.</li> </ul> <p><b>EMPP</b></p> <p>Develop an EMPP that outlines avoidance and mitigation measures to be implemented during design, construction and operations.</p> <p><b>Supplier processes</b></p> <p>Develop processes to assess suppliers' processes for protection of biodiversity.</p> <p><b>Offsets and Biodiversity Action Plan</b></p> <p>Identify significant residual impacts and develop appropriate offsets for residual impacts to achieve a net environmental benefit.</p> <p>Develop a Biodiversity Action Plan as required, to outline avoidance, minimisation, restoration, rehabilitation, protection, enhancement and offsets.</p> | <p><b>ESIA</b></p> <p>Seven ESIA have been completed for the Manono Project and associated infrastructure projects. The ESIA determined that the project will not have any impact on Critically Endangered or Endangered species or its habitat, legally protected or internationally recognised areas.</p> <p><b>Stakeholder consultation</b></p> <p>Stakeholder and community consultation was conducted during the ESIA process. Stakeholder concerns were documented.</p> <p><b>EMPP</b></p> <p>An EMPP has been developed and provides a guideline for management and monitoring of potential environmental impacts from project activities.</p> <p><b>GHG emissions assessment</b></p> <p>A GHG emissions assessment was conducted during the ESIA process to determine the likely emissions from the Manono Project, once operational. Emissions were calculated at below 100,000 tonnes per annum and measures will be implemented during design, construction and operations with the aim to achieve net zero emissions by 2030.</p> <p><b>Supplier processes</b></p> <p>Assessment of supplier processes for protection of biodiversity will commence prior to project construction.</p> <p><b>Offsets and Biodiversity Action Plan</b></p> <p>A Climate Change Strategy has been developed that outlines the biodiversity offsets that will be considered as part of the net zero emissions strategy.</p> | <p>ESIA / Risk Assessment</p> <p>Stakeholder consultation</p> <p>EMPP</p> <p>GHG emissions assessment</p> <p>Suppliers' processes</p> <p>Offsets and Biodiversity Action Plan</p> <p><b>Overall Score</b></p> | <p><b>100%</b></p> <p><b>100% (ongoing)</b></p> <p><b>100%</b></p> <p><b>NYR (prior to commencement of construction)</b></p> <p><b>NYR (prior to commencement of Operations)</b></p> <p><b>100% (Based on what is required at this time)</b></p> |        |






For personal use only

**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard   | Standard Content   | Standard Requirements and Shared Objectives   | Actions  | Status   | Indicator   | % Completed                                   | UN Sustainability Development Goals   |
|------------------------|--------------------|---|--|--|---|---|---|
| Performance Standard 7 | Indigenous Peoples | <p><b>Standard Requirements</b></p> <p>(i) Identify, through an environmental and social risks and impacts assessment process, all communities of Indigenous Peoples within the project area of influence who may be affected by the project, as well as the nature and degree of the expected direct and indirect economic, social, cultural (including cultural heritage), and environmental impacts on them.</p> <p>(ii) Avoid where possible. Where alternatives have been explored and adverse impacts are unavoidable, the client will minimize, restore, and/or compensate for these impacts in a culturally appropriate manner commensurate with the nature and scale of such impacts and the vulnerability of the affected communities of Indigenous Peoples.</p> <p>(iii) Undertake an engagement process with the Affected Communities of Indigenous Peoples. This process will include stakeholder analysis and engagement planning, disclosure of information, consultation, and participation, in a culturally appropriate manner. This process will; involve Indigenous Peoples' representative bodies and organizations (e.g., councils of elders or village councils), as well as members of the affected communities of Indigenous Peoples; and provide sufficient time for Indigenous Peoples' decision-making processes.</p> <p>(iv) Where the project is located on, lands traditionally owned by, or under the customary use of, Indigenous Peoples, and adverse impacts can be expected, the steps outlined in the IFC PS must be followed.</p> <p>(v) Feasible alternative project designs must be considered to avoid the relocation of Indigenous Peoples from communally held lands and natural resources subject to traditional ownership or render customary use. If these lands cannot be avoided an FPIC (Agreement) must be obtained.</p> <p>(vi) Impact to critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives, priority will be given to the avoidance of such impacts. Where significant project impacts on critical cultural heritage are unavoidable, the client will obtain the FPIC (Agreement) of the Affected Communities of Indigenous Peoples.</p> <p>(vii) Identify mitigation measures in alignment with the mitigation hierarchy as well as opportunities for culturally appropriate and sustainable development benefits. The client will ensure the timely and equitable delivery of agreed measures to the Affected Communities of Indigenous Peoples. Collaborate with relevant government agencies in relation to issues affecting Indigenous Peoples.</p> <p><b>Shared Objectives</b></p> <p>(i) Ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples.</p> <p>(ii) Anticipate and avoid adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts.</p> <p>(iii) Promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner.</p> <p>(iv) Establish and maintain an ongoing relationship based on Informed Consultation and Participation (ICP) with the Indigenous Peoples affected by a project throughout the project's life-cycle.</p> <p>(v) Ensure the Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples when the circumstances described in this Performance Standard are present.</p> <p>(vi) Respect and preserve the culture, knowledge, and practices of Indigenous Peoples.</p> | <p><b>ESIA</b></p> <p>Conduct and ESIA of the project to identify all potential impacts on Indigenous peoples and their cultural heritage values.</p> <p><b>Cultural Heritage Management</b></p> <p>Develop as appropriate a Cultural Heritage Management Plan (CHMP) that outlines:</p> <ul style="list-style-type: none"> <li>potential project impacts and measures to avoid, minimise, and mitigate impacts. the consultation and engagement process Cultural heritage surveys and studies that have and will be undertaken to determine values and monitor potential impact. Compensation, benefits, employment, education and business opportunities.</li> </ul> | <p><b>ESIA</b></p> <p>Seven ESIA's have been completed and approved by the DRC government for the Manono Project and associated infrastructure projects.</p> <p><b>Cultural Heritage Management</b></p> <p>AVZ has developed the following documents to guide the process of protection of cultural heritage values: A Social Responsibility Policy that outlines AVZ's commitment to acknowledging and respecting the cultural heritage, customs and traditions of its host communities including those of Indigenous Peoples impacted by project activities. Cultural Heritage Management Plan that sets out the management measures established to address the potential impacts to cultural heritage sites, structures and values that may result from Project activities. AVZ's Chance Find Procedure (MN200-5520-ENV-GN-PRC001), which further outlines its commitment to respectfully managing and mitigating impacts to cultural heritage.</p> | <p>ESIA</p> <p>Cultural Heritage Management</p> <p><b>Overall Score</b></p> | <p>100%</p> <p>100% (ongoing)</p> <p>100%</p> |      |


For personal use only

**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard   | Standard Content  | Standard Requirements and Shared Objectives  | Actions   | Status  | Indicator   | % Completed                                     | UN Sustainability Development Goals   |
|------------------------|-------------------|--|---|---|---|---|---|
| Performance Standard 8 | Cultural Heritage | <p><b>Standard requirements</b></p> <p>(i) Comply with applicable law on the protection of cultural heritage, including national law implementing the host country's obligations under the Convention Concerning the Protection of the World Cultural and Natural Heritage,</p> <p>(ii) Identify and protect cultural heritage by ensuring that internationally recognized practices for the protection, field-based study, and documentation of cultural heritage are implemented.</p> <p>(iii) Site and design the project to avoid significant adverse impacts to cultural heritage.</p> <p>(iv) Consult with affected communities within the host country who use, or have used within living memory, the cultural heritage for long-standing cultural purposes.</p> <p>(v) Consult with the affected communities to identify cultural heritage of importance, and to incorporate these views into decision-making process.</p> <p>(vi) Consult with relevant national or local regulatory agencies that are entrusted with the protection of cultural heritage.</p> <p>(ix) Allow continued access to the cultural site or will provide an alternative access route, subject to overriding health, safety, and security considerations.</p> <p>(i) Where tangible cultural heritage that is replicable and not critical is within the project footprint, the site will be avoided where possible and if not feasible to avoid the process will include; minimize adverse impacts and implement restoration measures, in situ, that ensure maintenance of the value and functionality of the cultural heritage, including maintaining or restoring any ecosystem processes<sup>4</sup> needed to support it; where restoration in situ is not possible, restore the functionality of the cultural heritage, in a different location, including the ecosystem processes needed to support it; the permanent removal of historical and archaeological artifacts and structures is carried out according to the IFC PS; only where minimization of adverse impacts and restoration to ensure maintenance of the value and functionality of the cultural heritage are demonstrably not feasible, and where the affected communities are using the tangible cultural heritage for long-standing cultural purposes, compensate for loss of that tangible cultural heritage.</p> <p>(ii) Not remove any non-replicable cultural heritage, unless all of the following conditions are met: there are no technically or financially feasible alternatives to removal; the overall benefits of the project conclusively outweigh the anticipated cultural heritage loss from removal; and any removal of cultural heritage is conducted using the best available technique.</p> <p>(iii) Not remove, significantly alter, or damage critical cultural heritage. In exceptional circumstances when impacts on critical cultural heritage are unavoidable, the client will use a process of Informed Consultation and Participation (ICP) of the affected communities.</p> <p>(iv) Retain external experts to assist in the assessment and protection of critical cultural heritage</p> <p>(v) The use of cultural heritage, including knowledge, innovations, or practices of local communities for commercial purposes, the client will inform these communities of (i) their rights under national law; (ii) the scope and nature of the proposed commercial development; and (iii) the potential consequences of such development. The client will not proceed with such commercialization unless it (i) enters a process of ICP.</p> <p><b>Shared Objectives</b></p> <p>(i) Protect cultural heritage from the adverse impacts of project activities and support its preservation.</p> <p>(ii) Promote the equitable sharing of benefits from the use of cultural heritage.</p> | <p><b>ESIA</b></p> <p>Conduct an ESIA, including baseline heritage and ethnographic surveys of the project and surrounding areas to establish existing cultural heritage values.</p> <p><b>Risk Assessment</b></p> <p>Conduct a risk assessment to identify potential hazards and risks to cultural heritage values. Apply to mitigation hierarchy to avoid or minimise impact to cultural heritage values.</p> <p><b>CHMP</b></p> <p>Develop as appropriate a CHMP that outlines: potential project impacts and measures to avoid, minimise, and mitigate the impact, the consultation and engagement process and methodology, cultural heritage surveys and studies that will be undertaken to determine values and monitor potential impacts. Details of payments, compensation and other benefits that will be paid where cultural heritage values cannot be avoided.</p> | <p><b>ESIA</b></p> <p>Seven ESIA's have been completed and approved by the DRC government for the Manono Project and associated infrastructure projects.</p> <p><b>Risk Assessment</b></p> <p>A Risk Assessment has been undertaken that has identified potential hazards and risks to cultural heritage values.</p> <p><b>Cultural Heritage Management</b></p> <p>AVZ has developed the following documents to guide the process of protection of cultural heritage values:</p> <ul style="list-style-type: none"> <li>Social Responsibility Policy (PR000-COR-GO-POL-020) that outlines AVZ's commitment to acknowledging and respecting the cultural heritage, customs and traditions of its host communities including those of Indigenous Peoples impacted by its activities.</li> <li>Cultural Heritage Management Plan (MN200-5526-COR-EN-PLN-001) that sets out the management measures established to address the potential impacts to cultural heritage sites, structures and values that may result from Project activities.</li> <li>AVZ's Chance Find Procedure (MN200-5520-ENV-GN-PRC001), which further outlines its commitment to respectfully managing and mitigating impacts to cultural heritage.</li> </ul> | <p>ESIA</p> <p>Risk Assessment</p> <p>Cultural Management</p> <p><b>Overall Score</b></p> | <p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> |      |










For personal use only

**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard      | Standard Content          | Standard Requirements and Shared Objectives   | Actions  | Status   | Indicator  | % Completed   | UN Sustainability Development Goals  |
|---------------------------|---------------------------|---|--|--|--|---|--|
| <b>Equator Principles</b> |                           |   |  |  |  |   |  |
| Principle 1               | Review and Categorisation | <p>When a Project is proposed for financing, the EPFI will, as part of its internal environmental and social review and due diligence, categorise the Project based on the magnitude of potential environmental and social risks and impacts, including those related to Human Rights, climate change, and biodiversity. Such categorisation is based on the International Finance Corporation's (IFC) environmental and social categorisation process. The categories are:</p> <p>Category A - Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented.</p> <p>Category B - Projects with potential limited adverse environmental and social risks and/or impacts that are few, generally site-specific, largely reversible and readily addressed through mitigation measures; and</p> <p>Category C - Projects with minimal or no adverse environmental and social risks and/or Impacts</p> | <p><b>Environmental and Social Impacts</b></p> <p>The Project is assessed as being a high-risk category "B" project, a project "with potential limited adverse environmental and social risks and/or impacts that are few, generally site-specific, largely reversible and readily addressed through mitigation measures".</p> | <p><b>ESIA</b></p> <p>The Project has been subject to an ESIA that has been approved by the DRC Minister for Environment. The ESIA has confirmed that all potential impacts from project activities can be readily managed through implementation of appropriate controls outlined within the EMPP and MCP. The ESIA also confirmed that project activities will not impact on any partially or fully protected species or ecosystems.</p> | <p>ESIA</p> <p>EMPP</p> <p>MCP</p> <p><b>Overall score</b></p> | <p><b>100%</b></p> <p><b>100%</b></p> <p><b>100%</b></p> <p><b>100%</b></p> |  |


For personal use only

**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard                   | Standard Content                    | Standard Requirements and Shared Objectives   | Actions  | Status   | Indicator                                   | % Completed  | UN Sustainability Development Goals  |
|--|-------------------------------------|---|--|--|---|--|--|
| Principle 2 (Refer to IFC Principle 1) | Environmental and Social Assessment | (i) Conduct an appropriate Assessment process to address, to the EPFI's satisfaction, the relevant environmental and social risks and scale of impacts of the proposed Project (which may include the illustrative list of issues found in Exhibit II). The Assessment Documentation should propose measures to minimise, mitigate, and where residual impacts remain, to compensate/offset/remedy for risks and impacts to Workers, Affected Communities, and the environment, in a manner relevant and appropriate to the nature and scale of the proposed Project. | <b>ESIA</b><br>Undertake and ESIA and prepare and implement key environmental and social management plans. | <b>ESIA, EMPP, MCP, SDP</b><br>The Project has been subject to an ESIA that has been approved by the DRC Minister for Environment. The ESIA has confirmed that all potential impacts from project activities can be readily managed through implementation of appropriate controls outlined within the EMPP, MCP and SDP. The ESIA also confirmed that project activities will not impact on any partially or fully protected species, ecosystems or culturally significant sites. | ESIA<br>EMPP<br>MCP<br><b>Overall score</b> | <b>100%</b><br><b>100%</b><br><b>100%</b><br><b>100%</b> |          |

For personal use only















**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard          | Standard Content                              | Standard Requirements and Shared Objectives   | Actions  | Status  | Indicator  | % Completed   | UN Sustainability Development Goals   |
|-------------------------------|---|---|--|---|--|---|---|
| Principle 3 (IFC Principle 1) | Applicable Environmental and Social Standards | (i) Compliance with relevant host country laws, regulations and permits that pertain to environmental and social issues.<br>(ii) Compliance with IFC Principles | <p><b>Compliance DRC laws</b><br/>Submit and obtain approval for an ESIA and mining licence.</p> <p><b>Compliance IFC Principles</b><br/>Complete an assessment of compliance with IFC Principles.</p> | <p><b>Primary approvals</b><br/>AVZ has complied with DRC laws, regulation and permits that pertain to social and environmental issues through approval of seven ESIA and application of a mining licence.</p> <p><b>Secondary approvals</b><br/>AVZ will obtain required secondary approvals to facilitate project construction and operations once the mining licence is issued.</p> <p><b>IFC audit</b><br/>AVZ has completed an assessment of compliance with IFC Principles and Standards (outlined above)</p> | <p>ESIA approval</p> <p>Application for mining licence submitted</p> <p>Secondary approvals submitted and approved</p> <p>Audit of compliance with IFC P&amp;S</p> <p><b>Overall score</b></p> | <p>100%</p> <p>50%</p> <p>NYR</p> <p>100%</p> <p>75%<br/>(Based on what is required at this time)</p> |  |

For personal use only















**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard             | Standard Content  | Standard Requirements and Shared Objectives  | Actions   | Status   | Indicator  | % Completed  | UN Sustainability Development Goals   |
|----------------------------------|---|--|---|--|--|--|---|
| Principle 4 (IFC Principle 1)    | Environmental and Social Management System and Equator Principles Action Plan | (i) Category A and Category B Projects develop and maintain an Environmental and Social Management System (ESMS).<br>(ii) Develop and maintain an Environmental and Social Management Plan (ESMP) to address issues raised in the Risk Assessment process and incorporate actions required to mitigate risks and comply with the applicable standards. | Develop an ESMS<br>Develop an ESMP  | <b>IFC Principle 1</b><br>Refer to IFC Principle 1 (above)<br><b>ESMS, EMPP, SDP, MCP</b><br>An ESMS, EMPP, SDP and MCP have been developed in addition to a range of other policies and procedures.   | ESMS<br>EMPP<br>SDP<br>MCP<br><b>Overall score</b>                     | <b>100%</b><br><b>100%</b><br><b>100%</b><br><b>100%</b><br><b>100%</b>                                    |          |
| Principle 5 (All IFC Principles) | Stakeholder Engagement  | (i) Category A and Category B Projects demonstrate effective Stakeholder Engagement, as an ongoing process in a structured and culturally appropriate manner, with Affected Communities, Workers and, where relevant, Other Stakeholders.  | <b>Stakeholder Engagement Framework</b><br>Develop a Stakeholder Engagement Framework<br><b>Stakeholder engagement</b><br>Undertake Stakeholder engagement during the ESIA process and on an ongoing basis prior to and during project construction and operations. | <b>Stakeholder engagement framework</b><br>Stakeholder Engagement Framework developed<br><b>Stakeholder engagement</b><br>Stakeholder consultation conducted during ESIA process. Further stakeholder consultation will be undertaken prior to commencement of construction. | SEF<br>SC (during ESIA)<br>SC (Project update)<br><b>Overall score</b> | <b>100%</b><br><b>100%</b><br><b>NYR</b><br><b>100%</b><br><b>(Based on what is required at this time)</b> |        |

For personal use only

**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard                 | Standard Content    | Standard Requirements and Shared Objectives  | Actions   | Status   | Indicator   | % Completed                                       | UN Sustainability Development Goals   |
|--------------------------------------|---------------------|--|---|--|---|---|---|
| Principle 6 (IFC Principles 2 and 5) | Grievance Mechanism | (i) Category A and B Projects, as part of the ESMS, to establish effective grievance mechanisms which are designed for use by Affected Communities and Workers, as appropriate, to receive and facilitate resolution of concerns and grievances about the Project's environmental and social performance.  | <b>Grievance Policy and Procedures</b><br>Develop a Grievance Policy and Procedure.<br>Implement Grievance Procedure during project construction and operations.  | <b>Grievance Policy and Procedures</b><br>Grievance Policy and Procedures developed<br>Grievance Procedure Implemented   | GP&P<br><br>GP&P implemented<br><br><b>Overall score</b>        | <b>100%</b><br><br><b>100%</b><br><br><b>100%</b> |  <br>  |
| Principle 7                          | Independent Review  | (i) For Category A and B Projects, an Independent Environmental and Social Consultant, will carry out an Independent Review of the Assessment process including the ESMPs, the ESMS, and the Stakeholder Engagement process documentation to assist the EPFI's due diligence and determination of Equator Principles compliance.<br>(ii) The Independent Environmental and Social Consultant will also propose a suitable Equator Principles Action Plan capable of bringing the Project into compliance with the Equator Principles or indicate where there is a justified deviation from the applicable standards. The Independent Environmental and Social Consultant must be able to demonstrate expertise in evaluating the types of environmental and social risks and impacts relevant to the Project | <b>Independent review of assessment process including ESIA, EMPP, SMP and ESMS</b><br>Engage an Independent Environmental and Social Consultant to conduct an Independent Review of the ESIA, ESMP and ESMS.<br><b>Equator Principles Action Plan</b><br>Prepare and Equator Principles Action Plan to bring Project into compliance with the Equator Principles. | <b>Independent review of ESIA, EMPP, SMP and ESMS</b><br>An independent Consultant to conduct and independent review of the ESIA, ESMP and ESMS.<br><b>Equator Principles Action Plan</b><br>Equator Principles Action Plan (EPAP) prepared. | ESIA, ESMP, ESMS review<br><br>EPAP<br><br><b>Overall score</b> | <b>100%</b><br><br><b>100%</b><br><br><b>100%</b> |  <br> <br> <br> <br> |












For personal use only

**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard | Standard Content | Standard Requirements and Shared Objectives   | Actions   | Status   | Indicator   | % Completed  | UN Sustainability Development Goals |
|----------------------|------------------|---|---|--|---|--|-------------------------------------|
| Principle 8          | Covenants        | <p>The client will covenant in the financing documentation to comply with all relevant host country environmental and social laws, regulations and permits in all material respects for all Category A and Category B Projects, the client will covenant in the financial documentation:</p> <p>a) to comply with the ESMPs and EPAP (where applicable) during the construction and operation of the Project in all material respects; and</p> <p>b) to provide periodic reports in a format agreed with the EPFI (with the frequency of these reports proportionate to the severity of impacts, or as required by law, but not less than annually), prepared by in-house staff or third-party experts, that</p> <p>i) document compliance with the ESMPs and EPAP (where applicable), and</p> <p>ii) provide representation of compliance with relevant local, state and host country environmental and social laws, regulations and permits; and</p> <p>c) to decommission the facilities, where applicable and appropriate, in accordance with an agreed decommissioning plan.</p> | <p><b>Financial covenants</b><br/>AVZ to make required covenants in financing documentation relevant to Cat. A and B projects.</p> <p><b>Compliance Audit of EMPP, SMP and EPAP</b><br/>Comply with EMPP, SMP and EPAP - Prepare required periodic compliance reports</p> <p><b>MCP</b><br/>Prepare MCP</p> | <p><b>Financial covenants</b><br/>Convents given in financing documents</p> <p><b>Compliance Audit of EMPP, SMP and EPAP</b><br/>ESMP and EPAP compliance audits conducted, and report prepared.</p> <p><b>MCP</b><br/>MCP prepared.</p> | <p>FC</p> <p>ESMP / EPAP audit and report</p> <p>MCP</p> <p>Overall Score</p> | <p><b>NYR</b></p> <p><b>NYR</b></p> <p><b>100%</b></p> <p><b>100% (Based on what is required at this time)</b></p> |                                     |









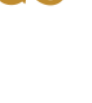

For personal use only

**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard | Standard Content                     | Standard Requirements and Shared Objectives  | Actions  | Status  | Indicator   | % Completed   | UN Sustainability Development Goals  |
|----------------------|--------------------------------------|--|--|---|---|---|--|
| Principle 9          | Independent Monitoring and Reporting | For all Category A and B Projects, to assess Project compliance with the Equator Principles after Financial Close and over the life of the loan, the EPFI will require independent monitoring and reporting. Monitoring and reporting should be provided by an Independent Environmental and Social Consultant; alternatively, the EPFI will require that the client retain qualified and experienced external experts to verify its monitoring information, which will be shared with the EPFI in accordance with the frequency required.   | <b>Develop Monitoring Programs</b><br>Develop monitoring programs for Project<br><b>Implement monitoring programs</b><br>Implement monitoring programs   | <b>Baseline studies</b><br>Environmental and Social studies completed as part of the ESIA to establish baseline (preconstruction) conditions.<br><b>Develop Monitoring Programs</b><br>Monitoring programs not yet developed<br><b>Implement monitoring programs</b><br>Monitoring programs not yet implemented.  | E&SS<br><br>MP<br>MPI<br><br>Overall Score  | <b>100%</b><br><br><br><br><br><b>0%</b><br><b>NYR</b><br><b>50%</b><br><b>(Based on what is required at this time)</b> |  <br> <br> <br> |
| Principle 10         | Reporting and Transparency           | (i) Ensure that, at a minimum, a summary of the ESIA is accessible and available online and that it includes a summary of Human Rights and climate change risks and impacts when relevant.<br>(ii) Report publicly, on an annual basis, GHG emission levels (combined Scope 1 and Scope 2 Emissions, and, if appropriate, the GHG efficiency ratio) during the operational phase for Projects emitting over 100,000 tonnes of CO2 equivalent annually. Refer to Annex A for detailed requirements on GHG emissions reporting.<br>(iii) Share commercially non-sensitive Project-specific biodiversity data with the Global Biodiversity Information Facility (GBIF) and relevant national and global data repositories, using formats and conditions to enable such data to be accessed and re-used in future decisions and research applications. | <b>ESIA publicly available</b><br>Make ESIA publicly available<br><b>HR and CC risks publicly available</b><br>Human rights and climate change risks and impacts to be made publicly available.<br><b>GHG emissions assessment</b><br>Estimated GHG emissions levels (Scope 1 and 2) and GHG efficiency ratio to be made publicly available.<br><b>Biodiversity data</b><br>Make biodiversity data available to GBIF and other relevant national and global repositories using relevant formats. | <b>ESIA publicly available</b><br>ESIA can be obtained from DRC Government Authority.<br>A summary of Human Rights and climate change risks is disclosed in this sustainability report<br><b>HR and CC risks publicly available</b><br>Human Rights Screening Assessment available on AVZ website. Climate Change risks and impacts have not been identified or made publicly available.<br>Climate Change risks and impacts have not been incorporated into the Project Risk Assessment Register<br><b>GHG emissions assessment</b><br>A GHG emissions assessment has been completed that predicts AVZ's emissions will be below 100,000 tonnes per annum. The GHG emissions assessment is available on the AVZ website.<br><b>Biodiversity data</b><br>Biodiversity data has been submitted to the DRC government as part of the ESIA.<br>Biodiversity data has not been submitted to GBIF. | ESIA<br>HRSA<br>CCRA<br>Risks in Project Risk Assessment.<br>GHG emissions assessment<br>Biodiversity data<br>Overall score | <b>100%</b><br><br><b>100%</b><br><b>0%</b><br><b>0%</b><br><br><b>100%</b><br><br><b>50%</b><br><br><b>70%</b>         |  <br>    |


For personal use only

**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard | Standard Content  | Standard Requirements and Shared Objectives  | Actions   | Status   | Indicator   | % Completed   | UN Sustainability Development Goals   |
|----------------------|---|--|---|--|---|---|---|
| Annex A              | Climate Change: Alternatives Analysis, Quantification and Reporting of Greenhouse Gas Emissions | An alternatives analysis is required to evaluate technically and financially feasible and cost-effective options available to reduce Project-related GHG emissions during the design, construction and operation of the Project.   | <b>Options analysis to reduce GHG emissions</b><br>Conduct multi criteria options analysis to evaluate options to reduce project related GHG emissions. | <b>Preliminary GHG emissions assessment</b><br>A preliminary assessment of emissions intensive infrastructure was outlined in the GHG emission assessment with preliminary options identified and further evaluated required (e.g., PLS Calciner)<br><b>Options analysis of infrastructure design</b><br>This options analysis will be incorporated into the project design process. Key GHG emissions reduction measures that will be investigated will include transitioning to biofuels, electric train and hydrogen trucks for transport.  | Preliminary assessment<br><br>Design options analysis for emission intensive infrastructure<br><br><b>Overall score</b> | <b>100%</b><br><br><b>NYR</b><br><br><b>100% (Based on what is required at this time)</b> |  <br> <br>       |
|                      | Quantification and Reporting  | GHG emissions should be calculated in line with the GHG Protocol to allow for aggregation and comparability across Projects, organisations and jurisdictions. Clients may use national reporting methodologies if they are consistent with the GHG Protocol. The client will quantify Scope 1 and Scope 2 Emissions. | <b>GHG protocol</b><br>Calculate GHG emissions in accordance with GHG protocol.   | <b>GHG protocol</b><br>The Democratic Republic of Congo signed the United Nations Framework Convention on Climate Change (UNFCCC) on 1 June 1992 (came into force in April 1995) and as such, the UNFCCC reporting guidelines on annual inventories for Annex I Parties (decision 24/CP.19) requires the use of the 2006 IPCC Guidelines (and updates) for National GHG Inventories (UNFCCC, 2020b).<br><br>AVZ has prepared a preliminary GHG emissions Inventory of Scope 1 and 2 emissions, for the Manono Lithium and Tin Operation and associated infrastructure projects. The preliminary inventory was based on estimated life of mine activity data relating to the generation of hydroelectric power, open-pit mining, processing of spodumene concentrate (SC6) and primary lithium sulphate (PLS) with the methods outlined in the 2006 (and 2019 update) IPCC guidelines for national GHG inventories used to develop the emissions inventory. | GHG emissions assessment<br><br><b>Overall score</b>  | <b>100%</b><br><br><b>100%</b>  |  <br> <br> |

For personal use only

**ASSESSMENT OF CONFORMANCE WITH IFC PRINCIPLES AND STANDARDS, EQUATOR PRINCIPLES AND ALIGNMENT TO UN SDG**

| Performance Standard | Standard Content               | Standard Requirements and Shared Objectives   | Actions   | Status  | Indicator                               | % Completed         | UN Sustainability Development Goals   |
|----------------------|--------------------------------|---|---|---|---|---------------------|---|
|                      | Climate Change Risk Assessment | <p>The Climate Change Risk Assessment should address the following questions at a high level:</p> <p>(i) What are the current and anticipated climate risks (transition and/or physical as defined by the TCFD) of the Project's operations?</p> <p>(ii) Does the client have plans, processes, policies and systems in place to manage these risks? i.e., to mitigate, transfer, accept or control.</p> <p>(iii) The assessment should also consider the Project's compatibility with the host country's national climate commitments, as appropriate.</p> | <p><b>Climate Change Risk Assessment (TCFD)</b><br/>Conduct a Climate Change Risk Assessment in accordance with TCFD recommendations.</p> | <p><b>Climate Change Risk Assessment (TCFD)</b><br/>A Climate Change Risk Assessment (based on TCFD) has not yet been completed.</p> <p>This is planned for completion 2022/23.</p> | <p>CCRA</p> <p><b>Overall score</b></p> | <p>0%</p> <p>0%</p> |  |

For personal use only

For personal use only

## Appendix B

### ESG assessment against WEF metrics and disclosures

LEGEND

|   |             |
|---|-------------|
| A | Action      |
| E | Explanation |
| D | Development |
| R | Reported    |
| V | Verified    |
| A | Audited     |

# Environmental, Social, and Governance (ESG)

## Principles of Governance

|   |  |
|---|--|
| <p><b>Governing purpose</b></p>         | <p>A1 Board discusses need for purpose statement <span style="float: right;">R</span></p> <p>A2 Purpose statement is drafted <span style="float: right;">R</span></p> <p>A3 Stakeholder consultation and feedback on draft version <span style="float: right;">R</span></p> <p>A4 Revise purpose statement with stakeholder feedback <span style="float: right;">R</span></p> <p>A5 Board approves and adopts purpose statement <span style="float: right;">R</span></p>   |
| <p>Setting purpose</p>                  | <p><b>Current Status</b></p> <p>AVZ held a workshop in December 2021 with members of the Board and staff including executive staff in the DRC, to set its Purpose in the form of the Company vision and values which was finalised and approved in January 2022.</p> <p>The AVZ Vision and Value statements (A1, A2, A3, A4, A5), can be located on the AVZ website at: <a href="#">Corporate Governance – AVZ Minerals Limited</a></p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>1. Consultation with host country stakeholders on AVZ’s Vision and Value Statements is anticipated to occur during 2022 as a part of the broader Project stakeholder consultation.</li> <li>2. The AVZ Vision and Value Statements is scheduled to be reviewed every 5 years or earlier if deemed necessary by the AVZ executive.</li> </ol> |
| <p><b>Quality of governing body</b></p> | <p>A1. Director skills reviewed &amp; ESG-inclusive Board matrix adopted <span style="float: right;">D</span></p> <p>A2. Board has ESG competencies <span style="float: right;">D</span></p> <p>A3. Board has non-executive Directors and independence <span style="float: right;">R</span></p> <p>A4. Board is gender and stakeholder diverse and socially inclusive <span style="float: right;">D</span></p> <p>A5. Director tenure and other commitments are transparently reported <span style="float: right;">R</span></p>  |
| <p>Governance body composition</p>      | <p><b>Current Status</b></p> <p>The AVZ Board meets ASX Guidelines of independence comprising; two Executives and three Non-Executive Directors (A3).</p> <p>The AVZ Annual Report details the tenure and experience of Directors (A5). The Board members have broad levels of knowledge and experience in the fields of exploration, mining, engineering, legal and compliance capabilities, and African mining industry experience (A2).</p>   |



For personal use only

|   |   |  |   |  |   |   |   |   |   |   |   |
|---|---|--|---|--|---|---|---|---|---|---|---|
|   | <p>The Board's ESG competency is led by Non-Executive Director, Peter Huljich (BCom/LLB, GD-AppFin, GAICD) who has Corporate Governance expertise (A2) and chairs the recently establish Sustainability Committee, in addition to the Audit and Risk and Nomination and Remuneration Committees. These Committees make recommendations to the Board and include specialists and experts in relevant fields to inform and advise the Board (A2).</p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>1. A Board Skills Matrix has been implemented and adopted (A1).</li> <li>2. AVZ is transitioning from an exploration company to project development phase appointing individuals to the Board with the appropriate experience and skillsets. The Company recognises the importance of diversity and will pursue the acquisition of talent that also promotes Board diversity with respect to future Board appointments (A4).</li> </ol>   |  |   |  |   |   |   |   |   |   |   |
| <p><b>Stakeholder engagement</b></p>  | <table border="0"> <tr> <td>A1. Key stakeholders identified for consultation</td> <td style="text-align: right;">R</td> </tr> <tr> <td>A2. Stakeholder consultation process conducted</td> <td style="text-align: right;">R</td> </tr> <tr> <td>A3. Stakeholder material issues captured and listed</td> <td style="text-align: right;">R</td> </tr> <tr> <td>A4. Analysis and comparison of company with stakeholder material issues conducted and provided back to stakeholders</td> <td style="text-align: right;">R</td> </tr> <tr> <td>A5. On-going stakeholder consultation process to keep material issues list up to date</td> <td style="text-align: right;">R</td> </tr> </table>   | A1. Key stakeholders identified for consultation | R | A2. Stakeholder consultation process conducted | R | A3. Stakeholder material issues captured and listed | R | A4. Analysis and comparison of company with stakeholder material issues conducted and provided back to stakeholders | R | A5. On-going stakeholder consultation process to keep material issues list up to date | R |
| A1. Key stakeholders identified for consultation  | R   |  |   |  |   |   |   |   |   |   |   |
| A2. Stakeholder consultation process conducted  | R   |  |   |  |   |   |   |   |   |   |   |
| A3. Stakeholder material issues captured and listed   | R   |  |   |  |   |   |   |   |   |   |   |
| A4. Analysis and comparison of company with stakeholder material issues conducted and provided back to stakeholders | R   |  |   |  |   |   |   |   |   |   |   |
| A5. On-going stakeholder consultation process to keep material issues list up to date                               | R   |  |   |  |   |   |   |   |   |   |   |
| <p>Material issues impacting stakeholders</p>   | <p><b>Current Status</b></p> <p>A Stakeholder Engagement Framework (SEF) <a href="#">Corporate Governance – AVZ Minerals Limited</a> was developed in September 2020 that aims to inform the stakeholder consultation process (A1). The SEF identifies key stakeholders and outlines the consultation methodologies that will be adopted during all phases of project development into operations (A1). The methodologies are aligned to the World Bank (WB), International Finance Corporation (IFC) and Equator stakeholder engagement principles and standards (A1). Monitoring and Review of the success of stakeholder engagement is also a component of the SEF (A5).</p> <p>Key stakeholders were identified through consultation with host governments and local communities (A1).</p> <p>Stakeholder engagement with host governments and communities (stakeholders) was undertaken as part of the Environmental and Social Impact Assessment (ESIA) process during 2019, 2020 and 2021 (A1). Stakeholders completed a questionnaire that captured individual issues and concerns (A3). The questionnaire responses were discussed with host communities at a subsequent meeting and key issues were distilled and included in the ESIA (A4).</p> <p>The Environmental Management Plan and Sustainable Development Plan include strategies and measures to address community issues and social development initiatives (A3).</p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>1. Ongoing host community consultation will be conducted as and when is necessary in line with the Company's SEF (A5).</li> </ol> |  |   |  |   |   |   |   |   |   |   |

|                                  |   |
|----------------------------------|---|
| <p><b>Anti-corruption</b></p>    | <p>A1. There are initiatives and on-going stakeholder engagement to improve the broader operating environment and culture, to combat corruption <span style="float: right;">R</span></p> <p>A2. Total percentage of governance body members, employees and business partners who have received training on the organisation's anti-corruption policies and procedures, broken down by region <span style="float: right;">R</span></p> <p>A3. Total number and nature of incidents of corruption confirmed during the current year <span style="float: right;">D</span></p>    |
| <p>Anti-corruption practices</p> | <p><b>Current Status</b></p> <p>AVZ has developed Anti-Bribery and Anti-Corruption Policies that are published on the AVZ website (A1). <a href="#">Corporate Governance – AVZ Minerals Limited</a></p> <p>The Policy has been communicated to the Board and employees (A2).</p> <p><b>Future Actions</b></p> <p>1. The content of this policy will also be included in project induction programs and communicated in the contract tender process (A2). A register of anti-corruption training and an incident management system will be developed during 2022 (A2, A3).</p> |
| <p><b>Ethical behaviour</b></p>  | <p>A1. There are clear and formalised internal and external mechanisms for reporting concerns about unethical or unlawful behaviour and lack of organisational integrity <span style="float: right;">R</span></p> <p>A2. There are clear and formalised internal and external mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity <span style="float: right;">D</span></p>  |

For personal use only

Mechanisms to protect ethical behaviour

**Current Status**

AVZ has developed several policies that communicate its position with respect to Ethical Behaviour, these include:

- Code of Conduct
- Corporate Governance Policy
- General Human Rights Policy
- Anti-Bribery and Anti-Corruption Policy
- Computer and Internet Use Policy
- Conflict Minerals Policy
- Continuous Disclosure Policy
- Diversity Policy
- Fitness for Work Policy
- Whistle Blower Protection Policy
- Work Health and Safety Policy
- Climate Change Policy

These policies have been published on the AVZ Website.

[Corporate Governance – AVZ Minerals Limited](#)

**Future Actions**

1. The AVZ Internal Grievance Procedure (MN200-5519-COR-GN-FRM-001) provides a clear and formalised process for employees and contractors to raise concerns and grievances regarding unethical or unlawful behaviour and lack of organisational integrity (A1).
2. The SEF (Doc. No. MN200-5519-COR-GN-PLN-001) contains an external grievance procedure. This procedure provides a clear, transparent, and formalised process for external stakeholders (including host communities) to raise concerns and grievances regarding unethical or unlawful behaviour and lack of organisational integrity. This will be communicated to host communities at the next round of Stakeholder Consultation 2022 (A1).
3. AVZ will establish a process that provides a clear and formalised process for seeking advice about ethical and lawful behaviour and organisational integrity (A2).

For personal use only

For personal use only

|  |  |
|--|--|
| <p><b>Risk and opportunity oversight</b></p> | <p>A1. A company-specific risks and opportunities assessment is conducted with specific inclusion of ESG <span style="float: right;">R</span></p> <p>A2. Management’s enterprise risk management systems operational and inclusive of ESG <span style="float: right;">R</span></p> <p>A3. Board insight and regular oversight of (emerging) risks and opportunities in relation to ESG <span style="float: right;">R</span></p> <p>A4. Board and management proactively look beyond traditional risks and opportunities to the business, identifying specifically emerging economic, environmental and social issues <span style="float: right;">R</span></p> <p>A5. Climate change and data stewardship are explicitly addressed by the company in this disclosure <span style="float: right;">R</span></p>   |
| <p>Risk framework and processes</p>          | <p><b>Current Status</b></p> <p>A Risk Policy has been developed to drive risk identification and management at the highest levels in the organisation (A2).</p> <p>A risk and opportunities assessment has been conducted with inclusion of ESG risks (A1).</p> <p>An Enterprise Risk Register with regular Board oversight is being developed for the project moving into the next stage of development (A3).</p> <p>An Audit and Risk Committee has been established and Committee Charter approved by the Board (A3, A4).</p> <p>A Sustainability Committee has been established to proactively identify environmental, social, governance and associated economic risks and a Committee Charter has been approved by the Board (A3, A4).</p> <p>ESG risks have been incorporated into Environmental and Social Management Systems and Plans (A2) and will be reviewed on an annual basis or as deemed necessary.</p> <p>Climate change and data stewardship is addressed under the Climate change metric (A5).</p> <p>The AVZ Risk Policy and Audit and Risk Committee Charter have been published on the AVZ website (A2, A3, A4):</p> <p><a href="#">Corporate Governance – AVZ Minerals Limited</a></p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>1. Publish the Sustainability Committee Charter on the AVZ website.</li> </ol> |

## Planet

### Climate change

A1. Internal corporate understanding of the GHG Protocol Corporate Accounting and Reporting Standard

R

A2. Corporate-level GHG emissions inventory

R

A3. Disclose whether the company has set, or has committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement and to achieve net-zero emissions before 2050

R

Greenhouse gas (GHG) emissions

#### Current Status

AVZ is familiar with and understands that the GHG Protocol Corporate Standard produced by the World Business Council for Sustainable Development and the World Resources Institute, provides guidance for companies in preparing a GHG emissions inventory. It covers the accounting and reporting of the six greenhouse gases covered by the Kyoto Protocol that include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF<sub>6</sub>) (A1).

The Democratic Republic of Congo signed the United Nations Framework Convention on Climate Change (UNFCCC) on 1 June 1992 (came into force in April 1995) and as such, the UNFCCC reporting guidelines on annual inventories for Annex I Parties (decision 24/CP.19) requires the use of the 2006 IPCC Guidelines (and updates) for National GHG Inventories (UNFCCC, 2020b) (A1).

AVZ assessed the Manono Project Scope 1 and Scope 2 emissions using the IPCC emission estimation methodology. Emission sources included: land clearing, fuel consumption in mining equipment and transport activities, electricity usage and blasting. Emissions associated with electricity production (HEPP) were included as Scope 1 emissions in the assessment. The preliminary inventory was based on estimated life of mine activity data relating to the generation of hydroelectric power, open-pit mining, processing of spodumene concentrate (SC6) and primary lithium sulphate (PLS) in accordance with the methods outlined in the 2006 (and 2019 update) IPCC guidelines for national GHG inventories used to develop the emissions inventory (A1, A2).

The Project emission intensity is predicted to be substantially less emission-intensive than other mineral mines around the world and is only slightly more intensive than brine produced lithium concentrate equivalent, supported by the availability of hydroelectric and other renewable power sources that are substantially lower in emission-intensive production. AVZ has also committed to exploring other GHG mitigation and offset strategies including the use of plasma burners in the PLS Kiln, investigation of carbon sequestration technologies and production of biofuels, carbon offsetting through planting of vegetation at scale and adoption of electric vehicles with the ambition to progress to net zero emissions (A2, A3).

AVZ's commitment is documented in AVZ's Climate Change Strategy that is published on the AVZ website (A3).

For personal use only

For personal use only

|                                   |   |
|-----------------------------------|---|
|                                   | <p><a href="#">Corporate Governance – AVZ Minerals Limited</a></p> <p>The AVZ GHG emissions assessment report is published on the AVZ website (A2).</p> <p><a href="#">Manono Project Greenhouse Gas Assessment – AVZ Minerals Limited</a></p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>1. Develop a timeline for Implement the AVZ Climate Change Strategy commitments during 2022.</li> </ol>  |
| <p><b>TCFD Implementation</b></p> | <p>A1. Corporate assessment conducted on what TCFD implementation means for the company (actions, requirements, etc.) <span style="float: right;">D</span></p> <p>A2. Disclosure of a timeline, of at most three years, for full TCFD implementation <span style="float: right;">D</span></p> <p>A3. Full TCFD implementation and reporting <span style="float: right;">D</span></p>  |
| <p>TCFD implementation</p>        | <p><b>Current Status</b></p> <p>The project is approaching the development phase providing the impetus to establish appropriate reporting frameworks supporting the Company's Climate Change Strategy (A1).</p> <p>Climate Change Strategy:</p> <p><a href="#">Corporate Governance – AVZ Minerals Limited</a></p> <p>MLTO Project GHG emissions assessment report:</p> <p><a href="#">Manono Project Greenhouse Gas Assessment – AVZ Minerals Limited</a></p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>1. AVZ is progressing towards climate related financial disclosure through: <ul style="list-style-type: none"> <li>• adoption of metrics that are aligned to the TCFD recommended metrics (A2),</li> <li>• the identification of climate related risks and opportunities (A2); and</li> <li>• the development of a transition plan that includes corporate timelines for full TDFD implementation (A2).</li> </ul> </li> <li>2. A Corporate assessment on what TCFD implementation means for AVZ and the development of a transition plan is scheduled to be completed ahead of the project coming into production (A1).</li> <li>3. TCFD implementation and reporting is scheduled to be completed (A3) prior to commencement of operations.</li> </ol> |
| <p><b>Nature loss</b></p>         | <p>A1. Internal assessment if the company has operations inside or close to areas that potentially could be KBAs <span style="float: right;">D</span></p> <p>A2. High Conservation Values (HCV) Assessment conducted with identification protected areas/KBAs <span style="float: right;">D</span></p>  |

For personal use only

|  |  |
|--|--|
|  | <p>A3. Environmental and social management plans in place to ensure effective stewardship of HCV sites <span style="float: right;">D</span></p> <p>A4. Evidence of implementation of HCV management plans <span style="float: right;">D</span></p> <p>A5. Regular monitoring and reporting process, including impact updates on the protected areas/KBAs and HCV management plan implementation <span style="float: right;">D</span></p>   |
| <p>Land use and ecological sensitivity</p> | <p><b>Current Status</b></p> <p>In accordance with Article 3 of Annex XII to the DRC Mining Regulations, no partially or fully protected species occur within the Permit Exploitation (PE) area. In addition, this assessment identified several environmentally sensitive areas defined under Art 3 of Annex XII to the DRC Mining Regulations that occur within or surrounding the proposed Permit Exploitation PE area (A1, partial completion).</p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>1. Whilst the ESIA concluded that no partially or fully protected flora or fauna species occur within or surrounding the PE, a formal assessment of the biodiversity values within and surrounding the PE against the International Union for the Conservation of Nature (IUCN) definitions for Key Biodiversity Areas will be assessed and monitored over the course of the project (A1, A2).</li> <li>2. An overarching Environmental Management Plan has been completed and will be implemented during construction and operations (A3, partial completion). Species specific plans and monitoring programs will be developed as required.</li> </ol> |
| <p><b>Freshwater availability</b></p>      | <p>A1. Internal assessment if the company has significant water consumption and withdrawal in potentially water-stressed areas <span style="float: right;">R</span></p> <p>A2. World Research Institute (WRI) Aqueduct water risk atlas tool to identify if operational areas with significant water consumption are in regions with high or extremely high baseline water stress <span style="float: right;">R</span></p> <p>A3. Report megalitres of water withdrawn / consumed <span style="float: right;">D</span></p> <p>A4. Estimate and report the same information for the full value chain (upstream and downstream) <span style="float: right;">D</span></p> <p>A5. Regular water consumption monitoring and reporting process implemented and evidenced <span style="float: right;">D</span></p>  |
| <p>Water consumption</p>                   | <p><b>Current Status</b></p> <p>The World Research Institute (WRI) Aqueduct water risk atlas tool identified Manono in the province of Tanganyika in the DRC as a low (&lt;10%) baseline water stress region (A1, A2).</p> <p><a href="https://www.wri.org/aqueduct">Aqueduct Water Risk Atlas (wri.org)</a>.</p>  |

AVZ has included an estimate of the life of project water usage within the DFS (A3).

**Future Actions**

1. AVZ will implement a process for monitoring water usage across all its sites prior to commencement of major construction (A5).
2. AVZ will disclose the volume of water abstracted for mining, processing and associated uses along with water reuse initiatives and innovations following the commencement of operations (A3, A5)
3. Whilst AVZ is not operating in a high-risk water stress area, AVZ is committed to responsible stewardship in water use (A3).
4. AVZ will estimate and disclose water use for its full value chain following commencement of operations within its periodic reporting framework (A4).

## People

### Dignity and inclusion

A1. Identity with HR diversity and inclusion breakdown indicators D

A2. Disclose diversity breakdown of employees D

A3. Disclose diversity breakdown of executive management D

A4. Disclose diversity breakdown of Board D

A5. Promote and improve social and economic inclusion in the workplace D

### Diversity and inclusion

**Current Status**

AVZ will develop reporting of diversity and inclusion indicators as appropriate within its future periodic reporting framework (A1).

**Future Actions**

1. AVZ will report the percentage of employees per broad employee category, by age group, gender, and other relevant industry indicators (A2).
2. AVZ will report the diversity breakdown of executive management and the Board (A3, A4).
3. AVZ proposes to develop programs that promote and improve social and economic inclusion in the workplace following the commencement of project development (A5).

### Pay equality

A1. Identity with HR priority areas of equality and significant locations D

A2. Disclose pay equality for women to men D

A3. Disclose pay equality for minor to major ethnic groups D

A4. Corporate policies promoting pay equality D

For personal use only



|   |  |
|---|--|
| <p>Pay equality</p>   | <p><b>Current Status</b></p> <p>AVZ does not currently report pay equality metrics given the current early stage of the project. With development of the project, AVZ will increase reporting of pay equality metrics in a responsible nature, consistent with industry, cultural and geographic considerations.</p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>1. AVZ recognizes the importance of transparent reporting of salary equality and will commence reporting of relevant metrics once the Company commences operations (A1, A2, A3, A4).</li> <li>2. AVZ will review its Corporate Policies with respect to pay equality and equity across employee categories and locations at the appropriate stage of project development.</li> </ol>  |
| <p><b>Wage Level</b></p>  | <p>A1. Disclose ratio of standard entry level wage by gender compared to local minimum wage <span style="float: right;">D</span></p> <p>A2. Disclose pay equality for women to men <span style="float: right;">D</span></p>  |
| <p>Wage level</p>   | <p><b>Current Status</b></p> <p>AVZ does not currently report the ratios of standard entry level wage by gender compared to local minimum wage or the annual total compensation of the CEO to the median of the annual total compensation of all its employees.</p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>1. AVZ will review reporting relevant statistics relating to wages levels as the Company matures and number of employees increases (A1, A2).</li> </ol>  |
| <p><b>Human rights</b></p>                                      | <p>A1. Child labour, forced or compulsory labour risk assessment <span style="float: right;">D</span></p>  |
| <p>Risk for incidents of child, forced or compulsory labour</p> | <p><b>Current Status</b></p> <p>AVZ has conducted a Human Rights Screening Assessment (MN200-5524-COR-GN-REP-001 HRIS) that identified several human rights risks (A1).</p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>1. These risks have been incorporated into the Corporate Risk Assessment with risk controls identified and in development (A1).</li> <li>2. Given the stage of the AVZ project, a further human rights assessment of its operations, its contractors and suppliers relating to child labour and/or forced or compulsory labour will be conducted once major construction of the Project commences.</li> <li>3. AVZ is committed to establishing a framework where contractors and suppliers provide disclosure of significant human rights risks and the strategies and plans, they have in place to mitigate these risks.</li> <li>4. AVZ will review this metric again in Q1, FY2023.</li> </ol> |

|                                     |  |
|-------------------------------------|--|
| <p><b>Health and well-being</b></p> | <p>A1. Health and safety statistics disclosure <span style="float: right;">D</span></p> <p>A2. Description of the scope of access to non-occupational medical and healthcare services provided to employees and workers. <span style="float: right;">D</span></p>  |
| <p>Health and safety</p>            | <p><b>Current Status</b></p> <p>AVZ's main activities include exploration and project early works. AVZ is in the early stage of project development, with only a small number of permanent employees and contractors.</p> <p>AVZ has developed a preliminary set of statistics including no. of hours worked and work-related injuries and fatalities (A1).</p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>1. AVZ will disclose Health and Safety statistics as the Company matures and number of employees increases (A1).</li> <li>2. AVZ has conducted a Regional Health Service Baseline Assessment to understand the number, type, and quality of Health Services in the regional area to determine health care services that will need to be established to support its employees and the local communities (A2).</li> <li>3. Through the AVZ foundation, AVZ will contribute to improving standard and emergency health care services within the local and regional community. A further assessment of social health care infrastructure including consultation with local community leaders and local and national governments is scheduled to occur following commencement of project development (A2).</li> </ol> |
| <p><b>Skills for the future</b></p> | <p>A1. Disclosure of average hours of training per person (total number of hours of training provided to employees divided by the number of employees) <span style="float: right;">D</span></p> <p>A2. Disclosure of average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees) <span style="float: right;">D</span></p>  |
| <p>Training provided</p>            | <p><b>Current Status</b></p> <p>AVZ is not currently reporting the average hours of training per person by gender and employee category or the average training and development expenditure per full time employee.</p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>1. AVZ will develop an education, training and skills development strategy and framework as the Company matures, construction commences, and the number of employees increases. AVZ will review the development of this strategy and framework following commencement of project development (A1, A2).</li> </ol>  |

## Prosperity

|   |   |
|---|---|
| <p><b>Employment and wealth generation</b></p>  | <p>A1. Health and safety statistics disclosure <span style="float: right;">D</span></p> <p>A2. Description of the scope of access to non-occupational medical and healthcare services provided to employees and workers <span style="float: right;">D</span></p>  |
| <p>Absolute number and rate of employment</p>   | <p><b>Current Status</b></p> <p>AVZ does not currently report the total number and rate of new employee hires and employee turnover by age group, gender or other indicators of diversity by region.</p> <p><b>Future Actions</b></p> <ol style="list-style-type: none"> <li>AVZ expects that a system of data collection and reporting in place following the commencement of project development.</li> </ol>  |
| <p><b>Economic Contribution</b></p>             | <p>A1. Disclosure of total monetary value of financial assistance received from the government during the reporting period <span style="float: right;">R</span></p> <p>A2. Disclosure of EVG&amp;D split out by: Revenues, Operating costs, Employee wages and benefits, Payments to providers of capital, Payments to government, and Community investment <span style="float: right;">R</span></p>  |
| <p>Economic contribution</p>                    | <p><b>Current Status</b></p> <p>Disclosure of total monetary value of financial assistance received from the government during the reporting period forms part of the financial statements within the AVZ Annual Report and lodged with the Australian Securities and Investment Commission (ASIC) on an annual basis. The Annual Report is published on the AVZ website (A1).</p> <p>Disclosure of economic value generated and distributed (EVG&amp;D) (including revenue, operating costs, employee wages and benefits, payments to providers of capital, payments to government and investments), forms part of the financial statements prepared by AVZ in accordance with the relevant accounting standards and lodged with ASIC on an annual basis. The Annual Report is published on the AVZ website (A2).</p> <p><a href="#">Annual Reports – AVZ Minerals Limited</a></p> |
| <p><b>Financial investment contribution</b></p> | <p>A1. Disclosure of capital expenditures with investment strategy <span style="float: right;">R</span></p> <p>A2. Disclosure of share buybacks plus dividend payments with shareholder returns strategy <span style="float: right;">R</span></p>   |

For personal use only

|  |   |
|--|---|
| <p>Financial investment contribution</p>                 | <p><b>Current Status</b></p> <p>Disclosure of capital expenditure, capital movements and shareholder returns form part of the financial statements prepared by AVZ in accordance with the relevant accounting standards and lodged with ASIC on an annual basis. The Annual Report is published on the AVZ website (A1, A2).</p> <p><a href="#">Annual Reports – AVZ Minerals Limited</a></p> |
| <p><b>Innovation of better products and services</b></p> | <p>A1. Disclosure of total costs related to research and development <span style="float: right;">R</span></p>   |
| <p>Total R&amp;D expenses</p>                            | <p><b>Current Status</b></p> <p>Disclosure of total costs relating to research and development will form part of the financial statements prepared by AVZ in accordance with relevant accounting standards and lodged with ASIC on an annual basis. The Annual Report is published on the AVZ website (A1).</p> <p><a href="#">Annual Reports – AVZ Minerals Limited</a></p>                  |
| <p><b>Community and social vitality</b></p>              | <p>A1. Disclosure of the total global tax borne by the company <span style="float: right;">R</span></p>   |
| <p>Total tax paid</p>                                    | <p><b>Current Status</b></p> <p>Disclosure of the total global tax paid by AVZ form part of the financial statements prepared by AVZ in accordance with the relevant accounting standards and lodged with ASIC on an annual basis. The AVZ Annual Report is also published on the AVZ website (A1).</p> <p><a href="#">Annual Reports – AVZ Minerals Limited</a></p>                          |

For personal use only

For personal use only

