

Due Diligence Annual report 2024



Content

Introduction

RMAP Assessment Summary

Company Supply Chain Policy

Sources of Minerals and Materials

Somika Due Diligence Management Systems

EITI Principles

Risk Assessment

Due Diligence Report

Disclosure of Mine Origin



INTRODUCTION

Exercise of due diligence is the ongoing, proactive process that enables companies to ensure that they respect human rights, that they do not contribute to conflict, and that they respect international law and comply with national laws, including those relating to minerals supply.

The main purpose of this supply chain due diligence is to ensure that all people acting on behalf of Somika perform activities in an ethical way and in accordance with laws and regulations and with the standards. Somika sets through its policies, guidelines, and rules; provides all our stakeholders with information on the progress made during the period of 1st of January 2024 up to 31st of December 2024 on the implementation of our responsibly sourcing and due diligence commitment and providing transparent information on the implementation of our due diligence management system.

Our due diligence system and policy have been designed in line with the expectations of the OECD Due Diligence for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, which is considered the best practice framework for responsible sourcing and due diligence in minerals supply chain.

This report is structured around the five steps of this framework:

- The establishment of a strong management system.
- the identification and assessment of risks in our supply chain.
- where risks are identified during step2, the design and implementation of a strategy to respond to identified risks.
- promotion of third-party audits along our supply chains, and independent audit of Somika's own due diligence system.
- reporting on supply chain due diligence.



COMPANY/ORGANIZATION DETAILS

Registration Name	SOMIKA SAS Mine Titleholder
Registered Address	588, ROUTE KIPUSHI, COMMUNE ANNEXE, LUBUMBASHI,
Business Address	588, ROUTE KIPUSHI, COMMUNE ANNEXE, LUBUMBASHI,
Address of Other Offices and Plant (If any)	Chefferie Kaponda, Territoire Kipushi, Groupement INAKILUBA Lupoto
Contact E-mail	info@somika.com
Contact Phone	+243 850 023 600
Date of incorporation	19/09/2003 (AS PER OHADA)
Business Registration Number	6-129-N43777U and RCCM 13-B-0737.
National Identification Number	RDC ID Nat: 6-128 N57128 B
Tax identification/Registration Number	R.C.C.M.NO: 13-B-0737
VAT Registration Number	A 1004150 Y
Web site	www.somika.com

SOMIKA has evolved into a fully integrated mining and smelting, committed to innovation, quality, and responsible sourcing. Implementing traceability system and strictly adheres to OECD compliance standards. Our commitment to transparency and ethical sourcing is reinforced by RMI certification, sustainability across our supply chain.

Our mechanized mining sites drive efficiency, innovation, and compliance, ensuring an uninterrupted supply of ethically sourced Copper and Cobalt.

RMAP Assessment Summary

Somika has undergone a RMAP assessment on 6th of June 2024. The assessment is valid for one year. The assessment period was for the 1st of June 2023 to the 31st of May 2024.

Report is available on RMAP website: [RBA Conformant list](#)

Company Supply Chain Policy

Somika is committed to setting the benchmark for responsible mineral sourcing. Our supply chain policy is deeply embedded in the OECD Due Diligence Guidance for Responsible Supply Chains, ensuring compliance with Annex II risks to prevent human rights abuses, forced labour, and any form of exploitation. Our policy is publicly available on our web site: www.somika.com

To avoid the use of conflict minerals, which directly or indirectly finance, or benefit armed groups and/or involve other serious human right abuses in high-risk and conflict-affected regions, the company has developed a supply chain policy. The supply chain policy is fully aligned with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). It covers all the risks identified in Annex II of the OECD Guidance and its geographic scope is global. The company is committed to addressing any Annex II risks if identified. The policy was reviewed and approved by senior management, which committed to support its implementation. The policy has been widely disseminated to relevant stakeholders (suppliers, customers, employees etc.)

We take a proactive approach by integrating industry-leading risk assessment and mitigation strategies to strengthen our supply chain resilience. Our policy prioritizes continuous engagement with our contractors; suppliers and stakeholders to drive ethical practices while fostering long-term economic development in the communities where we operate.

Somika does not just comply with industry norms; we actively shape them. We have signed the joint industry statement on the Extractive Industries Transparency Initiative (EITI) and uphold its 12 principles through transparent reporting and ongoing policy development. Our commitment extends to a firm stance on disengagement from supply chain actors where severe abuses are identified, ensuring that our operations reflect the highest ethical standards

- ***Source of Minerals and Materials***

Somika sources 100% of its minerals directly from SOMIKA-owned mining permits. We operate nine active mechanized mines that drive responsible and sustainable production, ensuring efficiency and adherence to ethical standards. In addition to our mechanized operations that support traceability and community-driven economic development.

Somika ensures full traceability by maintaining comprehensive minerals stock management reports that document the origin of minerals from our mechanized mining operations. Our focus remains on the integrity of our own supply chain, where we implement rigorous internal controls. Our commitment to responsible sourcing goes beyond third-party initiatives, as we proactively develop and refine our own traceability systems to uphold the highest standards of ethical mining.

- ***Responsible Sourcing Commitment***

Somika's sourcing processes align with responsible sourcing joint due diligence, ensuring full traceability and transparency throughout our supply chain. As pioneers in responsible mining in the Democratic Republic of Congo, we go beyond compliance by implementing stringent internal controls that enhance industry standards and promote ethical mineral sourcing.

Somika follows the OECD's recommended five-step framework for mineral due diligence, continually refining our processes to ensure full accountability. Our approach is rooted in a commitment to verifiable and conflict-free sourcing.

- ***Joint Initiative(s) Alignment***

As member of the Cobalt Institute (CI) we play a strategic role in shaping industry policies, promoting best practices, and fostering responsible supply chain management.

We also align with the Responsible Minerals Initiative (RMI), where we actively participate in shaping due diligence frameworks for responsible mineral sourcing. Our engagement with the OECD enables us to contribute to global policy discussions, ensuring that due diligence guidance remains effective and adaptable to the realities of sourcing in high-risk regions like the Democratic Republic of Congo.

Somika remains committed to setting higher standards for responsible mineral production, ensuring that our engagement with joint initiatives complements our internal controls. By continuously improving our due diligence efforts, we contribute to a more transparent, ethical, and sustainable global Copper and Cobalt supply chain.

Somika continues to strengthen its leadership in responsible mineral production, integrating best practices from these global initiatives while maintaining the highest level of compliance and integrity in our operations. Our commitment to transparency and innovation ensures that we contribute meaningfully to the sustainability and credibility of the global copper and cobalt supply chain. Somika actively collaborates with international and regional initiatives to enhance responsible sourcing and traceability in the tin supply chain. As a leading Congolese mining enterprise, we align with globally recognized frameworks while developing and refining our own industry-leading traceability mechanisms.

Somika remains committed to setting higher standards for responsible mineral production, ensuring that our engagement with joint initiatives complements our internal controls. By continuously improving our due diligence efforts, we contribute to a more transparent, ethical, and sustainable global copper and cobalt supply chain.

As a conformant facility under the Responsible Minerals Assurance Process (RMAP), Somika meets and exceeds due diligence obligations under Articles 4, 5, and 7 of Regulation (EU) 2017/821. We implement cutting-edge traceability initiatives to document minerals supply from extraction to our smelting, reinforcing confidence in our supply chain integrity.

Company Due diligence management system

SOMIKA aims to operate as a seamless organization that acts and look like one company and maximizes the benefits of standard and share approaches for every activity.

The Company objective is to maximize its value and long-term return to shareholders through a strategy of investing in large, cost competitive mines and businesses driven by the quality of each opportunity.

Wherever Somika operates, due diligence, health and safety of our employees, and a contribution to sustainable development, are key priorities. We work as closely as possible with host countries and communities, respecting their laws and customs and ensuring a fair share of benefits and opportunities.

As reflected in our policies, Somika is committed to responsible sourcing throughout its supply chain.

Recognizing that risks of significant adverse impacts may be associated with the extracting, transportation, handling, and operation of minerals, when sourcing from Conflict-Affected and High-Risk Areas (CAHRAs), Somika sets principles in its Responsible Sourcing Policy and continuously strengthens its management system for due diligence.

Somika's sustainability management system is structured to ensure comprehensive oversight and governance across all operational areas. This section outlines the policies, frameworks, and processes that guide our responsible sourcing, compliance, and risk management strategies. By integrating best practices in supply chain due diligence, Somika upholds its commitment to ethical mining and full traceability. The following subsections provide a detailed overview of our approach to supply chain policy, management structure, grievance mechanisms, information gathering, traceability systems, and adherence to global transparency initiatives.

- **Management Structure**

Somika follows through on its commitments in the supply chain policy and has developed an internal procedure for due diligence with the following aspects:

Somika COO is responsible for overseeing the due diligence program and risk management design and implementation.

Somika has assigned a due diligence program manager to coordinate the work of the relevant departments (including the Purchasing Department, Quality Department, Production Department and Warehouse Management Department) to ensure each department follows up on their roles and responsibilities to implement the due diligence program and report any red flags and potential risks identified.

Somika conducts due diligence management system training for key staff from all relevant departments required in due diligence program. If there is an update of the program, the company conducts additional training as necessary.



Internal systems of control

The company has established/updated its due diligence management system to be aligned with the OECD Guidance and RMAP. The company communicated the updated supply chain policy and sourcing requirements to all identified suppliers/ service providers. The company has incorporated due diligence requirements into legally binding agreements with direct suppliers/service providers. Somika visits its direct suppliers/service providers every year and includes due diligence requirements as part of the conversation.

The company refers to RMI's grievance mechanism to collect information on grievances from interested parties.

In alignment with the framework, Somika employees and contractors receive induction sessions and ongoing training on a range of compliance issues. Training includes guidance on important topics such as raising concerns, facilitation payments, the giving and receiving gifts and entertainment and dealing with public officials. We tailor our training and make it relevant for our employees by including real-life hypothetical scenarios that illustrate how legal and ethical concerns might manifest themselves in daily work activities.

To ensure the effective implementation of the Somika due diligence framework, respective mine and treatment units has appointed due diligence coordinators whose role is to support the operations and employees in day-to-day business considerations.

The management structure at Somika also includes senior Managers for finance, operations, Human Resources, Community Development, Occupational Health & safety, Environment, security, Procurement and Logistic.

In accordance with the recent Implementation on the OECD Guidance, Somika policy has evolved to a risk-based approach to responsible sourcing and consequently does not exclude entire countries from its supply chain unless otherwise required by regulations (e.g., embargo, sanctions).

Human rights, social and environmental risks are identified through below dimensions, not mutually exclusive:

- **Security and Human Rights**

Haut Katanga is a highly populated area with a high poverty rate and Somika requires a security approach which protects people and assets while upholding respect for human rights. We deploy internal and private security to conduct control and containment operations. There is also public security on site (Police des mines), as mandated under the DRC Mining Code.

In line with our Human rights policy, Somika is committed to the voluntary principles on security and human rights. Somika applies the Voluntary Principles using 5 steps approach:

- Understanding the risks through cross-functional risk assessment
- Strong engagement with the security providers incorporated in contractual requirements.
- Raising awareness through human rights training
- Internal control including mixed patrols on-site and incident monitoring.
- External monitoring vis engagement with community and concerned parties.

- ***Child Labor***

The presence of child labour in Katanga area is a well-known issue, however it is related to ASM rather than to large-scale operations. Somika has strict employee screening, ID check and access control measures to ensure that no one under the age of 18 is employed either directly or indirectly via contractor/supplier.

- ***Anti-corruption/Bribery***

Our position on bribery and corruption is clear. We do not engage in corrupt conduct, and it is unacceptable to offer, pay, authorize, solicit, and accept bribes. The Somika anti-corruption policy set out conduct expected of each of the employee so that we can respect applicable anti-corruption laws and secure our long-term presence as a responsible business in copper & cobalt operations.

All our employees, Managers, HODs, Supervisors, contractors and business partners are therefore required to take personal responsibility for implementing the policy and take part in training related to bribery and corruption risks.

We also conduct risk-based due diligence on third party to identify any concerns or red flags that may exist and to take steps to measure, manage, monitor, and mitigate the risks associated with these relationships.

- ***Whistleblowing***

Somika upholds ethical business practices and ensures that grievances and complaints are addressed transparently and equitably. Employees and stakeholders are encouraged to report concerns related to misconduct, wrongdoing, or risks within our supply chain: [Raising concern](#)

- ***Chain of custody and traceability***

Somika has implemented a comprehensive chain of custody and traceability system to ensure full transparency across our supply chain. Our process leverages a combination of digital tracking systems and on-the-ground verification to monitor the journey of minerals from extraction, processing up to exportation.

Our traceability extends beyond regulatory requirements, incorporating real-time data monitoring, cross-referenced validation at processing points, and government-issued tagging mechanisms.

Somika also collaborates with government agencies to support local traceability efforts, ensuring all minerals sourced meet the highest ethical and environmental standards. Our Logistic Department performs rigorous verification of incoming shipments, verifying tag authenticity and cross-checking with our internal tracking records.

- ***EITI Principles statement and reporting***

Somika is fully committed to the Extractive Industries Transparency Initiative (EITI), recognizing transparency and accountability as fundamental pillars in the natural resources sector. We actively support and implement the EITI principles, ensuring that our mineral sourcing and financial reporting align with global best practices.

As part of our dedication to responsible business practices, Somika publishes detailed reports on all payments made to the Democratic Republic of Congo's government. In adherence to EITI Standard provision 2.5(c), we promote full disclosure of beneficial ownership for entities engaged in exploitation rights, processing, and export within the mining sector. This commitment reinforces our stance on eliminating opacity in resource governance and supply chain operations. For additional details on EITI implementation, refer to: [EITI Report on DRC](#).

Risk Assessment

Somika has established a comprehensive risk assessment framework designed to identify, evaluate, and mitigate risks within our supply chain. Our structured approach incorporates real-time data monitoring, in-depth supplier evaluations, and ongoing due diligence to prevent conflict financing, human rights abuses, and environmental concerns.

Somika does not purchase any third-party mineral, so there are no external suppliers of copper nor cobalt. All the materials processed at the treatment units are from Somika owned operations. Somika therefore has direct visibility and control over the OECD Guidance risks described in Annex II and manages them through its own policies and procedures. These are defined by the Sustainable Supply Chain framework, including:

- Code of Conduct
- Anti-corruption and anti-bribery Policy
- Human Rights Policy
- Sustainability Policy
- Tax policy

Somika has defined expectations for its non-mineral suppliers/contractors which are specified in the Sustainable Supply Chain Code of conduct. These standards cover all the risks identified in Annex II of OECD Guidance. This applies to all the Somika workers, suppliers/Contractors and are incorporated into supplier/service providers' contract.

Should potential risks be identified through further scheduled risk assessment activities, a risk management plan will be designed and implemented in collaboration with the suppliers and affected stakeholders, where appropriate.

Risk management plan refers to our Responsible Sourcing policy and the OECD Guidance. Actions are considered depending on the risk severity, they are closely monitored, and re-evaluated

• **Red Flag Identification**

Somika utilizes a detailed chain of custody and traceability system to assess risks associated with mineral origin and transportation, particularly within CAHRA-designated regions. Our internal traceability department continuously records and evaluates supply chain risks, to review discrepancies and ensure compliance with OECD Annex II standards. Any identified irregularities are escalated to the due diligence management structure, which includes key operational managers responsible for investigating and addressing concerns.

• **Risk Identification Sources**

Somika is supplying raw materials from its own mine and has a robust process to identify risks in the supply chain. Firstly, referring to the risks in the company's supply chain policy, Somika established a procedure to identify CAHRAs. The procedure includes the resources used, the criteria to define a "conflict-affected and high-risk" area as well as the frequency with which our determination is reviewed. The company uses the following resources to determine CAHRAs:

- The Heidelberg Conflict Barometer provides conflict maps, representing an annual snapshot of the presence of armed conflict.
- The INFORM Index for Risk Management provides country-level risk profiles relating to humanitarian crises.
- The RMI's Global Risk Map, which is a risk assessment tool that allows users to identify and compare governance, human rights, and conflict risk indices across geographic regions globally. Utilizing the internationally recognized indices and resources identified in the European Commission's non-binding guidelines for the identification of conflict affected and high-risk areas and other supply chain risks, the tool classifies geographic areas as low-, medium-, high-, and extreme-risk in an interactive and up-to-date world map. The tool also flags sanctions risks based on the United Nations, U.S. and E.U. sanctions lists. Users can view all country risk classifications at a global level, zoom-in to detailed indicators at a country or area level, and download the complete underlying dataset for further sorting and analysis outside of the tool.

Referring to its supply chain policy and external resources, the company has defined criteria and benchmark indicators to determine CAHRAs.

In October 2024, with third party support, Somika conducted an on-the-ground mine site assessment. Through the Somika mine field visit, a document check and interviews with mine workers, consultation with local communities and other stakeholders, the company assessed all the risks under Annex II of OECD Guidance and generated a mine site visit report.

In addition, Somika supported the establishment of a community monitoring committee. Working with a local partner organization, training was provided to the monitoring committee members with a view to enabling the reporting of any risks or incidents in the supply chain. Generally, the community monitoring committee reported dissatisfaction on grievance investigation and corrective measures.

- **Record Keeping**

Somika maintains meticulous records of all sourcing, due diligence processes, and supplier interactions. Our record-keeping system ensures:

- Secure storage of electronic and physical records, retained for a minimum of Ten years.
- Documentation of all due diligence assessments, risk evaluations, and mitigation strategies.
- Digital records of receipts, supplier data, and compliance reviews, ensuring full traceability and regulatory alignment.

- **Risk Management**

Somika maintains a secure and transparent supply chain, ensuring full compliance with ethical sourcing standards. Our risk management strategy focuses on proactive measures to mitigate potential risks and ensure operational integrity. This includes comprehensive due diligence, continuous monitoring, and cross-verification mechanisms.

- **Risk Mitigation**

Somika Supply Chain Policy defines three possible risk mitigation strategies in accordance with the OECD Guidance Annex II Model Policy. Risks identified in high-risk supply chains are mitigated as follows:

Somika reports no mine as a high-risk sourcing supplier to the senior manager and continues to source from its own mine while implementing continuous improvement on risk mitigation plan.

Somika consults its suppliers, contractors, customers, and other stakeholders on risk mitigation strategy to ensure its feasibility and effective.

With all parties' agreement, the company develops a risk mitigation plan. As part of the improvement plan, our mine Management has taken remediation actions and set up a due diligence procedure to ensure no child labour, nor human right abuse case throughout the operations. Somika hired a third-party assessment firm, which is an expert in OECD five steps framework, to visit our own mine site and confirmed that the risk mitigation is effective. Kimn ensures that it assesses risks on an ongoing basis by working in partnership with suppliers/contractors and other stakeholders (e.g. local community, NGO, customers, industry organization, consulting company) engaged in continuous risk monitoring at the mine site.

To further strengthen risk monitoring and management, Somika has implemented an incident reporting protocol. This system enables structured data collection and ensures effective communication throughout the supply chain. Key mitigation strategies include:

- Engagement with NGOs and civil society organizations to enhance risk awareness and compliance initiatives.
- Collaboration with local security services and industry stakeholders to assess and improve safety measures.
- Continuous review of regulatory reports and industry developments to align with evolving best practices.

Somika actively addresses security, human rights, and environmental risks associated with mineral extraction and transportation. Our Compliance Department has developed a comprehensive risk management plan that outlines corrective actions, escalation processes, and operational improvements for identified risks. Through these efforts, we maintain the highest standards of accountability, ensuring that our supply chain remains ethical, transparent, and secure.

Due Diligence Report

Somika operates in one of the most closely monitored and complex mining environments in the world. As a result, we have developed one of the most rigorous due diligence frameworks in the industry to ensure our sourcing, processing, and export operations meet the highest international standards. We recognize that the scrutiny placed on mineral supply chains, particularly in the Democratic Republic of Congo, requires unparalleled diligence, transparency, and preparedness. Our due diligence reporting reflects our commitment to compliance, risk mitigation, and industry leadership.

Somika provides full transparency in its sourcing activities by publishing an annual due diligence report that outlines all minerals and materials processed within our operations. This report serves as a critical resource for customers, downstream partners, and regulatory bodies, offering a comprehensive view of our responsible sourcing practices, risk management measures, and adherence to global compliance standards. By ensuring robust and consistent reporting, we reinforce our position as a leader in ethical mineral production and supply chain governance.

Disclosure of Mine Origin Information

Traceability is at the core of Somika's supply chain management, we fully disclose relevant mine origin information to auditors, international regulatory bodies, and recognized third-party assessment programs. This ensures that all stakeholders have confidence in the integrity of our sourcing practices. Our adherence to international due diligence frameworks guarantees that our operations remain transparent, secure, and accountable. Somika continues to refine and strengthen its reporting mechanisms to align with evolving global best practices, reinforcing our leadership in responsible mineral sourcing and due diligence excellence.