

# RISK MANAGEMENT STRATEGY

Mining Mineral Resources S.A.S.

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## Introduction

### Purpose & Scope

The **Risk Management Strategy & Plan** is designed to systematically **identify, assess, and mitigate risks** associated with MMR's operations. This document provides a structured approach to **compliance, sustainability, and responsible mining practices** while aligning with **global industry standards and geopolitical realities in the DRC**.

This strategy applies across **all MMR operations**, including:

- Exploration, mining, and processing activities
- Transportation, supply chain management, and trade compliance
- Stakeholder engagement, community relations, and regulatory adherence

This document ensures that risk is **proactively managed**, minimizing exposure to legal, financial, reputational, and operational threats while maintaining alignment with **OECD, ICGLR, EITI, and other international frameworks**.

## Risk Management in High-Risk Areas

### Commitment to International Standards & Ethical Conduct

MMR adheres to the OECD (2016) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Third Edition. This includes full compliance with the Model Supply Chain Policy in Annex II, ensuring transparency and accountability in every stage of our operations.

To ensure **continuous adherence** to these standards, MMR implements the following measures:

- **Periodic External Audits:** Independent third-party audits are conducted annually to verify compliance.
- **Supplier Due Diligence Training:** Regular training programs for suppliers to reinforce ethical sourcing requirements.
- **Policy Updates & Internal Monitoring:** Routine policy reviews to reflect evolving regulatory requirements and best practices.
- **Stakeholder Engagement:** Active collaboration with industry bodies, local authorities, and civil society organizations to align with international expectations.

We maintain a zero-tolerance policy for:

- **Human rights violations**, including forced labor, child labor, and inhumane treatment
- **Corrupt practices**, including bribery, extortion, and money laundering
- **Conflict financing**, including direct or indirect support to armed groups or illegal taxation

## Risk Identification & Immediate Actions

- **Verified Violations:** Immediate suspension of operations at affected sites with disengagement from the supply chain. Violations are considered **clear and incontrovertible** if they involve direct evidence of:
  - Involvement in human rights abuses (e.g., forced labor, child labor, war crimes)
  - Illicit financial activity (e.g., bribery, money laundering, tax evasion)
  - Conflict financing (e.g., direct or indirect support to armed groups)
- **Inconclusive Evidence:** When a violation is suspected but lacks definitive proof, MMR will initiate a **one-week investigative period** with a structured verification process:
  - **Internal Review:** Compliance and risk management teams conduct an internal audit, gathering transactional records, field assessments, and stakeholder reports.
  - **Third-Party Assessment:** Independent due diligence firms or regulatory authorities may be engaged for additional verification.
  - **Final Determination:** If violations are confirmed, disengagement occurs. If risks remain unverified, operations continue with **enhanced monitoring and mitigation measures**, including more frequent audits and supplier re-evaluation.

## Local Governance & Stakeholder Engagement

- **Active Local Committees:** Suspensions remain in place until issues are reviewed at the **next committee meeting**. MMR will **present findings** and implement additional risk control measures.
- **Inactive Local Committees:** MMR will collaborate with **provincial and regulatory authorities** to conduct an alternative risk review and implement remedial actions.

## Risk Mitigation & Monitoring

- If risks are effectively mitigated, operations resume under strict monitoring protocols.
- If risks **persist**, escalation occurs to **Provincial Committee Meetings (PCM)**, with ongoing compliance assessments to determine future actions.

## Continuous Risk Evaluation

The risk assessment process will continue until one of the following occurs:

1. **Risks are mitigated**, and operations resume under heightened scrutiny.
2. **Risks persist**, requiring indefinite disengagement from the site or supplier.

## Operational Risk Management & Compliance

### Provincial Committee Review & Risk Oversight

- **Quarterly PCM Risk Reviews:** MMR's compliance team reassesses previously identified risks and their mitigation progress.
- **Decision Outcomes:**
  - **Mitigated Risks:** Operations resume with strengthened oversight.
  - **Unresolved Risks:** Permanent disengagement from the affected entity or operation.

## Management of Compliance Violations

### Supply Chain Violations

- **Non-state Armed Group Ties:** Immediate disengagement from suppliers with proven links to armed groups.
- **Illegal Security Force Involvement:**
  - Public/private security forces must act solely to maintain legal order and protect legitimate trade.
  - Any force involved in extortion, illegal taxation, or intimidation will result in withdrawal from affected sites.

### Financial Integrity & Tax Compliance

- **Bribery & Misrepresentation:** MMR prohibits any action that conceals mineral origin or falsifies payments to authorities.
- **Money Laundering Risks:** Immediate suspension of transactions linked to illicit financial activity.
- **Tax Evasion:** Full compliance with **EITI transparency standards**, including accurate disclosure of taxes, fees, and royalties.

### Non-Compliance & Corrective Actions

- **Three-Month Mitigation Period:**
  - Compliance team initiates remediation efforts.
  - Local/Provincial Committees are engaged to resolve outstanding issues.
- **Post-Mitigation Review:**
  - **Unresolved Issues:** Immediate suspension of affected operations.
  - **Mitigated Issues:** Operations resume with ongoing compliance oversight.

## Leadership Accountability & Risk Governance

### Ethical Leadership & Decision-Making

Branch managers are **key enforcement agents** of MMR's compliance framework. The following violations are recognized as leadership failures:

- Bribery or misrepresentation
- Failure to enforce money laundering safeguards
- Non-compliance with tax and royalty obligations
- Unauthorized mineral sourcing or inclusion of non-compliant materials

### Enforcement Actions & Oversight

- **Investigative Period:** Any allegation of leadership misconduct triggers an internal review.
- **Operational Suspensions:** If violations are substantiated, affected branches and smelters may be shut down.
- **Reinstatement Conditions:** Branch managers and key personnel must complete a mandatory **ethical leadership and compliance training program** before reinstatement. This

training focuses on ethical decision-making, anti-corruption measures, and supply chain integrity to prevent future violations. Additionally, branches seeking reinstatement must undergo a **full compliance audit**, at their own expense, for a **minimum of one year**.

## Risk Monitoring & Continuous Improvement

### Enhanced Monitoring & Internal Controls

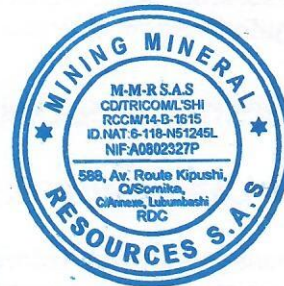
- **Quarterly Compliance Reviews:** Regular assessments by the Risk & Compliance Department.
- **Independent Third-Party Audits:** Conducted annually to verify due diligence effectiveness.
- **Stakeholder Engagement Reports:** Regular disclosures to investors, regulatory bodies, and impacted communities.

### Adaptation & Proactive Risk Prevention

- **Advanced Risk Analytics:** Leveraging **data-driven risk assessments** to anticipate emerging threats.
- **Supply Chain Transparency Initiatives:** Strengthening traceability & Chain of Custody measures.
- **Employee Training & Capacity Building:** Ongoing risk management education, measured through key performance indicators (KPIs) such as compliance audit scores, supplier adherence rates, and frequency of regulatory breaches. MMR will conduct quarterly assessments to evaluate the effectiveness of training and policy implementation.

**THIS DOCUMENT HAS BEEN REVIEWED AND APPROVED BY MMR'S RISK MANAGEMENT COMMITTEE.**

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