

# Risks Management Plan

## For Minerals Operators & MINEXX Platform Users

February 2023

## RISK MANAGEMENT PROTOCOL

### A. INTRODUCTION

Minexx Platform is an intelligent assurance mechanism that supports upstream and downstream stakeholders to source minerals in a responsible manner from various geographies and context including conflict affected and high-risk areas (CAHRAS) to meet minerals market expectations. This is done by digitally tracking minerals including cobalt, copper, gemstones, gold, mica, niobium, tin, tantalum, tungsten, mine site to refiners.

It is also a tool that connects artisanal and small scale (ASM) miners to the World by enabling their access to the market, capital and expertise.

This Risk Management Protocol is basically a guide to the Minexx Platform's Minerals Shipment Conformance. It describes the standards, tools and practices used by Minexx Platform to assist its users and companies to meet their supply chain conformance before the export of any minerals' shipment from upstream countries.

### B. SCOPE AND GEOGRAPHY OF MINEXX ASSURANCE SERVICES

Minexx Platform is global in scope. This allows it to supervise the supply chains of any minerals from CAHRAS and non-CAHRAS geographies. All minerals are mapped from mines to smelters operating in minerals producing countries, to enable RMAP to continue downstream part.

Minexx assurance services, are availed and deployed on field level to support supply chain stakeholders including mine operators, exporters, organizations and governments in conflict affected and high-risk areas (CAHRA) and other areas to meet their due diligence expectations by conducting any mine level monitoring and track the extracted minerals from mine site to smelter/refinery as determined by the

- a. OECD due diligence guidance for responsible sourcing of minerals,
- b. Second Edition of the Regional Certification Mechanism (RCM) of the International Conference on the Great Lakes Region (ICGLR);
- c. RMI's Responsible Minerals Assurance Process (RMAP)
- d. Code of Risk-mitigation for ASM engaging in Formal Trade – CRAFT
- e. Local laws in extractive countries on: mining, minerals trade, imports, exports, taxations, environmental preservation
- f. US Dodd – Frank Act
- g. EU Conflict Minerals Regulations
- h. Minexx's Supply Chain Standards and Procedures

Minexx assurance services are outsourced by supply chain stakeholders and also used during Minexx own trading activities. The non-fulfilment of the Minexx's supply chain standards results in the issuance of a non-conformance notice which recommends the suspension of a relevant mineral shipment lot or a total disengagement from the concerned supply chains.

### C. PRINCIPLES

Minexx Platform is built on the following guiding principles:

1. Serving Minexx Platform **users** in minerals producing countries including mineral operators: artisanal, small, medium and large-scale ones; mineral aggregators, collectors, exporters, processors, metal smelters/refiners and gold refiners and recyclers.

2. Smelters/refiners in minerals producing countries will also be required to meet the RMAP requirements as a pre-condition to subscribe to Minexx Platform.
3. Minexx Platform is built on the principal and fully support that that programmes that provide support for downstream companies should collect and process information from suppliers, including smelters/refiners, on due diligence in the supply chains of minerals from conflict-affected or high-risk areas.
4. Users of Minexx Platform are encouraged to NOT turn their backs instead are encouraged to continue sourcing minerals from CAHRA and non-CAHRA regions in responsible manner, especially from vulnerable artisanal and small-scale mines (ASM). However, for that to happen, a strict minimum of conditions MUST be met, as provided for in various reference standards, listed in section B.
5. Due diligence is an on-going, proactive and reactive process through which Minexx Platform users/companies can ensure that they respect human rights and do not contribute to conflict. Due diligence can also help Minexx Users ensure they observe international law and comply with domestic laws, including those governing the illicit trade in minerals and United Nations sanctions. Risk-based due diligence refers to the steps companies should take to identify and address actual or potential risks in order to prevent or mitigate adverse impacts associated with their activities or sourcing decisions.
6. Minexx Platform recognizes due diligence as an ongoing process (that goes beyond the expectations of the OECD guideline) to be undertaken by Minexx Platform users/companies and relevant supply chain actors along the supply chain; and progressively improve its performance overtime. Needed improvements are openly and publicly coordinated by Minexx Platform, planned, designed, adopted and implemented by concerned supply chain actors.
7. The use of Minexx Platform, institutionalized mechanisms or multi-stakeholder initiatives does not release individual companies from being responsible for the scope and quality of due diligence in their own supply chains and for reporting on the due diligence that is undertaken in their supply chains. Companies should ensure that all joint due diligence work duly takes into consideration circumstances specific to the individual company.
8. Minexx Platform will implement risk management recommendations as determined by the OECD guide and complement them with those from reference standards as listed in the scope of this document.
9. The OECD guidelines' red-flags definitions and recommendations for 3TG and other minerals will determine on-ground activities and attitudes of Minexx Platform users and its supply chain actors:
  - a. Red flag locations:
    - i. The minerals originate from or have been transported via a conflict-affected or high-risk area
    - ii. The minerals are claimed to originate from a country that has limited known reserves, likely resources or expected production levels of the mineral in

question (i.e. the declared volumes of mineral from that country are out of keeping with its known reserves or expected production levels).

- iii. The minerals are claimed to originate from a country in which minerals from conflict-affected and high-risk areas are known to transit.

b. Supplier red flag:

- i. The company's suppliers or other known upstream companies have shareholder or other interests in companies that supply minerals from or operate in one of the above-mentioned red flag locations of mineral origin and transit.
- ii. The company's suppliers' or other known upstream companies are known to have sourced minerals from a red flag location of mineral origin and transit in the last 12 months.

c. Red flag circumstances:

- i. Anomalies or unusual circumstances are identified through the information collected in Step 1 which give rise to a reasonable suspicion that the minerals may contribute to conflict or serious abuses associated with the extraction, transport or trade of minerals.

- d. Minexx will require its minerals aggregators, suppliers, upstream companies sourcing ASM from red flagged operations to assist and enable legitimate ASM producers to build supply chains consistent with the Guidance. Quarterly implementation and progress reports should be submitted to Minexx for verifications.

10. Users (or companies) of Minexx platform remain with the leading responsibilities of devising appropriate adapted due diligence in their own supply chains and regularly reporting on any effort undertaken regardless of any other due diligence initiative that may be covering their supply chains.

11. Specific risk management and chain of custody information, data and documents will be directly linked to a specific shipment. The latter should be mined/constituted or aggregated within a specific timeframe as determined by initial supply chain assessment (ISA) reports produced and availed on Minexx Platform.

12. All mine sites working and supply chains conditions, and linked mineral shipments should conform to the information provided by the supplier/mineral operators as per the OECD guidance. Report of any inconsistency is sent to management responsible for due diligence, so that a risk resolution process can be triggered and with no further action taken until the inconsistency is resolved, and physically segregate and secure any shipments with unresolved inconsistencies.

13. Minexx Platform will require its users to submit an action plan in a case of non-conformance findings from a third-party audit. The actions address major non-conformance findings under Minexx Platform supervision and sanctions will be applied by Minexx in case of non-resolution of the issues within 6 months.

14. Adapt and comply to the changes of international legislations on responsible sourcing of minerals and reference standards as may be required by circumstances.

#### **D. EXPECTATIONS**

Minexx Platform expects:

- a) That Minexx Platform users will create and enter into win-win and long-term relationships through signed supply contracts with their miner suppliers; in order to bring trust and ease the due diligence activities.
- b) Mineral operators (upstream and downstream ones), governments, organization and other users/parties, should express their interests in a written manner to the Minexx Management, committing to adopt and implement the Minexx Platform standards and processes as additional support to their companies' own and existing due diligence efforts in minerals sourcing. Users' efforts, strategies, management and actions should be informed and guided by relevant risk assessments conducted on regular basis.
- c) All platform users including gold exporters, gold recyclers and traders will strictly source minerals from legitimate minerals suppliers including ASM ones, by conducting on them a full KYC first, to establish their legitimacy as business entities, identity, UBO checks, their anti-money laundering (AML) risks. Platform users will also be required to collect and verify copies of key documents from their suppliers as per annex 2 of this document. See the KYC procedures in annex
- d) Gold operators should cooperate fully and transparently with law enforcement agencies regarding gold transactions. Provide customs officials with access to complete information on all international shipments.
- e) For recycled gold: Minexx Platform users will conduct enhanced and comprehensive due diligence as per the OECD's Gold Supplement. Additional information should be collected from red flagged supply chains for Recyclable Gold using a risk-based approach, with priority given to persons, places and transactions that present higher risk.
- f) Its Upstream users will enhance engagement with their suppliers and the internal systems of transparency, information collection and control over the gold supply chain, a determined by the OECD's Gold Supplement.
- a) Minexx Platform users are required to sign a service framework agreement with Minexx Management, committing to implement the Minexx Platforms standards and process. Minexx will also require that its minerals operators/users incorporate their company's supply chain policy into supply agreements signed with their suppliers.

- b) Users are required to adopt and sign the Minexx Platform code of conduct before the formalization of any collaboration.
- c) Supply chain assessments and baseline studies be conducted by Minexx Platform on mineral operators supply chains from mine to smelters level.
- d) Users to use Minexx Traceability Platform to record any mineral data, at different steps of the supply chain, before export and meet the legal export process of upstream countries.
- e) Its users to proactively carry out due diligence and to react to changes of circumstances and risks in the supply chain.
- f) Minexx mine monitors will be performing and producing monthly site assessments reports and spot checks on all Minexx mine suppliers at the same time, following up on implementation of recommendations to resolve the identified risks at each mine and aggregator.
- g) Minexx Platform senior managers in charge of supply chain due diligence give a live and deep dive presentation on weekly basis to top company directors on due diligence activities being implemented.
- h) Users/companies top management allocate resources to the main and permanent due diligence manager (who MUST be part of the company's Management team) to conduct regular and dedicated meetings, workshops, communications and knowledge share events on supply chain due diligence standards, process, activities, achievements and challenges for all their company employees, suppliers and relevant supply chain stakeholders.
- i) Disciplinary actions (as per of HR procedures) should be devised by an internal company committee on poor performance or negligence for non-performing of designated staff.
- j) Its users to communicate to suppliers (ASM and large scale) their company's expectation that suppliers will undertake mineral supply chain due diligence and risk management consistent with the standards defined in the OECD's Gold Supplement.
- k) The change of minerals ownership/trading or transactions between local minerals exporters - operators up to downstream purchasers via international concentrate traders/mineral re-processor, should be done under signed commercial supply contracts with a mandatory disclosure of detailed supply chain information collected by both Minexx Platform users or Minexx Platform itself; as per the OECD's 3Ts Supplement from CAHRA. Such detailed include but not limited to the records of all legal and illegal taxes and any other payments made to public or private security forces or other armed groups.



- l) All supply chain grievances, risks and issues whether serious, very high, high, medium, low or very low brought to Minexx should be completed and resolved between one day and six-month period from their identification and reporting. Failure to which, Minexx will immediately take necessary actions based on its respective risk and grievance resolution procedures.
- m) As recommended by OECD guide and RMI's RMAP, after consultation with its users, Minexx will be inviting independent and approved third-party auditors (by the RMI, ICGLR, governments and Minexx itself) to conduct alignment checks on its policies, process and standards against those of the OECD.
- n) In countries implementing the Extractive Industry Transparency Initiative (EITI), Minexx Platform will bring its fully support to the implementation of the principles and criteria of the EITI including but not limited to its platform users and governments.

## E. MINEXX PLATFORM METHOD

At export level in minerals producing country, Minexx Platform determines the **conformance** of a specific shipment of a mineral lot in accordance with the OECD guide lines, national and international legislations and other relevant standards. The **primary value** of the **Shipment Conformance or Non-Conformance Report** by Minexx Platform is to serve as an additional layer of information check for the upstream and downstream purchasers to make a final decision based on their company's due diligence practices.

The journey leads Minexx Platform to confirm or not the conformance status of a shipment lot is done through the following systematic steps:

### 1. INITIAL RISKS ASSESSMENTS OF THE SUPPLY CHAIN (IRA)

The objective is to collect and check detailed information to check the level of conformance of the operator (at any position of the supply chain including the mine operator, aggregator, trader and exporter) that is being assessed against the standards of OECD, Minexx Platform, national and int'l legislation in their supply chains. This assessment is performed by a qualified team of Minexx Platform. The outcome of the assessment is a IRA Report produced by Minexx Platform, which determines the acceptance or rejection of the assessed operator to the Minexx Platform based on the levels of identified risks:

- a. In case of red flag/serious risks, Minexx Platform halts any further engagements with the operator and recommends 6 months resolution plan for which progress is assessed on monthly basis. After that time frame, the failure to resolve the risk result in a complete disengagement with the operator. *See the Minexx Platform Risk Resolution Action (RRA) for red flag/serious risks.*
- b. In case of high, medium, low and very risks, Minexx Platform move ahead with the onboarding process of the operator while triggering a 3-month risks resolution plan with a direct involvement of the relevant supply chain participants. Progress is assessed on monthly based.

The trainings of senior managers (and all employees as well) from operators' teams on Minexx Platform and standards, in order keep adapting to the supply circumstances as per the IRA recommendations. The appropriate modules will be developed by Minexx for that purpose. For more details, see the Minexx Platform's RRA for red flag/serious risks.

Minexx Platform use the following tools:

- a. Mine Assessment Form (a separate file)
- b. KYC Form (separate form)
- c. Required Due Diligence Documents for Minexx Platform: See annex 2
- d. Incident Report form (a separate file)
- e. Miners Census Form (a separate file)
- f. Red flag/serious risk Alert System: See page 11

## 2. CONTINUOUS MONITORING OF SUPPLY CHAIN RISKS

Minexx Platform and its users maintain an on the ground teams (designated, appropriately trained and equipped ones) that keep assessing and monitoring the supply chain risks on regular basis and in good faith, regardless of whether the level of the risk is very low, low, medium, high or red-flag, as indicated in the OECD guidance and in the Minexx Platform's RRA, page 9-10.

They conduct spot-checks, announced mine visits and organize meetings with diggers, mine supervisors/managers, local administration, grassroots communities and their leaders. They are equipped with android application that they use to perform the following recurring activities along the supply chain:

#	Activities	When	Minexx Platform User	Output	Responsible
1	Incident recording: through announced and un-announced spot—checks at mines and operators facilities	As it happens	Incident against or on any Minex Platform user/supply chain actors: 1. Miner/mine 2. Trader/aggregator, exporter 3. Transporter(s), 4. Int'l trader/Smelter, 5. Security organs, 6. Mine institution(s), 7. local authorities, 8. Local communities, 9. Local civil society groups 10. Others	Incident report associated supply chain risk	1. Designated staff from Minexx Platform 2. Designated staff from supply chain actors
2	Collection of detailed information for each minerals' operator: 1. risk assessment and 2. supply chain management plan: 3. Quarterly publication of the above 2 periodic reports by Minexx Users/operators. Confidentiality and competitive aspects will be taken care of	Monthly	1. Concerned mine operators 2. Aggregators 3. Exporters 4. Transporters	1. Monthly Risk Assessment Report/MRA 2. Monthly Risk Resolution Action	1. Designated staff from Minexx Platform 2. Designated staff from supply chain actors



#	Activities	When	Minexx Platform User	Output	Responsible
3	Environmental, Socio and Governance Assessment: to understand 1. organizational, health and safety – OHS, 2. value and benefits of the minerals' extraction to communities, 3. interaction/cohabitation with the extraction operations, 4. corporate social responsibilities	Quarterly	Mine communities	Mine Community Report	1. Designated staff from Minexx Platform 2. Designated staff from supply chain actors
4	Miners/workers census: to understand users/operations workforce/population, origin and workers migration	Bi-annual	Relevant 1. Mine operators 2. Aggregators 3. Exporters 4. Transporters	Census Report	Designated staff from Minexx Platform
5	Follow up meetings with stakeholders: 1. on progress being made to resolve identified risk and faced challenges 2. Strategies to respond to changing circumstances	Monthly or weekly (for red-flag risk)	Supply chain actors	Monthly Risk Resolution Action Report	1. Designated staff from Minexx Platform 2. Designated staff from supply chain actors
6	Regularly compliance check with and trainings of operators to Minexx Platform and other standards and laws. Appropriate modules will be developed for 3TG and other minerals.	Quarterly	Minex Platform actors	Quarterly Report	1. Designated staff from Minexx Platform 2. Designated staff from supply chain actors
7	Export process supervision for 1. documents and information checks 2. Information sharing with relevant stakeholders	As it happens	Relevant 1. mine operators 2. Aggregators 3. Exporter 4. Transporters	Conformance notice	1. Designated staff from Minexx Platform 2. Designated staff from supply chain actors

Any breach of the Minexx Platform standards results in the raising of an incident report which is submitted to Minexx Management which turns it into a risk based on Minexx process. Assessment findings are immediately sent to designated members of stakeholders' organizations with recommendations to resolve the actions that should be implemented on a timely manner by the same organizations based on nature and risk levels. The process is done through the Monthly Risk Resolution Action (RRA) on page 8,9.

Depending on supply chain nature, locations, circumstances, Minexx ground team conducts risk assessments at least once a week to assess. And several times in a month. See page 8,9. The scope, tools, resources to be deployed by Minexx Platform and preparedness level, will depend on the position of the users/operators in the supply chain.

### Risk Classes

Based on OCED Annex II risks and best practices of mining governance, Minexx Platform has grouped supply chain risks into 6 classes and sub classes that guide Minexx and its users' efforts responsible sourcing of minerals as per the table below:

	RISK CLASSES	RISK SUB-CLASSES
1	LEGITIMACY	Legality of Operations Community/stakeholders Dialogue Conflict dynamics Transparent reporting
2	HUMAN RIGHTS & WORKING CONDITIONS	Child Labour Worst Forms of Child Labour Gender Restrictions Occupational Health and Safety Torture or Cruel, Inhuman, and Degrading Treatment. Gross Human Rights Violations and Abuses: (e.g.: widespread sexual violence) Discrimination Forced or compulsory labour Mining Safety Rules Personal Protective Equipment (PPE) First Aid and Basic Health Services Integration in Communities Violations of International Humanitarian Law Crimes against humanity, or genocide Non-state Armed Groups Relations with Public or Private security Forces
3	COMPANY GOVERNANCE	Bribery / Corruption Money Laundering Management system and organizational structure Decision making structure Legal compliance Business conflict Legal Tax Payment / EITI
4	CHAIN OF CUSTODY/TRACEABILITY	Traceability / Mineral Tracking – From mine to receiving smelter Production plausibility System tracing mine's minerals and dealers/traders' transactions Written traceability procedures for data recording and actions taken in case of breach Only bank or digital payments for supplied minerals at local level Grievance mechanism in place to resolve breach of traceability rule
5	ENVIRONMENT	Waste / Emission: Solid - Liquid - Gas Protected Areas Cohabitation Conflict Water Use Hazardous Substances
6	COMMUNITY IMPACT (Beyond CSR)	Women in Leadership Position

RISK CLASSES	RISK SUB-CLASSES
	Transition from ASM to Semi-Industrial
	LSM - ASM Coexistence
	CRS Projects

### **Risk Levels**

During risk identification and assessment, Minexx Platform and its users/operators collect incidents and assign them a score from a scale of 1-30 based on their impact on the supply chain. Incidents are converted into risks levels measured from a scale of 1-5, as shown in the table below. Incidents are events informing or indicating about the existence of certain risks or potential risks at specific stage of a given supply chain.

Minexx Platform determines the following levels of supply chain risks equated to incident impacts:

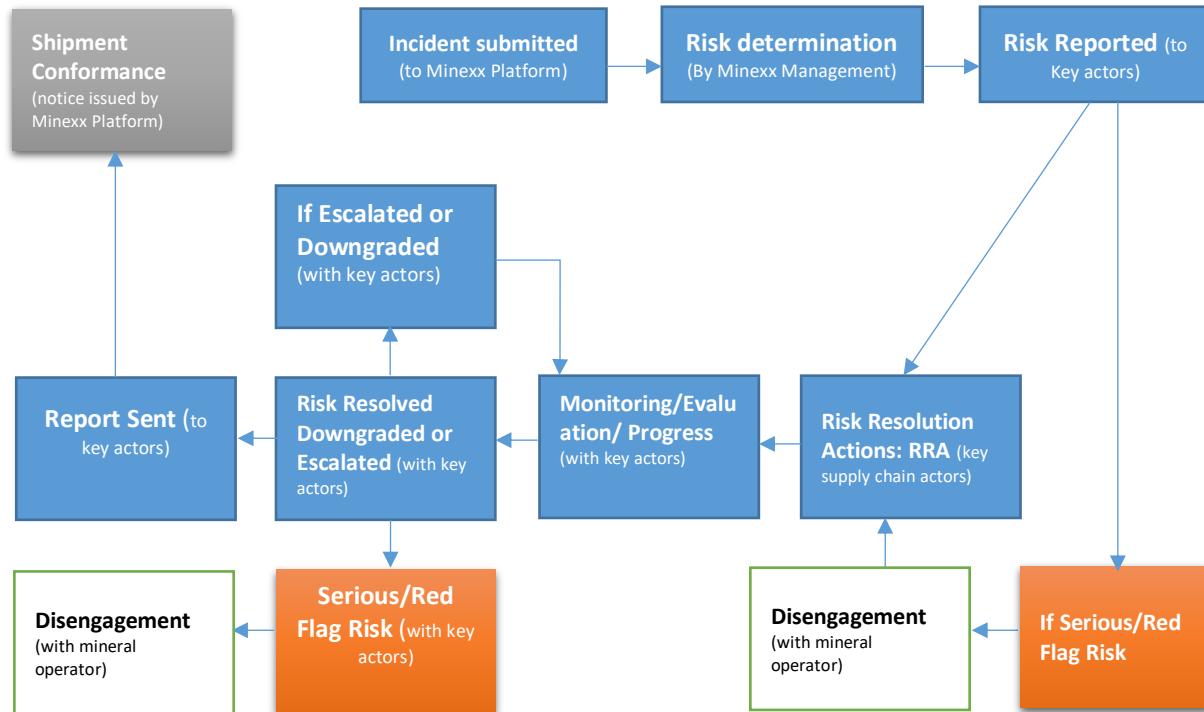
Risk Level	Risk Level/Incident Impact	Incident Score
Very Low: by default, when no incident	1	1-6
Low	2	7-12
Medium	3	13-18
High	4	19-24
Very High (Serious/Red Flag)	5	25-30

Minexx Platform uses its Incidents Book file (a separate excel file) which assign scores to incidents and levels to identified risks right after an incident is submitted in Minexx database (via Minexx Platform) by a designated users/operators' staff or Minexx monitors.

The RRA (see page 8,9) describes how a risk is escalated or downgraded from a level to a higher or lower one respectively; if it remains unresolved past the agreed implementation period or when significant and measurable progress are registered. All the progress evidences are captured in the Monthly RRA file which is prepared by designated Minexx Platform staff and sent to minerals operators/users and other relevant stakeholders for their actions.

### **Risk Resolution Actions**

The chart below summarizes Minexx Platform Risk Management Process from a continuously monitored supply chain.



### **Minexx Supply chain actors:**

They are determined during the Initial Supply Chain Assessment (ISA):

- Mineral operators,
- Minexx Management,
- Mine institutions,
- Local communities,
- Justice system,
- Legal security organs,
- Civil local society and international society groups,
- International traders,
- Downstream buyers/buyers
- RMI Secretariate

### Implementation of Risk Resolution Action

The table below provides a step by steps through which a risk is identified till it is resolved and responsibilities of various supply chain actors.

Objectives				
<ol style="list-style-type: none"> <li>1. Is to insure Minexx Platform and Users designated Staff use regular and consistent process for the implementation and follow up of appropriate, measurable actions to resolve identified supply risks;</li> <li>2. To insure the Minexx's Monthly Risk Resolutions – RRA Excel File is properly filled and maintained with updated information and evidences. An intelligent computer interface is being developed to fully digitise the process;</li> <li>3. Keep continuous training/assistance to minerals operators' staff on due diligence standards.</li> </ol>				
Step	Action	Responsible	Recipient	Schedule/Deadline
1	Incident report is submitted into Minexx Platform digital database (online process)	Reporter: Minexx monitor and designated teams of minerals operators	Minexx Platform	As it happens
2	Incident reviewed and more evidence collected	Local and int'l Minexx teams	Minexx Platform	Every Thursday of the month
3	Risk determination (led by the Minexx designated Responsible Sourcing Manager and team)	Minexx Platform	Minexx Platform	Every Thursday of the month
4	Preparation/updating of Monthly Risk Resolution File (RRA) for each mine operator/Users of Minexx Platform	Minexx's Local office team	Minexx Platform	Third week of every month
5	Minexx Platform internal review and approval of Monthly RRA File	Minexx's Local office team	Minex's Int'l Team	Third week of every month
6	Issuance of Monthly RRA files, sent to top manager(s) supply chain actors via email by Minexx Platform designated staff/Responsible Sourcing Manager	Minexx's Local Manager	Relevant supply chain actors	Fourth week of every month
7	<p>RRA meetings (at operators' premises) with relevant Users/actors (for each supervised supply chain) to:</p> <ol style="list-style-type: none"> <li>1. discuss appropriate, measurable resolution actions to be taken and any progress made for previous RRA and present one</li> <li>2. Receive and discuss evidences provided by operators/actors in relation to each RRA status</li> <li>3. Conduct joint physical verifications at mines sites, traders' warehouse, nearby communities, etc for more evidences</li> </ol> <p>Note: meetings are scheduled and led by both designated team members from both Minexx Platform and operators:</p>	Minexx's Local Manager and designated member from concerned	Relevant supply chain actors	In 5 days after reception of Monthly RRA File

8	In the same meeting, actors agree on RRA status for each supply chain and linked risks and mark them as follow: 1. Implemented, 2. InProgress 3. Started 4. Not yet started 5. Stuck 6. Cancelled	Actors & Minexx Platform	Senior staff from Relevant supply chain actors	In 5 days after reception of Monthly RRA File
9	Minexx Platform Internal meeting to: 1. capture the changes into Minexx Platform's database as per the outcomes of the actors' monthly meeting on each supply chain's RRA 2. Storage of collected evidences	Minexx's Local office team	Senior staff from Relevant supply chain actors	Between 1 <sup>st</sup> – 5 <sup>th</sup> day of every month
10	Weekly follow up meeting between operators designated employee and responsible monitor of Minexx Platform to: 1. record any progress on ongoing RRA File 2. Collect any proof/evidence 3. Transmit evidence to Minexx Platform	Minexx's designated monitor	Minex's Int'l Team	Every Friday
11	Minexx Platform internal review and approval of a new RRA File	Minex's Int'l Team	Minexx's Local office team	Third week of every month
12	Start the process again: Issuance of new Monthly RRA to relevant operators/actors	Minexx's Local office team	Relevant supply chain actors	Fourth week of every month
	<p>Note:</p> <ol style="list-style-type: none"> <li>1. More than one evidence MUST be provided to Minexx Platform for the risk status to change in RRA file.</li> <li>2. Written explanation MUST be sent to Minexx Management to an in-charge Minexx staff who didn't meet any of the above-mentioned deadlines and internal disciplinary measures should be envisaged against the person if it happens twice.</li> <li>3. Email used to collect risk evidences and send Monthly Files on Risk Resolution Actions to each relevant supply chain actors: <a href="mailto:hello@Minexx.co">hello@Minexx.co</a></li> <li>4. Evidences: supply chain actors and Minexx monitor MUST and provide evidence as follow for each statement on step 7: Visuals of field observation; written and signed documents, pictures, copies of minutes of meetings, administrative letters, Mine site/trading operators' internal records.</li> <li>5. On top of above schedules, Minexx monitors conduct regular spot checks on mineral operators at least 3 times a month as part of Minexx on-going and continuous risk monitoring. During this check, Minexx monitor will do the following: <ol style="list-style-type: none"> <li>a. Recording of more incidents as identified,</li> <li>b. Conduct verifications and collect implementation evidence for the resolutions of previously identified supply chains risks</li> <li>c. Check the conformance of the suppliers with due diligence expectations</li> </ol> </li> </ol>			



## Risk and Proposed Actions

Generally, the responsibilities and ownership of identified risks and recommending leading actions to resolve them depend on the level of the risk: very low, low, medium, high and very high/serious/red flag. However, the management of Minexx Platform users hold the primary responsibilities to mobilize the necessary resources, support (from various actors) and devise tangible actions to resolve the identified risks. Resources to support the monitoring of supply chain due diligence processes, should take into account the company size, capacity, location and operational context.

The implementation, monitoring and tracking performance of risk mitigation will be done in cooperation/consultation with local and central authorities and other relevant stakeholders. Minexx Platform will consider establishing or supporting community-based networks to monitor risk mitigation.

The table below highlights the minimum actions that should be taken by various actors based on risk level:

Score	Level	Actions
1	Very Low	Very low risk to local mineral operators and supply chain. Minexx or operators/users can resolve the risk immediately
2	Low	Low risk to local mine operators and supply chain. The users/operators can implement relevant actions to resolve the risk within 6 months.  Risk can be escalated (see risk escalation and downgrade on page 15) to moderate one in case of failure to mitigate resolution actions recommended by relevant supply chain actors within the agreed timeline. In this case, red flag actions must be considered.
3	Moderate	Moderate risk to local mineral operators and supply chain. They can continue their sourcing while the supply chain actors are implementing actions to resolve the identified risk within 6 months.  Risk can be escalated (see risk escalation and downgrade on page 15) to high one, in case of failure to mitigate resolution actions recommended by relevant supply chain actors within the agreed timeline.
4	High	High risk: Minexx Platform and users/operators may decide to temporarily suspend a linked minerals shipment while implementing resolution actions for that risk within 3 months. Key supply chain actors should be part of the mitigation process.  Risk can be escalated (see risk escalation and downgrade on page 15) to red flag one in case of failure to mitigate resolution actions recommended by relevant supply chain actors within the agreed timeline. In this case, red flag actions must be considered.
5	Very High/Serious/Red Flag	Very high risk and serious risk to supply chain actors and mineral operations. Minexx Platform will immediately suspend the export of the linked minerals shipment for a period of 1 month. Resolution process for a very high risk will be triggered to resolve the risk in 30 days with the involvement of other key mining actors led by an Ad-hoc Committee (AC). In case the risk is not resolved, the AC will recommendation Minexx Platform to permanently disengage and advise downstream buyers to completely stop buying from concerned local minerals operators.

### ***Serious Risk/Red Flag Alert System***

The objective of the “Alert System” enables Minexx Platform to provide the supply chain actors with regular, consistent and timely information on supply risk identified during the routine monitoring of mineral operations along the supply chain, and enable them to take swift and appropriate decisions aiming at resolving the risk in a timely manner.

For serious risk/red-flag risk, Minexx Platform will be recommending the creation of an Upstream ad-hoc committee (AC) composed of designated members from

- concerned mineral operators and linked umbrella organization(s),
- mine institution(s),
- local civil society organizations in the field of mining,
- justice system and
- Security organs

The primary role of the AC is to devise, follow up and decide appropriate resolution actions and report to the extended supply chain actors on the decision to change the status of the red-flag risk: resolved or recommend Minexx Platform and downstream buyers to permanently disengage with the mineral operator. The mine institution will lead the creation and all work of the AC.

### ***Serious Risk and Minexx Internal Process***

Actions	Schedule
<p>When a “serious incident” hits Minexx Platform database:</p> <ol style="list-style-type: none"> <li>1. It is treated as “high priority assignment” by both local and int’l teams of Minexx.</li> <li>2. Verification of incident and relevancy is checked: whether as serious risk or not by local project manager</li> <li>3. The incident is immediately forwarded to the Minexx int’l responsible sourcing manager and Minexx Senior Management for further verification</li> <li>4. Once confirmed as serious by Minexx Management; more detailed clarification/evidences are asked from the reporter (if deemed necessary)</li> <li>5. Incident is shared to relevant supply chain actors by Minexx Senior Management via the Ad-hoc Committee (AC).</li> <li>6. The Ad-hoc Committee should trigger the</li> </ol>	<ol style="list-style-type: none"> <li>1. Reviewed and relevance confirmed within 12 hours after it is received by Minexx Platform</li> <li>2. Follow up of RRA: Every Friday until it is resolved</li> <li>3. Email used to send alerts: <a href="mailto:hello@Minexx.co">hello@Minexx.co</a></li> </ol>
<p>Note:</p> <ol style="list-style-type: none"> <li>1. See the list Minexx Incident book for the list serious incidents and linked risks and scores.</li> <li>2. Minexx notifies and recommends the suspension of export of any minerals linked with that incident and risk for at least 3 months, until the agreed accelerated actions are implemented to resolve the risk.</li> <li>3. The AC committee initiate and triggers the appropriate resolution actions in 5 days after receiving the red-flag risk.</li> </ol>	

Actions	Schedule
<ol style="list-style-type: none"> <li>4. A non-conformation notice/statement is sent (for the specific shipment) along with the email alert to AC supply chain actors.</li> <li>5. If insignificant progress or failure to demonstrate progress is made within 3 months, Minexx Platform recommend minerals buyers to stop any sourcing of minerals from concerned operator(s) and immediately disengage from collaborating with them.</li> </ol>	

### Shared information and recipients

Shared information	Recipient	Timeline	Channel
Sharing of incident details: <ul style="list-style-type: none"> <li>• ID</li> <li>• Date</li> <li>• Location</li> <li>• Score</li> <li>• Project name</li> <li>• Detailed description</li> <li>• Source of information</li> <li>• Risk level</li> <li>• Evidences/proof</li> </ul>	<ol style="list-style-type: none"> <li>b. Users of Minexx Platform</li> <li>c. Mine institution(s)</li> <li>d. Security organs,</li> <li>e. Local authorities</li> <li>f. Justice</li> </ol>	<ol style="list-style-type: none"> <li>a. Within 24 hours after internal review by Minexx Senior Management.</li> <li>b. Frequency: Weekly review (every Tuesday) with stakeholders</li> </ol>	E-mail: automatically generated by Minexx Database Email used to send alerts: <a href="mailto:hello@Minexx.co">hello@Minexx.co</a>
Note: For RMI, int'l civil society groups and organizations, they will only receive anonymized incident information in which the following details will NOT appear: <ol style="list-style-type: none"> <li>a) Names of places</li> <li>b) Names of people</li> <li>c) Personal data</li> <li>d) Minexx Platform Users/clients</li> </ol>			
<b>Source of information for Serious Risk:</b> <ol style="list-style-type: none"> <li>1. Minexx monitors</li> <li>2. Staff of mineral operators</li> <li>3. Mine institution</li> <li>4. Third-party audit reports</li> <li>5. Local authorities</li> <li>6. Police</li> <li>7. Reliable media</li> <li>8. Communities</li> <li>9. Info from grievance mechanism</li> </ol>			

### Risk Escalation and Downgrade

During the evaluation of implemented actions (step 9 of actions implementation), Minexx Platform team determines (and communicates to supply chain actors the results) whether the risk will

- a. Maintain its existing level (as stable),
- b. Be downgraded
- c. Be escalated

The table below guides how a supply chain risk maintains its stability, downgraded or escalated after the evaluation of recommended resolution actions within a specific monitoring period.

Risk level	Risk Downgrade	Observation	Risk Escalated	Observation
Very Low: by default, when no incident	NA		NA	
Low	Very Low: No incident on same operator in 1 past month	Mitigation actions successfully implemented	Medium: 3 more incidents on same operator in 3 past months period	Weak/no implementation of migration actions
Medium	Low: No incident on same operator in 2 past months	Mitigation actions successfully implemented	High: 2 more incidents on same operator in past 2 months	Weak/no implementation of migration actions
High	Medium: No incident on same operator in past 3 months	Mitigation actions successfully implemented	Very high: 1 more incident on same operator in past 1 month	Weak/no implementation of migration actions
Very High (Serious/Red Flag)	High: No incident on same operator in past 6 months	Mitigation actions successfully implemented	NA	

The risk remains stable when no fulfilling the conditions to be downgraded or escalated.

### 3. DEPLOYMENT OF ON-GROUND TRACEABILITY PLATFORM

The Minexx Digital Traceability Platform is permanently deployed to a mine operation and trading house as part of the implementation of the IRA recommendations to mitigate identified supply chain risks on origin of minerals. The objectives are to insure that the reported minerals are mined within the mine perimeter where the traceability platform is deployed and report on any illegal influx of fraudulent minerals from unknown origin at the mine or along the supply chain.

The digital traceability is an android application that used by well-trained operators' staff to record any minerals produced at mine site level, when they are delivered at the trading house, and legally exported up to the receiving buyer outside of the country of origin.

The continuous monitoring and assessments of the supply chain by Minexx ground teams at mine site and export levels will:

- Assist designated employees of the mine and trading house verify the production and record data with Minexx Traceability Platform as per the IRA Report and Minexx Traceability Guide
- Help raise incidents in case of breach of traceability guide by operators
- Continuously training operators' designated employees on use of the traceability data recording and processes
- Maintain the accuracy and quality of data collected and timely reporting
- Help the improvement of the platform based on the mine/trader realities, needs and user experience.
- Evaluate local exporters support and follow up to mine operators/suppliers on building the latter's employees due diligence capacities as defined by existing commercial supply agreements and supply chain policy.

The data points, data recording steps, report structure, verification steps, timeline for traceability reporting are adapted, customized and configured based on the extraction context of each mine and

trading as well as the identified risks by the IRA. However, the minimum requirements for a Minexx Traceability platform are found in the Minexx Traceability Guide.

#### ***4. Conformance checks for each minerals' shipments***

On export day, Minexx Platform issues a shipment conformance certificate for each mineral shipment, duly signed by a senior Minexx Officer in charge supervising the supply chain, and delivered to the upstream exporter, and shared with the receiving smelter/refinery.

The decision to issue one is based on the thorough verification of detailed information from step 1 up to 4 to insure:

- a) No serious risk/red flag risk was identified. In case of one or many risk, Minexx Platform halts the shipment, segregation it, temporality suspends its engagement with the operators and recommends stakeholders to trigger the risk resolution action.
- b) Significant progress is being made in the implementation of the monthly Risk Resolution Plan
- c) The upstream exporter shared with Minexx Platform all legally required shipment documents as per the Minexx Platform Due Diligence Documents. See annex 2.

## **F. DATA POLICY, SHARING AND PUBLICATION**

Minexx Platform will be doing the following in relation to information, data, and documents sharing:

- a. Require its platform users including gold operators to collect and maintain inventory and transaction documentation that can be retrieved and should include the physical descriptions set out in the Gold Supplement, supplier details including KYC information and unique references for processing, purchases and sales.
- b. Due diligence information, documentations and data will be shared with downstream companies and key stakeholders and facilitate their access to mine sites on behalf of Minexx platform users.
- c. Users of Minexx Platform/mineral operators will fully own and maintain all due diligence information for a period of 5 years, preferably on a computerized database and insure they continue to avail it to downstream purchasers and institutionalized mechanisms as needed. With written consent from the users, Minexx Platform and mine institutions in upstream countries will maintain a copy of all due diligence information and data.
- d. Minexx Platform will disseminate and give access to its customers/users, stakeholders and the general public to its grievance mechanism and information, so that they voice any concerns related to the extraction and supply chain activities of the covered mineral (s); as well as voicing concerns on Minexx as an upstream assurance provider itself. Users can capitalize on Minexx technology and resources to operationalise and bring efficiencies to their internal ones.
- e. A bi-annual list of conforming and non-conforming companies and users of the Minexx Platform or other reference standards as determined by reports from Minexx Platform, third-party audits, and relevant supply chain actors, will be published and made available to the public. Though there is a small number of gold refiners in producing countries, Minexx Platform will require gold refiners in producing countries to publish the audit reports including but not limited to the details of audit dates, activities, methodology and conclusions.
- f. Minexx Platform users are required to have and make available to the general public their company policies detailing their standards for managing the sourcing risks along their supply chain of minerals as consistent with the Annex II of the OECD guidance.
- g. Will require its users to publish and make available to the general public, their detailed annual sustainability or corporate responsibility reports, with information on supply chain due diligence. These reports should describe the company's management systems, the methodology and results of the risk assessment and the steps taken to manage risks, consistent with the specific content described in the OECD Guidance.



- h. Bi-annual auto evaluation of Minexx Platform and public hearing to monitor Minexx whether it is meeting its own objectives and ensure a public report is made available on its performance.



## G. MISCELLANEOUS

Minexx Platform will also insure the following:

1. Conducting communities monitoring metrics for a more understanding of the impacts of the implementation of its platform on the ground.
2. Conducting a mandatory annual review of its policy/standards documents and support its users to do the same in order to stay ahead and on top of the evolving due diligence concept and practices.
3. Explore mutual recognition of other upstream assurance mechanisms after proper assessment of their standards and position in the supply chain.
4. It actively and directly support ASM miner's access to capital, expertise and market for their minerals, in addition to Supplement of the OECD's guidance measures to create economic and development opportunities for artisanal and small-scale miners.
5. Users will disseminate to the public places their grievance mechanism tools and sensitive the general public to report any wrong doing along the minerals supply chain.
6. Commission an independent evaluation of the social and economic impacts that Minexx Platform may have on developing countries and its relevance linkages with the existing internationally recognised standards.

## H. ANNEXES

### 1. List of Minexx Due Diligence Tools

#	Minexx Tool	Format
1	Code of Conduct	Paper
2	KYC Form	Paper
3	Mine Site Assessment Form	Digital/Paper
4	Minex/Traders Database	Digital
5	Risk Management Plan	Paper
6	Traceability Guide	Paper
7	Minexx Platform Service Agreement	Paper
8	Traceability Platform	Digital & Paper
9	Incident Form	Digital & Paper
10	Incidents database	Digital & Paper
11	Periodic Risk Resolution File	Paper
12	Miners Census Form	Digital
13	Grievance Mechanism	Paper & digital
14	Export forms	Digital & Paper
15	Storage of export documents	Digital & paper
16	Document sharing	Digital & paper

### 2. Checklist of mandatory due diligence documents: they are all stored and shared with relevant supply chain actors via Minexx Platform.

Required Due Diligence Documents for Minexx Platform		
	Documents	To be Aailed By
Checked & Collected during the Initial Risk Assessment (IRA)		
1	Written letter/email to Minexx Management to join Minexx Platform	Upstream Exporter
2	Export Permit	Upstream Exporter
3	Commercial Registration Documents	Upstream Exporter
4	Tax Registrar	Upstream Exporter
5	Copies of Directors ID (passport, ID Card)	Upstream Exporter
6	Statutes of the Company	Upstream Exporter
7	Signed Responsible supply chain policy	Upstream Exporter
8	Anti-corruption policies and procedures	Upstream Exporter
9	Policies and procedures against money laundering and the financing of terrorism (AML, FATF)	Upstream Exporter
10	Grievance mechanism policies and procedures	Upstream Exporter
11	Risk management policies and procedures	Upstream Exporter
12	Comprehensive Report on the Initial Risks Assessment of the Supply Chain: first baselines with focus on: <ul style="list-style-type: none"> <li>1. Mining/extraction assessments – working conditions and material flow,</li> <li>2. Trading house assessment,</li> <li>3. Transporters and routes,</li> <li>4. Mining/trading legal governance framework</li> <li>5. Country's security, political, macroeconomics and governance climate</li> <li>6. Environmental status</li> <li>7. Stakeholders' consultation – leaders and communities,</li> </ul>	Minexx Platform

	8. Recommendations to mitigate risks.	
13	Monthly Users/Operators Report	Minexx Platform
14	Signed KYC checks on subcontractors	Upstream Exporter
15	Annual Report on the Implementation of Due Diligence – OECD – Step 5	Upstream Exporter
16	Signed KYC Form with relevant documents	Upstream Exporter
17	Signed Minexx Supplier Code of Conduct	Upstream Exporter
18	Signed Minexx Service Agreement	Upstream Exporter – Minexx Platform
19	Supply contract between exporter and mine operators	Upstream Exporter
20	Transaction documents for each delivered of purchased minerals from mine suppliers	Upstream Exporter
21	Proof of payment of all due taxes on minerals trade	Upstream Exporter
22	Latest audited financial statements	Upstream Exporter
23	Tax Clearance Certificate	Upstream Exporter
24	Legal agreement between exporter and mine titleholder (where applicable)	Upstream Exporter
25	Contracts with subcontractors: if relevant	Upstream Exporter
26	Contract with security provider: Police, private security, in house security	Upstream Exporter
27	Contract with transport services	Upstream Exporter
28	Mining Permit	Mine Operator
29	Business registration documents	Mine Operator
30	Copies of Directors' IDs (passport, ID card)	Mine Operator
31	Responsible supply chain policy	Mine Operator
32	Anti-corruption policies and procedures	Mine Operator
33	Policies and procedures against money laundering and the financing of terrorism (AML, FATF)	Mine Operator
34	Grievance mechanism policies and procedures	Mine Operator
35	Risk management policies and procedures	Mine Operator
36	Initial Risks Assessment of the Supply Chain: first baselines with focus on: <ul style="list-style-type: none"> <li>1. Mining/extraction assessments – material flow,</li> <li>2. Trading house assessment,</li> <li>3. transporters and routes,</li> <li>4. Mining/trading legal governance framework</li> <li>5. Country's security, political, macroeconomics and governance climate</li> <li>6. Environmental status</li> <li>7. Stakeholders' consultation: leaders and communities,</li> <li>8. Recommendations to mitigate risks.</li> </ul>	Mine Operator
37	Latest audited financial statements	Mine Operator
38	Annual report on the implementation of due diligence: OECD – Step 5	Mine Operator
39	Signed KYC Questionnaire with linked documents	Mine Operator
40	Legal agreement(s) between exporter(s) and mine operator	Mine Operator
41	Proof of payment of all mining taxes	Mine Operator
42	Legal agreement between mine operator and concession holder	Mine Operator
43	Contract with subcontractors: if relevant)	Mine Operator
44	Contract with security services provider(s)	Mine Operator
45	Contract with transport services provider(s)	Mine Operator
46	Geological /exploration reports about production plausibility	Mine Operator
47	National mine inspection or qualification report/decreree: if relevant	Mine Operator

Checked & Collected Before Export of Each Shipment Lot		
48	Full Traceability Records	Minexx Platform
49	Summary Traceability Record	Minexx Platform
50	Stock Reconciliation	Upstream Exporter
51	Packing List	Upstream Exporter
52	Supply Chain Assessment Report	Minexx Platform
53	Risk Resolution Actions	Minexx Platform
54	List of Existing and Resolved Risks	Minexx Platform
55	Analysis and Assay Report of Mineral Samples	Upstream Exporter
56	Signed Minexx Conformance Report	Minexx Platform
57	Proof of payment of ALL legal export taxes and fees linked to the specific minerals lot	Upstream Exporter
58	Customs shipment record	Upstream Exporter
59	Certificate of origin certificate	Upstream Exporter
60	COMESA, EAC, ECOWAS, ICGLR, SADC Certificate: if relevant	Upstream Exporter
61	Invoice (for the buyer)	Upstream Exporter
62	Warehouse Release Note	Upstream Exporter
63	Transport & Insurance Arrangements	Upstream Exporter
64	Transport logs	Upstream Exporter
65	Invoices from transport company	Upstream Exporter
66	Drivers Details: ID, Passport	Upstream Exporter
67	Truck Details: Plate #, ID # if relevant	Upstream Exporter
68	Inland-Forward Notice: if relevant	Upstream Exporter
69	Airway Bill (by air)	Upstream Exporter
70	Bill of Lading (by sea)	Upstream Exporter
71	Reception Notice: refinery/smelter Country	Refiner/Smelter

### 3. Minexx KYC Procedures

#### *On who Minexx Platform conducts KYC on?*

- a. counterparties,
- b. customer
- c. any users

#### *What does Minexx Platform check during the KYC Process?*

- a. If the counterpart is real: name checks, identity and addresses are verified
- b. Ultimate beneficial owner and linkages with other businesses
- c. Legality of the user's business operations
- d. Management structure and identification of the users' companies
- e. Other types of business engaged in
- f. Level of risk to contribute or engage in human rights abuses
- g. Compliance with anti-money laundering (AML) laws
- h. Financial and banking information
- i. Fiscal and tax compliance in upstream countries
- j. Types of minerals operations and position in the supply chain
- k. Relationship with local mineral suppliers

- l. Due diligence information collected in users suppliers
- m. Relationship with political organisations
- n. Internal company policies and procedures
- o. Filled KYC form must be signed by Minexx Users after a go ahead from Minexx management
- p. List of required documents (to be provided by Minexx Platform users) are listed in Minexx KYC Form

***How does Minexx Platform conduct the KYC checks?***

- a. Desk researches
- b. Verification of public information
- c. Verification of specialized databases (public and private ones)
- d. Verification of official information and documents
- e. Other sources

***What's the KYC frequency?***

- a. Annual basis: on new and existing Minexx users
- b. Any time whenever there is a change in the management/structure of the Minexx Platform users

***What happens when Minexx users is KYC compliant?***

- a. A conformance email is sent to the user
- b. A reminder of next KYC process is sent to the user

***What Next when there is a case of non-compliance?***

- a. Risk Resolution Action is triggered as described in this document from page 7-16
- b. Timely follow up is made until the identified risk is addressed by Minexx Platform user(s)
- c. No subscription to Minexx Platform is possible until user is fully KYC compliant