



Environmental, Social and Governance Report **2022**



A **CMOC** Group Company

We are one of the largest merchants of nonferrous metals globally and play a key commercial role at each stage of the metals supply chain, helping enable the energy transition



A **CMOC** Group Company

Contents

ABOUT THIS REPORT **3**

ABOUT IXM **4**

Vision, Mission, and Values	4
Key Figures	4
Geographical Presence	5
What we Trade	5
External Initiatives / Memberships	6
Awards and Recognitions	7
Executive Committee	8

GOVERNANCE **10**

Code of Business Conduct	10
Business Ethics & Compliance	11
Raising Concerns & Whistleblowing Protection	12
Information Security	13

PEOPLE **14**

Workforce Dashboard	14
Diversity, Equity & Inclusion	15
Training & Development	17
Employee Satisfaction and Feedback	17

RESPONSIBLE SUPPLY CHAIN **18**

Management System Overview	19
Risk Assessment Results	21
Achievements & Challenges	22
Forward-looking Statement	24



About this Report

This Environmental, Social, and Governance Report (hereinafter "this report" or "ESG report") provides an account of the performance of IXM Holding SA and its consolidated subsidiaries (hereinafter "IXM", "we", or "the company") in terms of fulfilling environmental, social, and governance responsibilities in 2022.

This is the first ESG report prepared by IXM, and we aim to publish an updated ESG report on an annual basis which will capture IXM's ESG performance during the previous calendar year. We will also continue to improve the scope and quality of the data and information reported.

This report is intended to serve the information needs of the stakeholder groups most affected by our business - employees, business partners, investors, shareholders, communities, sustainability rating agencies, government, regulatory bodies and anyone who will use the content for an analysis of IXM's sustainability performance.

This report was published on August 31st, 2023 following review and approval by IXM's Risk Committee. Data and information in this report is self-reported on a voluntary basis and reflect the reporting period from January 1, 2022 to December 31, 2022. Additional information that is relevant to the subject matter of this report and derived from events in 2023 prior to the publication date may also be included to ensure that investors have full access to material information.

We encourage users of this report to contact our compliance department for inquiries and feedbacks (compliance@IXMetals.com). This report can be downloaded from the official website of the company (www.IXMetals.com).

All statements in this report, dated August 31st, 2023, other than disclosures of historical facts, that address business activities, events, or developments that the company expects or anticipates may or will occur in the future (including but not limited to projections, targets, estimates, and business plans) are forward-looking statements. A range of factors and uncertainties may cause the company's actual results or developments to differ materially from those indicated by these forward-looking statements.

About IXM

Established in 2006 and headquartered in Geneva (Switzerland), IXM is a private company (Société Anonyme) engaged in the trading and marketing of base and specialty metals.

With offices in 12 countries and trading activity in more than 80 countries, we are one of the largest merchants of nonferrous metals globally and play a key commercial role at each stage of the metals supply chain, helping enable the energy transition.

IXM is indirectly 100% owned by CMOC Group Limited (hereinafter "CMOC"). CMOC is listed on the Shanghai Stock Exchange (SHA: 603993) and the Hong Kong Stock Exchange (HKEX: 03993) and is engaged in the mining, processing, and trading of base and rare metals. CMOC is one of the world's largest producers of tungsten, cobalt, niobium, and molybdenum, as well as a leading copper producer.

Vision, mission and values



Key figures 2022

Traded Volume
6.5
million
metric tons

Physical presence in
12
countries

496
employees
worldwide

Geographical presence



What we trade

- > Copper metal, blisters, and concentrates
- > Zinc & Lead metal and concentrates
- > Primary Aluminum
- > Nickel metal, FerroNickel, Nickel Pig Iron, and Nickel intermediates
- > Cobalt metal and intermediates
- > Niobium & Lithium

Our value chain

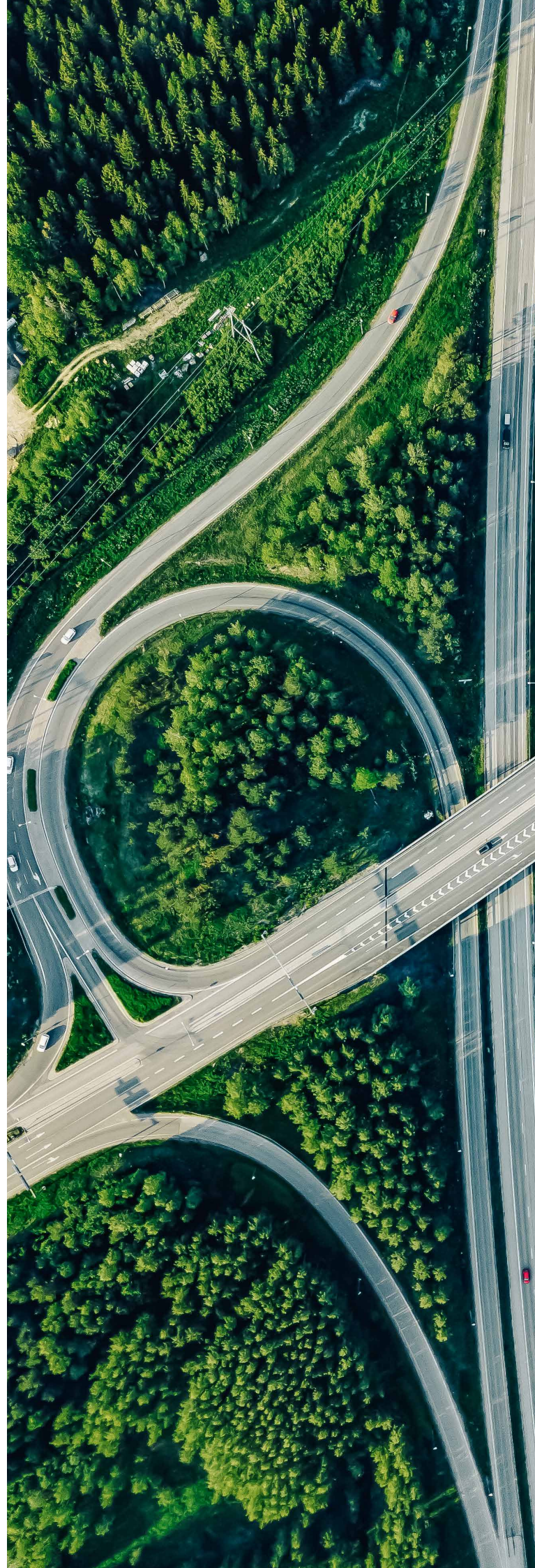


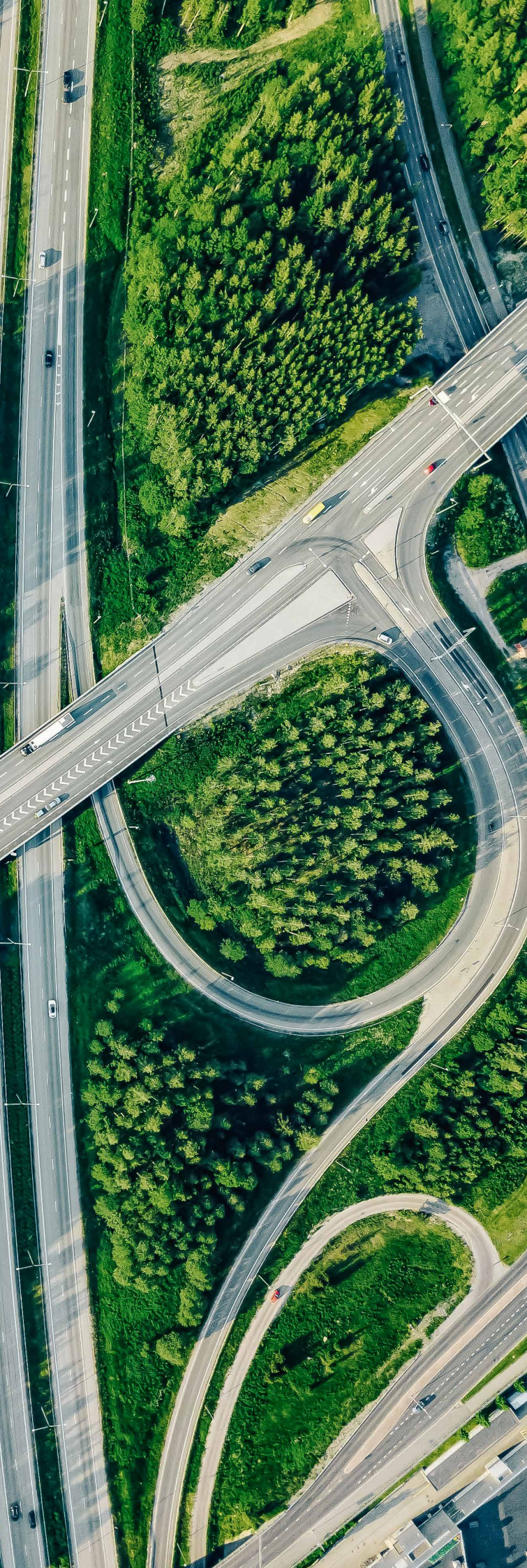
External initiatives / memberships

IXM, alongside CMOC, is a member of the Responsible Mining Initiative (RMI), which is a multi-stakeholder initiative providing companies with tools and resources to facilitate the responsible sourcing of minerals.

IXM has also joined the Better Mining initiative and the Fair Cobalt Alliance (FCA), through which it supports efforts to improve conditions at artisanal and small-scale mining (ASM) sites and within neighboring communities. Both organizations aim to assist in the professionalization of the ASM in the cobalt sector.

Together with CMOC, other major metals and mining companies, and worldwide battery suppliers, IXM is helping pilot Re|Source, a blockchain solution to end-to-end traceability from the mine to the electric car. This unique industry partnership between EV supply chain majors aiming to accelerate sustainable practices for every unit of cobalt mined, processed, and used in end-products, is running since July 2021. It is designed with the direct input of responsible sourcing experts from all participating companies, proactively addressing the growing need for cobalt value chain visibility.





Awards and recognitions

In 2022, IXM received a Silver Rating from EcoVadis for the second consecutive year which places us in the Top 25% of all entities rated by EcoVadis across all industries during 2022. More specifically, IXM was ranked in the top 5% of companies in the metal trading industry. EcoVadis is one of the largest business sustainability rating providers, which measures CSR performance in four key areas: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement.



Executive committee (As of 31.08.2023)



Kenny Ives
Chief Executive Officer
 AT IXM SINCE 2022

Experience
 Head of Glencore’s Nickel division and member of management exco until 2021

Several senior trading roles in the UK, China, the Netherlands, and Switzerland

24+ years at Glencore

Education
 Brasenose College, Oxford University



Jing Wu
Deputy CEO and CFO
 AT IXM SINCE 2020

Experience
 Group CFO at COFCO International

Senior risk management and portfolio optimization roles at Deutsche Bank, JP Morgan, Lehman Brothers and BP

33 years of experience

Education
 MBA in Investment & Corporate Financial Management from Ohio State University, USA. He is Chartered Financial Analyst and certified Financial Risk Manager



Tom Mackay
Head of Copper
 AT IXM SINCE 2005

Experience
 Commercial roles in LDC Coffee and Sugar platforms and other roles in Metals in London, Singapore and Geneva

19 years of experience

Education
 BA (Hons) Hispanic Studies degree from University of Manchester



Adhitya Sethaputra
Head of Aluminium
 AT IXM SINCE 2012

Experience
 Commercial roles in refined base metals at LDC Metals and IXM in Singapore and Geneva

11 years of related experience

Education
 BSc Economics from Singapore Management University



Xavier-Alexandre Ortiz
Head of Zinc & Lead
 AT IXM SINCE 2010

Experience
 Commercial roles marketing concentrate and refined Zinc & Lead in LDC’s Metals unit and at IXM in Singapore and Geneva

14 years of experience

Education
 Agronomic Engineering, Master in BA and MBA in Financial Technics at ESCP business school in Paris



Ronnie Jiang
Head of Asia region

AT IXM SINCE 2006

Experience

Head of China Metals business unit, Head of Metals Research and Market Research at LDC

17 years of experience

Education

Master of International Business and Management from Nottingham Trent University



Jason Podrats
Head of Legal

AT IXM SINCE 2017

Experience

Canadian lawyer and English solicitor

Associate roles in Canadian and English law firms prior to taking senior legal roles at LDC and then IXM

18 + years of experience

Education

LLB Dalhousie Law School, Halifax Canada. Université de Genève, Advanced Studies in Commodities Trading



James Gatehouse
Head of Derivatives Trading

AT IXM SINCE 2018

Experience

Senior roles in global commodity trading including Senior Portfolio Manager at Edesia Asset Management and Senior Trader at LDC

20+ years of experience in global commodity markets

Education

Bachelor of Commerce and Bachelor of Arts, University of Melbourne



Annabel Destrade
Head of Human Resources

AT IXM SINCE 2018

Experience

Global Head of Recruitment & Global HR Business Partner at LDC

Executive Recruiter & Manager at Michael Page

Strategic Consultant at PwC & Finance Mgr. in an Investment Fund

16 years of relevant experience

Education

Master in Business Administration from HEC Lausanne

Governance

As a global trading company, IXM fully recognizes the importance of responsible business practices and sustainable development in accessing resources, markets, and financing. In recent years, stakeholders' expectations regarding ESG-related issues have evolved, and IXM developed its strategy to meet a combination of increasingly high expectations and stringent regulatory requirements concerning responsible sourcing, environmental footprint, and other related matters. In 2022, we continued to consider these changing expectations and regulatory requirements to enhance our ESG strategy continually.

At IXM, we recognize the crucial role of robust governance in effectively managing our ESG risks. Our management approach is guided by the following key principles:

Oversight → IXM Risk Committee provides oversight on ESG topics, ensuring alignment with our corporate strategy, risk management framework, and long-term value creation. The Risk Committee offers guidance and receives regular updates on ESG performance, risks, and opportunities.

Risk Management → We integrate ESG risks into our enterprise risk management framework. Proactively, we identify, assess, and mitigate ESG-related risks to protect our employees, operations, reputation, and stakeholder interests. We regularly conduct risk assessments and implement mitigation strategies to address emerging ESG risks and opportunities.

Executive Leadership → Our senior leadership team integrates ESG commitments and objectives into decision-making processes and fosters accountability across the organization. ESG considerations are cascaded down to relevant teams and integrated into all aspects of our operations.

Policies and Standards → We have developed robust policies and procedures that clearly outline IXM's commitment to ESG principles and provide explicit guidelines for our employees and stakeholders. These policies

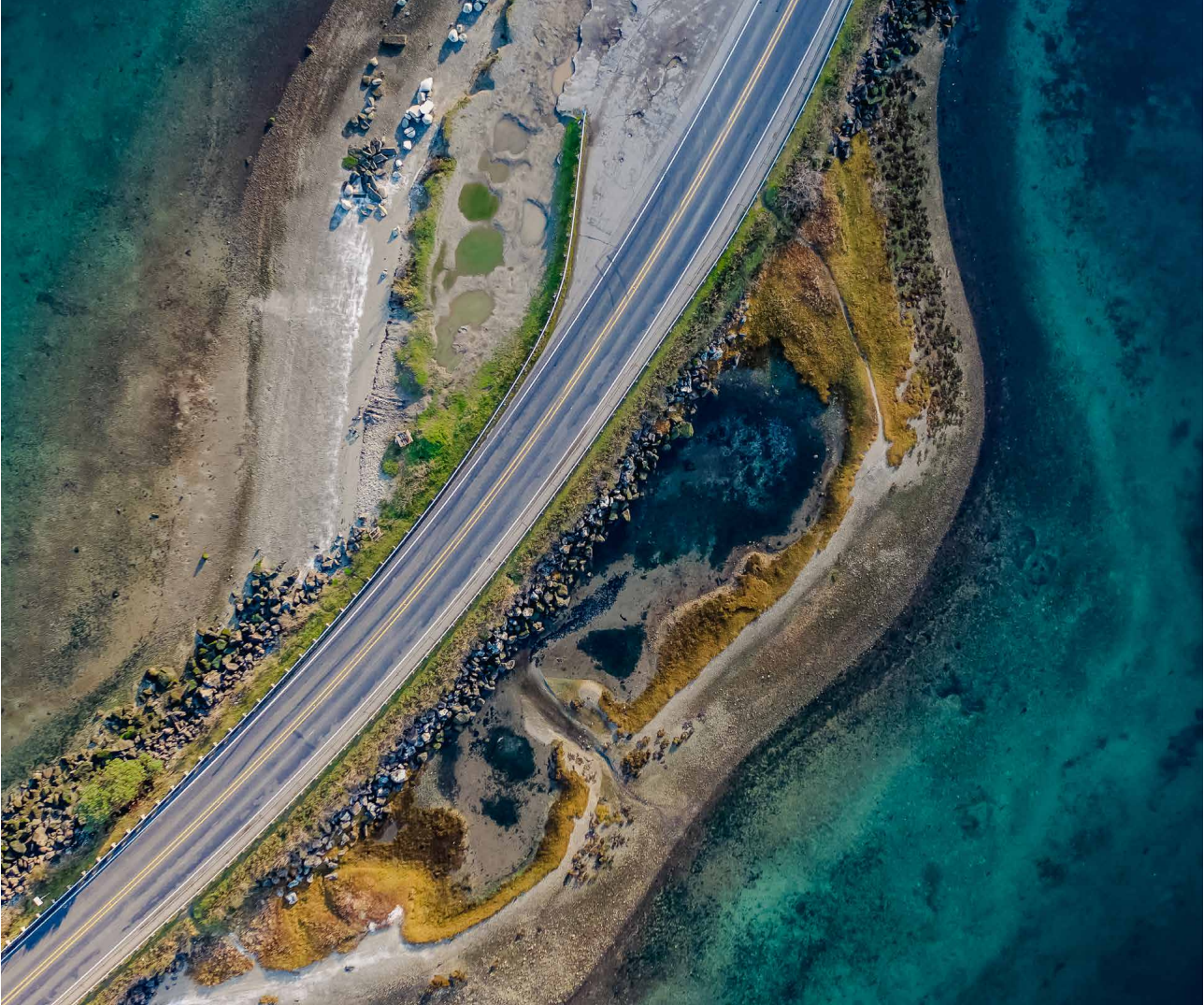
include our Code of Business Conduct, Anti-Bribery & Corruption Policy, Anti Money Laundering Policy, Sustainability Policy, and Supplier Code of Conduct. Our policies apply to all IXM employees across all our directly and indirectly controlled or majority-owned subsidiaries. To align with international benchmarks, these policies reference best practice frameworks such as the International Labor Organization (ILO) Conventions, the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs), the Voluntary Principles on Security and Human Rights (VPSHR), and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("OECD Guidance").

In accordance with CMOC Group's policy and operational risk controls, IXM has established a risk register to identify material risks - including ESG risks - and assess their likelihood, impacts, and risk management effectiveness. By establishing a risk register, IXM is able to incorporate risk management into operational management processes by developing and implementing action plans for the highest ranked risks. Risk registers undergo regular review by executive leadership in order to update risk ratings and accompanying action plans and procedures.

CMOC Group's Internal Control and Audit department routinely conducts inspections at IXM to monitor compliance with Group's policies.

Code of business conduct

As part of the CMOC Group, IXM and its employees must adhere to the CMOC Group Code of Business Conduct. This Code of Business Conduct encompasses various responsibilities and obligations related to business ethics, including anti-corruption measures, and managing conflicts of interest. It emphasizes the promotion of a safe and healthy workplace, the value of diversity and equality, the elimination of all forms of harassment and discrimination, as well as the respect for the environment and the communities in which we operate.



All employees are required to read, understand, and sign this Code of Business Conduct upon joining the company. Furthermore, they undergo regular training sessions on policies and standards covering aforementioned topics to ensure continued compliance with the code.

Business ethics and compliance

IXM is committed to full compliance with applicable laws and regulations in all jurisdictions where we operate. To this effect, IXM has established a comprehensive compliance program tailored to the specific requirements of our industry. It includes policies, procedures, and internal controls which are regularly reviewed to ensure adherence to legal and regulatory obligations. We monitor and stay abreast of changes in laws, regulations, and industry standards that affect our business operations.

Anti-Bribery & Corruption → IXM has a zero tolerance for bribery and corruption. Our policies prohibit to pay, offer, promise, authorize, or receive any gift, payment or other thing of value with the intent to secure an improper advantage in obtaining or retaining business. We have

implemented procedures and controls including a Gift & Entertainment Policy which defines rules and approval threshold related to the acceptance or remittance of gifts, entertainments, and hospitalities by our employees.

Anti-Money Laundering → IXM does not engage in, assist, or facilitate any transaction that is known or suspected to involve any kind of criminal activity such as money laundering, terrorist financing, or circumvention of economic sanctions. Our internal controls include a systematic due diligence of our business partners as well as a transaction monitoring process.

Economic Sanctions → IXM complies with all economic sanctions applicable to our transactions including sanctions promulgated by the United States, the European Union, The United Kingdom, Switzerland, and the United Nations. We also do not participate in transactions that would expose any of the participants to compliance risk under applicable trade sanctions, including IXM employees, IXM's banks and business partners. To manage sanctions risk exposure, IXM has implemented and regularly reviews controls including screening and monitoring of counterparts and payments.

Responsible Supply Chain → IXM is committed to ethical and sustainable business practices in its supply chain, which includes responsible sourcing of minerals. IXM developed a responsible sourcing management system in line with the OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“OECD Guidance”) and the Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel, and Zinc (“JDDS”). More information can be found in the Responsible Supply Chain section of this report.

IXM’s Legal and Compliance teams monitor risks and incidents and report them to our senior executive team and Risk Committee, as required. In 2022, IXM’s Legal and Compliance Department received no reports of corruption, bribery, blackmail, fraud, anti-competitive behavior or money laundering, nor were any lawsuits related to such behavior filed against the company.

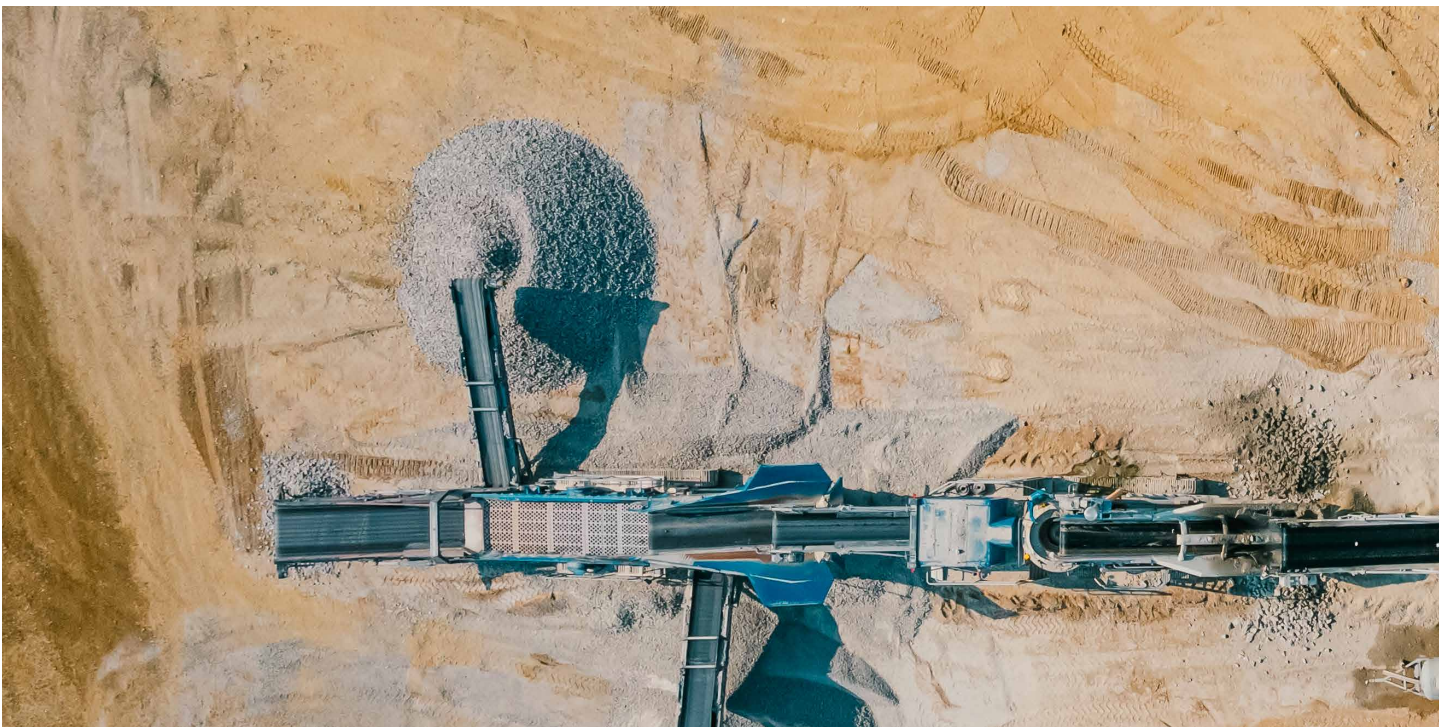
Regular training and awareness programs are conducted to educate employees on legal and compliance requirements. In 2022, 259 employees, representing approximately 55% of IXM’s workforce, have been trained on the topic of anti-bribery & corruption, anti-money laundering, and trade sanctions either in-person or via virtual meetings. Compulsory trainings were also given by external law firms for the entire IXM global commercial team on the topics of anti-competition and market abuse.

IXM policies and their dedicated trainings also communicate the responsibility of individual employees to report violations of the CMOC Group Code of Business Conduct, IXM policies, or the law.

Raising concerns and whistleblowing protection

IXM promotes a culture of transparency, accountability, and responsibility at the workplace and in the environment it operates. Employees and other stakeholders are strongly encouraged to report suspected violations of our Group Code of Business Conduct, policies, standards, or applicable law.

We have established a Raising Concerns tool that provides clear and transparent framework for employees and other stakeholders to address complaints and concerns. Grievances can be raised via an external Raising Concerns tool (IXM.ethicspoint.com) to protect anonymity of individuals who may fear retaliation and prevent any potential conflict of interest. We ensure that this tool is easily accessible to all stakeholders by making it available in several languages and by disseminating it through various communication channels, including our company website, internal communications, and training programs.



Irrespective of the channel chosen to raise concern, IXM respects the privacy of individuals who come forward with grievances and treat all information provided confidentially. In addition, IXM strictly prohibits any form of retaliation against individuals who report what they genuinely believe to be illegal, unethical, or inappropriate behavior.

All concerns and allegations are promptly investigated, and our process ensures that all parties involved are treated fairly and are regularly updated of the progress and outcome of their case. Investigation findings lead to appropriate actions which may include disciplinary measures, policy enhancements, or process improvements.

Information security

IXM attaches great importance to information security and the safeguarding of confidentiality, integrity, and availability of data. Our IT department has implemented policies and processes to protect IXM's information assets.

We enforce strict access controls to ensure that only authorized individuals have access to sensitive information. User access rights are regularly reviewed, and appropriate authentication mechanisms, such as strong passwords and multi-factor authentication, are implemented.

We also maintain data backup and recovery processes to ensure data availability and resilience.

On a regular basis and according to security best practices, we establish cyber-security testing and training campaigns. In 2022, we have conducted several phishing simulation campaigns to expose employees to simulated threats, gauge their awareness of attacks, and develop training plans accordingly. As part of the onboarding process, every new IXM employee is obliged to go through a cybersecurity training covering phishing prevention, and how to identify and report potential security incidents. Additional ad-hoc trainings are conducted based on employee risk profile.

In addition, IXM developed an incident response plan to ensure a swift and effective response to security incidents. The plan includes escalation procedures, communication protocols, and recovery processes. Business continuity plans are also in place to minimize disruptions and ensure the continuity of critical operations in the event of a security incident.

We respect the privacy rights of our customers, employees, and stakeholders. We comply with applicable data protection laws and regulations applicable to us, and we have implemented measures to safeguard personal data, including appropriate data handling, storage, and data breach response procedures.



People

Workforce dashboard

15
locations in
12 countries

496
employees
worldwide

35
nationalities

Average
Tenure
4 years

COUNTRY REPARTITION	12/31/2021	12/31/2022
Switzerland	73	80
Bulgaria	39	46
Turkey	5	6
China	142	166
Singapore	14	16
Indonesia	1	1
South Africa	49	75
USA	19	19
Mexico	30	36
Peru	42	43
Chile	5	5
Brazil	2	3
TOTAL	421	496

JOB CATEGORY REPARTITION	12/31/2021	12/31/2022
Commercial	109	128
Operations	110	141
Finance	127	146
Research	16	18
Production	24	23
Quality Control	6	7
Admin & Others	29	33
TOTAL	421	496

Diversity, equity and inclusion

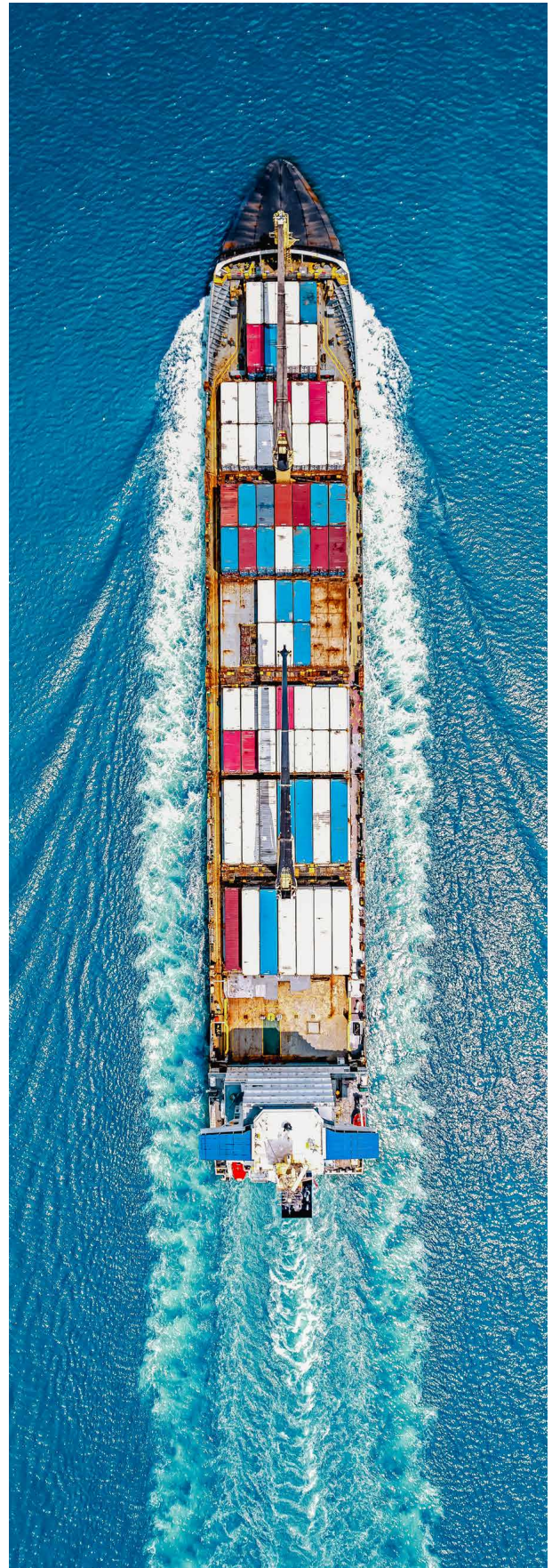
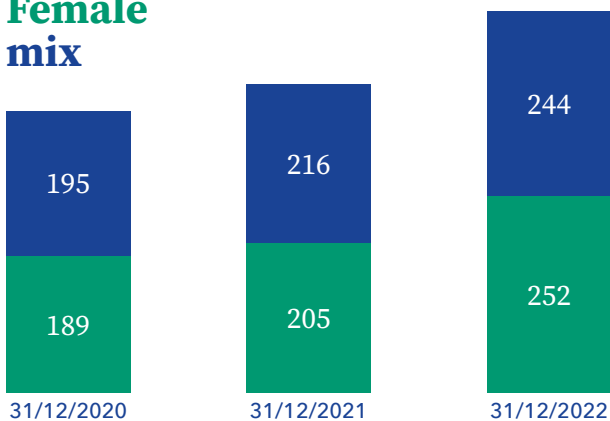
IXM is committed to fostering a diverse, equitable, and inclusive work environment where every individual is valued, respected, and provided with equal opportunities. We recognize individual differences and experiences, and we treat all individuals with dignity, fairness, and respect. As a result, IXM cultivates a supportive and welcoming environment that values and respects contributions and perspectives of all individuals. This commitment is at the core of IXM's Group Code of Conduct and encompass all aspects of employment at IXM, including recruitment, onboarding, training, promotions, compensation, benefits, as well as working conditions.

IXM has put in place an anonymous Raising Concerns tool and remediation procedure available to any employee that wishes to raise a complaint or concern related to discrimination and/or harassment.

Gender Diversity → IXM has built a company culture that finds strength in the diversity of its employees. As a global company with offices across the world, IXM is a naturally diverse organization. We strive to create an inclusive workplace, where everyone feels supported and empowered to achieve their potential.

While trading is still a very male-dominated environment, we are proud that women represent 50% of IXM's workforce.

Male Female mix

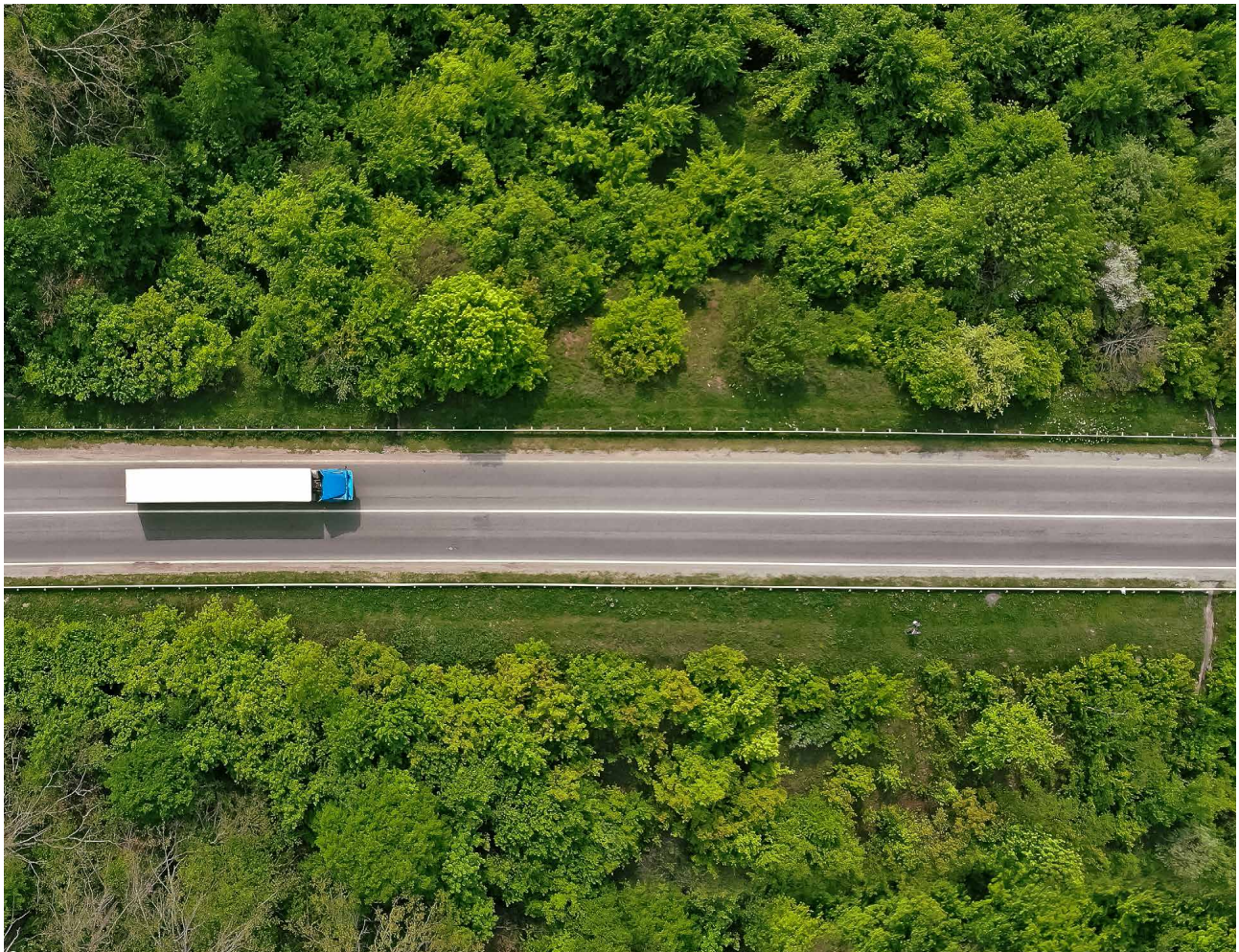


GENDER DIVERSITY (GLOBAL)	12/31/2020	12/31/2021	12/31/2022
Female	49%	49%	51%
Male	51%	51%	49%

GENDER DIVERSITY (MANAGER)	12/31/2020	12/31/2021	12/31/2022
Female	31%	37%	37%
Male	69%	63%	63%

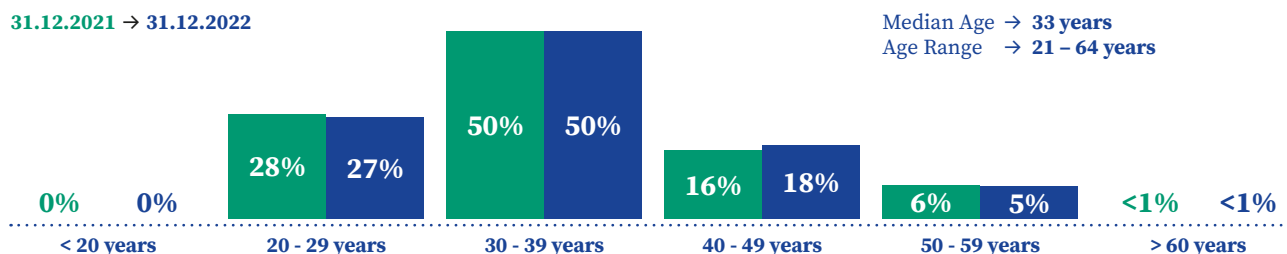
GENDER DIVERSITY (COMMERCIAL)	12/31/2020	12/31/2021	12/31/2022
Female	29%	30%	31%
Male	71%	70%	69%

GENDER DIVERSITY (NEW JOINERS)	12/31/2020	12/31/2021	12/31/2022
Female	62%	52%	58%
Male	38%	48%	42%



Age repartition

31.12.2021 → 31.12.2022



Training and development

At IXM, we value talent and ambition which is why we strive to offer opportunities for career advancement and self-improvement through continuous feedback and leadership. We value talent and are eager to invest in the creation and development of high performing teams.

As per IXM Performance Management Policy, all employees go through a performance & development assessment annually. This process is mandatory and serves as a key tool for measuring performance, identifying talents, and analyzing training needs.

IXM is committed to providing training and development opportunities to all its employees in order to improve their professional and leadership skills. Trainings may take the form of digital learning, on-site group trainings, mentoring programs, in-house training, or professional qualification programs. Our Training & Development Policy transparently establishes a standardized training process to ensure fair and equal treatment.

IXM continued to develop its Graduate Trainee Program in China with the objective to attract and develop talented individuals. This program provides a structured learning environment by exposing graduate trainees to different areas of the organization, including functional rotations. IXM aims to extend this Program to other regions in the future, and further develop its pool of talents.

Employee satisfaction and feedback

In 2022, IXM performed its 2nd global employee survey aiming to gather feedback and insights from all employees regarding their level of satisfaction and overall experience within the organization. This exercise allows IXM management team to identify areas of strengths or improvements, and to address gaps with the ultimate goal to improve retention rate and enhance employee engagement and well-being at work and outside of work.

TRAININGS	12/31/2021	12/31/2022
Average training hours per employee	N/A	5.77
Number of trainings conducted	N/A	180
Investment on trainings (in \$)	260,000	400,000

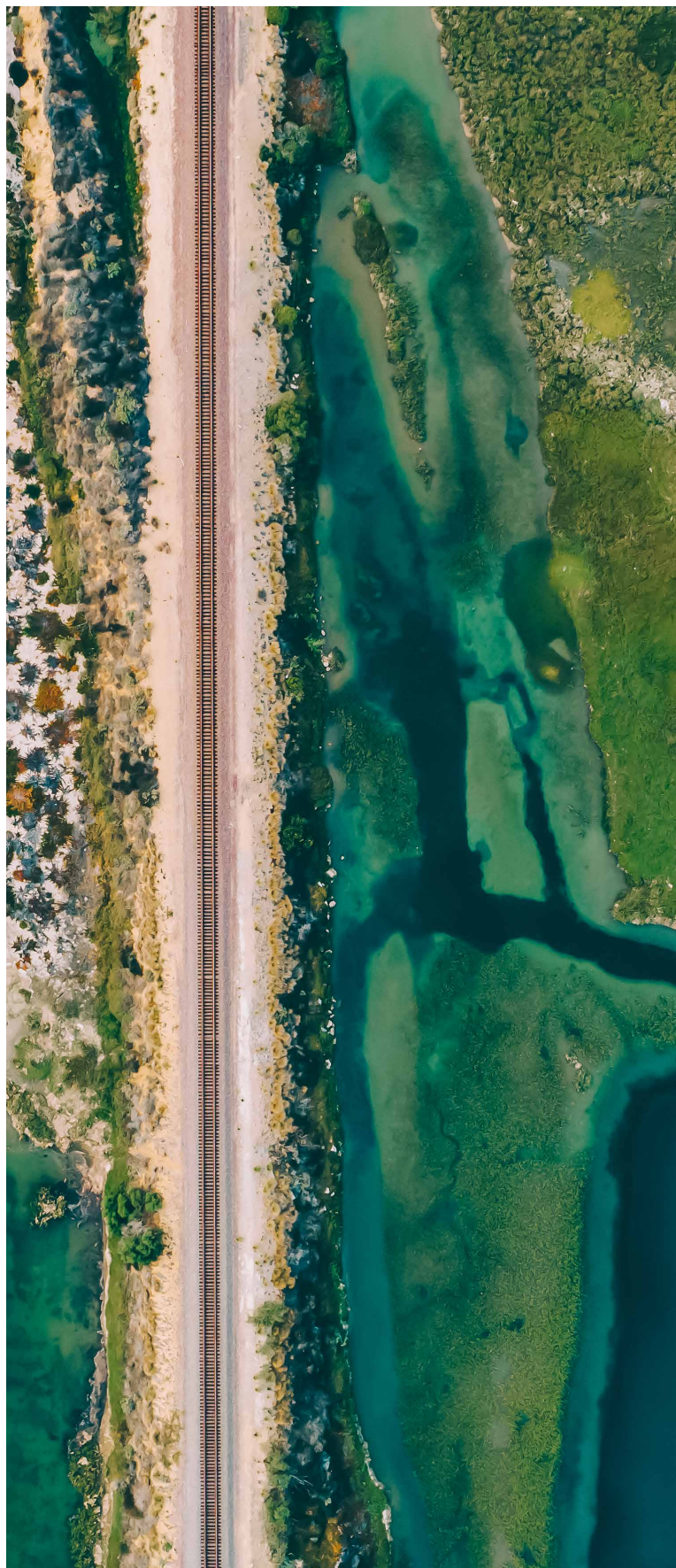
GENDER DIVERSITY (GRADUATE)	12/31/2020	12/31/2021	12/31/2022
Female	4	6	10
Male	4	6	3
TOTAL	8	12	13

Responsible Supply Chain

IXM acknowledges human rights, health & safety, and environmental risks associated with its mineral supply chain and integrates ESG considerations into its sourcing decisions.

As part of its commitment to ensuring ethical and responsible business conduct in its supply chain, IXM has established a Responsible Sourcing Management System ("RSMS") in line with the international good practice described in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("OECD Guidance") and the Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel, and Zinc ("JDDS").

By implementing these frameworks, IXM follows a robust approach to managing responsible sourcing risks and improving ESG performance across the mineral value chain. The RSMS allows IXM to achieve greater supply chain transparency, build stronger relationships with business partners, and meet the expectations of our external stakeholders regarding risk management and data sharing.



Management system overview

Purpose and Scope

IXM's RSMS comprises a set of policies, procedures, and tools to identify, assess, mitigate, and report on risks in its mineral supply chain. The RSMS follows the 5-step framework for risk-based due diligence of the OECD Guidance and the JDDS. The risk scope of the RSMS aligns with the Annex II of the OECD Guidance.

OECD Annex II Risks	Examples
Serious Human Rights Abuses	Forms of forced or compulsory labour, child labour, inhumane treatment
Direct or Indirect Support to non-state Armed Groups or Private Security Forces	Illegal taxation by non-state groups, mine control by non-state armed groups or private security forces
Financial Crime Associated with Minerals Extraction and Trade	Illegal payments, non-adherence to EITI standards, non-adherence to international money laundering standards

Relevant Policies and Tools

IXM's Sustainability Policy outlines the company's commitment to identify, assess, and respond to risks of adverse impacts and actual adverse impacts in its mineral supply chain, including the OECD Annex II risks. The Policy is communicated to all our employees and is publicly available on IXM's website.

IXM's Supplier Code of Conduct expresses IXM's expectations from counterparties providing IXM with goods or services. Our contracts with suppliers include binding requirements to comply with human rights, business ethics, and environmental principles listed in the Code.

IXM's internal 3rd Party Due Diligence and Management Procedure

outlines the internal governance structure for implementing the RSMS, the process to identify red flags, assess and manage responsible sourcing risks, and report on supply chain due diligence in line with stakeholder expectations.

IXM's Raising Concerns tool

serves as a group-level grievance mechanism for internal and external stakeholders to report potential violations of the group policies or other concerns related to responsible sourcing practices in their operations and supply chain. The Raising Concerns tool is operated via Ethics Point, a third party, ensuring anonymity of reporting persons.

Annual RSMS Review and Gap Assessment

IXM reviews the RSMS on an annual basis to evaluate its effectiveness and ensure its continuous improvement. In 2022, IXM commissioned RCS Global Group, an SLR Company and an independent audit and advisory firm, to review the company's existing responsible sourcing policies and procedures and identify gaps in the alignment with the OECD Due Diligence Guidance and JDDS.

The gap assessment identified several areas for improvement, specifically regarding Step 3 (risk mitigation) of the OECD Due Diligence Framework. As a result, in early 2023, IXM launched a dedicated project to address these gaps and updated the RSMS to achieve full alignment with relevant good practice frameworks and stakeholder expectations. For more detail on the RSMS updates, please see the Forward-Looking Statement.

Governance Structure

The following teams and functions are tasked with the RSMS implementation:

IXM's Head of Compliance, Insurance, and Risk ("HoCIR") oversees the overall RSMS implementation. The HoCIR leads the Credit Risk and Trade Compliance teams, suggests action plans to the Risk Committee, and implements the Committee's decisions. The HoCIR provides regular updates to the CMOC Vice President of ESG on the RSMS implementation.

The Commercial Team directly engages with suppliers to communicate IXM's responsible sourcing requirements and collect due diligence information.

The Credit Risk Team is responsible for reviewing supplier transaction information and identifying red flags. In the absence of red flags, new counterparties can be approved. Conversely, if red flags are identified, the supplier is escalated to the Trade Compliance Team.

The Trade Compliance Team is responsible for designing, reviewing, and implementing policies and internal procedures for counterparty and transaction due diligence. Additionally, the team undertakes enhanced due diligence to confirm the presence of and assess the responsible sourcing risks.

All policies, RSMS procedures, and amendments to IXM's sourcing strategy must be approved by the **Risk Committee** to ensure alignment with CMOC's Group policies.

Red Flag Identification and Risk Assessment

IXM's credit risk policy requires all commercial suppliers of minerals to be assessed through a Counterpart Due Diligence Process that follows a risk-based approach. Information for due diligence is obtained through public domain research, external research providers, internal market intelligence generated by IXM, as well as supplier interviews and questionnaires.

As part of its Counterpart Due Diligence and Red Flag Determination Process, IXM systematically collects information about its prospective partner's legal status, operations, ownership, and sourcing

practices. Legality is determined by documenting registered names, addresses, and principal facility locations. IXM also gathers operational data to document mining methods, material origins, and relevant transportation routes. This information is vital in assessing whether the material has originated or transited through a conflict-affected and high-risk area ("CAHRA"). The counterpart must disclose all significant shareholders (>10%) as well as its own investment interests in companies operating in an identified CAHRA.

Red flags are explicitly defined in IXM's 3rd Party Due Diligence and Management Procedure and are identified via IXM's Consult Before Trade (CBT) Country List. The CBT List is aligned with the Responsible Minerals Initiative ("RMI") methodology for identifying CAHRAs and explicitly catalogues jurisdictions with exposure to Annex II or other geopolitical risks. A red flag is raised if a counterparty is directly associated with a country on the CBT list. This may include counterparties who own operations in, source material from, or have a shareholder in a CAHRA. In any of these instances, enhanced due diligence will be required before the transaction can be approved.

Depending on specific supplier circumstances, enhanced due diligence may involve on-the-ground assessments, further desk-based research, obtaining additional information from the supplier, review of audit reports and supply chain mapping information etc. To review suppliers' performance across a broader set of ESG risk areas, IXM uses the Risk Readiness Assessment (RRA) Criteria developed by the RMI.

Should IXM identify risks of adverse impacts or actual adverse impacts, it will develop a Risk Management Plan.

An aerial photograph of a road winding through a dense forest, overlaid with a semi-transparent blue filter. The road is a two-lane highway with a white center line, curving from the top left towards the bottom right. The trees are a mix of deciduous and coniferous, appearing in various shades of green and blue due to the overlay.

Risk assessment results

In 2022, IXM sourced material from over 30 countries across six continents.

These included CAHRAs such as the Democratic Republic of Congo, Mexico, and Eritrea. In total, over 200 potential and existing suppliers were screened throughout the reporting period.

IXM did not identify any critical risks or actual adverse impacts related to serious human rights abuses and support to non-state armed groups associated with minerals extraction and trade in its supply chain.

For this reason, no supplier contracts were suspended or terminated in 2022.

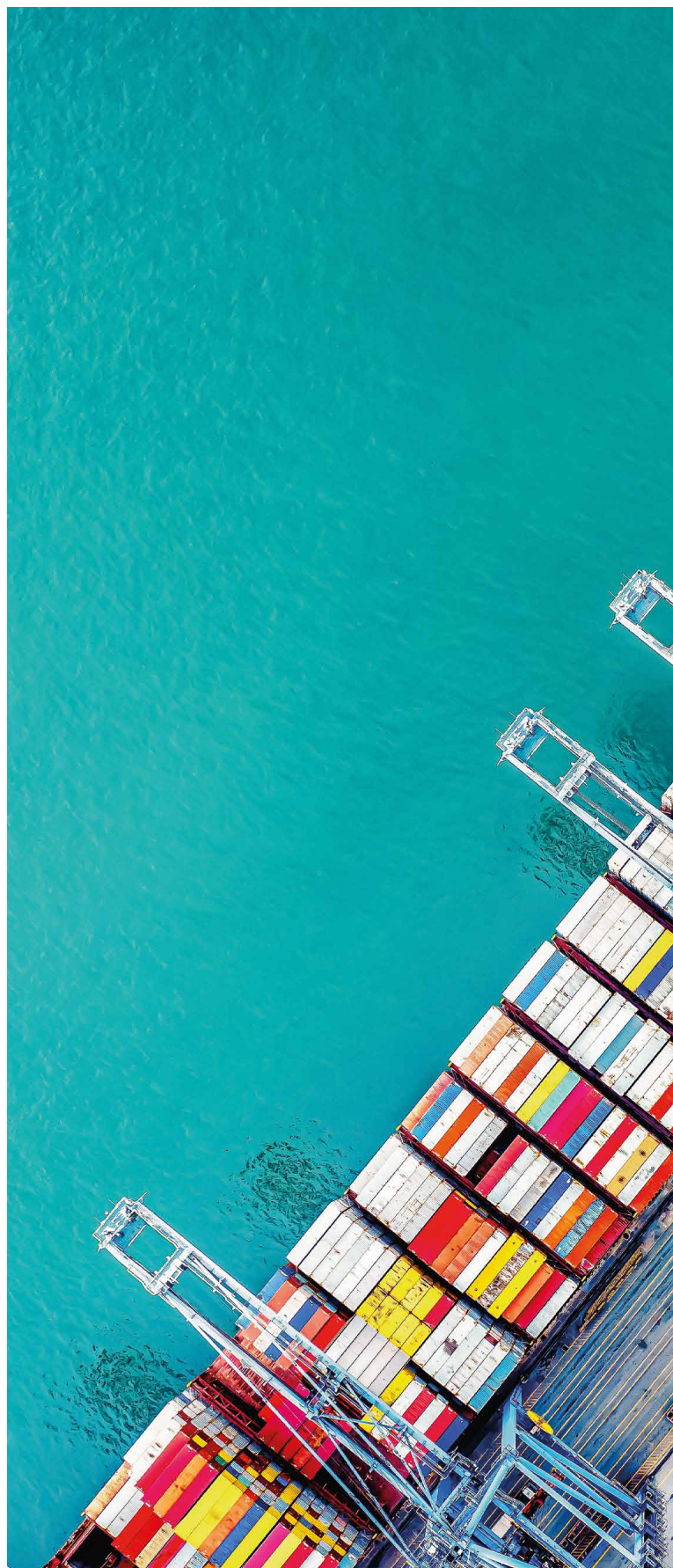
Achievements and challenges

Achievements

As part of the company's commitment to ensure responsible business conduct in its supply chain, IXM launched a new Supplier Code of Conduct in June 2022. Embedded in the Code are human rights principles from the UN Guiding Principles on Business and Human Rights and the International Labour Organization. IXM also expects its suppliers to act in a manner that is compatible with our own internal Code of Business Conduct by inserting company-wide ethical financial standards and anti-corruption practices.

Throughout 2022, IXM continued to support responsible sourcing initiatives, including Better Mining and the Fair Cobalt Alliance (FCA), which engage in on-the-ground capacity building through training programs and corrective action recommendations. These initiatives also help advance formalisation of the ASM sector. Additionally, IXM and CMOC are members of the RMI, which is a leading global responsible sourcing initiative that offers third party assurance in mineral supply chains.

IXM's collective involvement in responsible sourcing initiatives allows us to engage in dialogue with like-minded peers and other stakeholders to improve responsible sourcing practices in the mineral value chain.





Challenges

One of the key challenges in the implementation of our responsible sourcing strategy is the limited leverage of IXM and trading houses in general over suppliers, which is linked to our position in the supply chain as well as a highly competitive market landscape, diverging regulatory requirements of destination markets, and short-term contracts that are typically spot transactions or one-year forward. These circumstances often make it difficult for IXM to drive supplier capacity building, improvements of their management systems, and ensure more comprehensive data sharing and public disclosure. Collecting credible information on sourcing practices in the supply chain, which is a critical element of our due diligence process, may be linked to additional challenges including competitive concerns, lack of awareness among smaller upstream actors or lack of a harmonised approach within the industry.

To address these challenges, IXM is actively developing its internal capabilities and adopting a strategy to engage with suppliers more consistently while prioritising counterparts associated with higher responsible sourcing risks for engagement. With the latest updates of our RSMS, IXM will introduce a more streamlined approach to collecting supplier data and we will communicate these expectations to our suppliers as part of our outreach.

Forward looking statement

Throughout 2023, IXM will work on updating its RSMS to achieve full conformance with the OECD Due Diligence Guidance and the JDDS to demonstrate strong responsible sourcing to our stakeholders. These updates are informed by the results of the gap assessment conducted in collaboration with RCS Global Group in late 2022. We will also include environmental risks into the scope of our RSMS following the OECD's publication of its Handbook on Environmental Due Diligence in Mineral Supply Chains. Complementing the existing OECD Due Diligence Guidance, the Handbook is designed to help companies across the mineral supply chain address risks of adverse environmental impacts from mine-site to end-product.

In line with our responsible sourcing ambition, we will implement a more robust 3rd Party Due Diligence and Management Procedure with clearer definition of supplier risk levels and a consistent approach to risk mitigation in our supply chain.

As part of the RSMS updates, IXM has reviewed its Sustainability Policy. The revised version is referred to as Responsible Sourcing Policy and has been made publicly available on our website. The Policy will be communicated to our employees and suppliers, as well as incorporated into supplier agreements.

The company is also committed to building internal capacity by training at least 75% of our commercial workforce on topics related to responsible sourcing.

Considering that supplier engagement remains a key challenge for the company, IXM intends to proactively engage with suppliers to build their capacity in responsible sourcing, support the implementation of IXM's responsible sourcing requirements, raise awareness of responsible sourcing risks and promote good practice. Additionally, the company will continue to encourage third-party audits in their supply chain as required by industry initiatives and IXM's 3rd Party Due Diligence and Management Procedure.





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