

2021 Sustainability Statement



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About this statement

This statement is intended to provide information about the policies and procedures in place and core to IXM's responsible business practices.

It also reports on ESG initiatives and projects kicked off and conducted by IXM during the 2021 calendar year.

It is the first time IXM publicly communicates on its business practices, and we intend to continue improving and developing this Statement going forward.

Ethics

IXM, together with all its directly or indirectly controlled subsidiaries commit to maintaining a high level of ethical and legal conduct. Our [Code of Conduct](#) and [Sustainability Policy](#) (both publicly available on IXM website), Anti-Bribery & Corruption Policy, and Anti-Money Laundering Policy, set the standards and processes to ensure that we operate our business in accordance with strong ethical principles, and that IXM complies with all applicable local and international laws and regulations.

Our group **Code of Conduct** addresses responsibilities and obligations of IXM employees in respect of business ethics, including anti-corruption and conflicts of interest, as well as the promotion of a safe and healthy workplace. All employees are required to review, understand, and sign IXM's Code of Conduct upon joining the company as part of the onboarding process.

The **Anti-Bribery & Corruption Policy** stresses IXM's zero tolerance for bribery and corruption and clearly defines rules and approval procedures related to the acceptance or remittance of gifts, entertainments, and hospitalities by employees, including specific provisions when dealing with public officials.

Trainings on the topics of **trade sanctions, anti-bribery and corruption, and anti-money laundering**, are mandatory for all employees deemed to occupy positions having potential for corruption risk such as IXM commercial teams. In 2021, 106 employees have been trained on these subjects either in-person or online.

All stakeholders can report suspected cases of corruption anonymously via a designated email address. In 2021, IXM's Legal and Compliance Department received no reports of corruption, bribery, blackmail, fraud, or money laundering, nor were any lawsuits related to such behavior filed against the company.

Responsible Sourcing

As a global company trading of metals around the world, IXM recognizes the risks associated with its mineral supply chain and incorporates ESG factors into its business decisions to reduce risk and meet expectations of its stakeholders.

IXM commits to responsible sourcing and has implemented a [Sustainability Policy](#) which defines the key principles and the risk management approach that IXM applies globally. This policy is consistent with the standards set forth in the **OECD's Due Diligence Guidance for responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the OECD Guidance)**.

IXM's supply chain management is aligned with the **Joint Due Diligence guide (JDD)** and has adopted the **RRA (Risk Readiness Assessment)** issued by the RMI's (Responsible Mineral Initiative) that provides a comprehensive due diligence framework across all relevant ESG areas. The JDD is derived from the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas. Efforts are in place to implement the OECD 5-step due diligence process on our portfolio due diligence and a risk-based approach to the assessment.

IXM, alongside its shareholder CMOC, is a member of the **Responsible Mining Initiative (RMI)**, which is a multi-stakeholder initiative to address issues related to the responsible sourcing of minerals in supply chains.

To implement this policy, IXM established robust management systems to identify and assess risks associated with ESG issues including human rights abuses, bribery & corruption, as well as environment, health and safety issues. It consists of systematic risk-based due-diligence of IXM's suppliers and is regularly supported by desktop research, engagement with the supplier, consultation with other stakeholders, and - depending on materiality of potential red flag - on-site visits or independent third-party audit.

IXM constantly assesses and, where necessary, improves the language of the social and environmental clauses included in its commercial contracts to ensure that IXM and its counterparts comply with applicable laws and regulations, as well as IXM's public commitments on responsible sourcing. In general, any breach in obligations can lead to termination of contract.

In an effort to continuously improve its operational processes, IXM has mandated a leading consultant to undertake a Gap Analysis of its responsible minerals sourcing practices and IXM will then develop a program to close gaps identified over time.



IXM Due Diligence Approach

IXM **Counterparty Due Diligence (CDD) process** is applicable to all commercial counterparties (suppliers/customers) globally and follows a risk-based approach where IXM is primarily looking for below red flags (non-exhaustive list):

- Material origin, transit, or destination is linked to Conflict-Affected and High-Risk Areas (CAHRA), or to an area neighboring CAHRA, or to an area with no/low metal resources.
- Counterpart sources material from 3rd parties operating in CAHRAs
- Counterpart is linked to serious human rights abuses, bribery and fraud, money laundering, tax evasion, or direct or indirect support to armed groups
- Counterpart is linked to adverse media or positive hits in KYC screening tools IXM applies globally.

When a red flag is identified/confirmed, IXM performs an Enhanced CDD to mitigate any red flags, which can consist of:

- Screening of counterparty, shareholders, directors in KYC screening tools to check for potential hits against sanctions lists, previous legal/regulatory enforcements, political exposure, adverse media, potential affiliation with military or state-owned entities, etc.
- Submission and review of ESG questionnaire
- Identification and review of upstream suppliers of counterpart
- Verification of counterparty's countries of operation, as well as origin, transit, destination countries of material
- Review of counterparty's code of conduct, sustainability policy/report, or any policy/report related to anti-bribery & corruption, anti-money laundering, environment, community, etc.
- Desktop and/or on-site 3rd party due diligence.

In 2021, IXM organized 9 on-site audits with ESG components at suppliers' facilities including 8 audits carried out by IXM Industry team, and 1 audit carried out by a third-party consultant.

IXM Sustainability Initiatives

Revolving Credit Facility ("RCF") linked to IXM's EcoVadis ratings

In 2021, IXM announced that it successfully signed for the first time a Revolving Credit Facility aligned with Sustainability-linked loan principles. This was made possible after IXM earned its first EcoVadis rating for Sustainability performance. EcoVadis ratings measure CSR performance in four key areas: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. IXM scored a silver rating, which places the company in the top 25% of its industry (ISIC category), and we are working to improve this YoY to achieve a successful completion of the KPI's within the RCF (syndicate of 19 banks lead by ING)

<https://www.ixmetals.com/who-we-are/media-and-insights/revolving-credit-facility>



CarbonChain pilot project

In parallel, to manage the transition risk to a low-carbon economy, IXM launched a 1-year pilot project with one of its main financing banks and CarbonChain. The goal is to have in place a sustainable financing facility tied to measuring, reporting, and lowering (vs. industry benchmarks) its supply chain emissions (upstream and downstream - Scope 3 GHG protocol). IXM will disclose the necessary details on a per shipment basis with CarbonChain who will calculate the carbon intensity and share the results with the bank. Upon achieving its target, IXM will earn interest rate discounts based on a preset scale.



Industry wide partnerships

Alongside CMOC, IXM continues to support ASM formalization efforts. IXM and CMOC are members of both the Fair Cobalt Alliance and Better Mining. Both organizations aim to assist in the professionalization of the artisanal and small-scale mining (ASM) in the cobalt sector. While we do not source cobalt from ASMs, IXM has long recognized that the non acceptance of ASM cobalt does not help to address the issues or their root causes. On the contrary, disengagement from ASM creates the risk that the ASM cobalt trade will become even more hidden, leaving the miners and their families worse-off. By joining the FCA, IXM follows the OECD's recommendation to contribute to collective action, fostering the creation of responsibly produced ASM cobalt.

<https://www.ixmetals.com/who-we-are/media-and-insights/fair-cobalt-alliance-welcomes-its-latest-members>

<https://www.ixmetals.com/who-we-are/media-and-insights/better-mining-program>



IXM Sustainability Initiatives

Re|Source Blockchain pilot project

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.



UBS Optimus Foundation

IXM selects and funds environmental and social programs with the professional support of UBS Optimus Foundation.

<https://www.ixmetals.com/sustainability>

A *global* metals and minerals merchant

IXM key figures

Figures – end of 2021

COUNTRIES **80+**
We trade in

ESTABLISHED **2006**

PER YEAR **6.5** MMT
metals originated and shipped

TURNOVER **25** BN USD
annually

To find out more visit our website

ixmetals.com

IXM is one of the largest traders of physical non-ferrous metals and plays a key commercial role at each stage of the metals supply chain, fueling the energy transition. IXM's expert local teams provide global coverage for sound, tailored and diversified sourcing, risk management, logistics and financing solutions to its wide network of clients in the metals industry.

Our *Leadership*



Paul Akroyd
Chief Executive Officer



Jing Wu
Deputy CEO



Hal Didner
Chief Operating Officer
& Head of Regions



Benoit Pialoux
Chief Financial Officer



Ji Yongmei
Chief Risk Officer



Annabel Destrade
Head of Human
Resources



Ronnie Jiang
Head of Asia region



Arnaud Paulik
Head of Corporate and BD
Head of NorthAm region



Tom Mackay
Head of Copper



Robert Sidders
Head of Specialty Metals



Adhitya Sethaputra
Head of Aluminium

What we *trade*

Copper

Copper is a critical commodity for sectors such as construction, power grid infrastructure, and the automotive industry. It is an essential component to the world's transition towards clean and renewable energy and plays a key role in the development of the electric vehicle industry.

At IXM we seek to respond to the increasing and evolving demand for copper by sourcing responsibly from producers around the globe. Our strategic and sustainable approach allows us to leverage our extensive relationships with key partners to provide solutions that best fit the needs and interests of our many trading partners and customers worldwide.



Tom Mackay
Head of Copper

Concentrates

Intermediate products

Refined

Aluminium

Through our prominent market position, strong relationships with smelters, extensive logistics and warehousing network, we offer responsible sourcing, diverse financing and logistics solutions where and when required by our very diverse client base.

Our trading, research and risk experts provide effective and reliable tools to navigate not only market volatility but also operational and political risks.



Adhitya Sethaputra
Head of Aluminium

Alumina

Aluminium

What we *trade*

Zinc, Lead & Silver

We are a leading merchandiser of a wide spectrum of zinc, lead and silver products worldwide.

Thanks to our strong knowledge of the market, extensive logistics and warehousing network, we can offer not only blending and warehousing services, but also financing and derivatives solutions to

tailor suit the various needs of our customers along the entire value chain.

Our responsible approach coupled with our extensive areas of expertise, help us to develop long term and reliable relationships and build volume growth.

Concentrates

Refined



Xavier-Alexandre Ortiz



Roger Wang

Co-heading Zinc&Lead

Specialty Metals

IXM are committed to the transition to global electrification, low carbon and clean energy. Our specialty business focusses on the key materials along the lithium-ion battery value chain, all responsibly sourced.

As one of the world's leading base and specialty metals traders, we leverage our extensive network to develop long-term downstream outlets that underpin value and volume growth. We focus on innovative, sustainable and cost competitive origination strategies that deepen our global relationships.

Cobalt

Nickel

Lithium

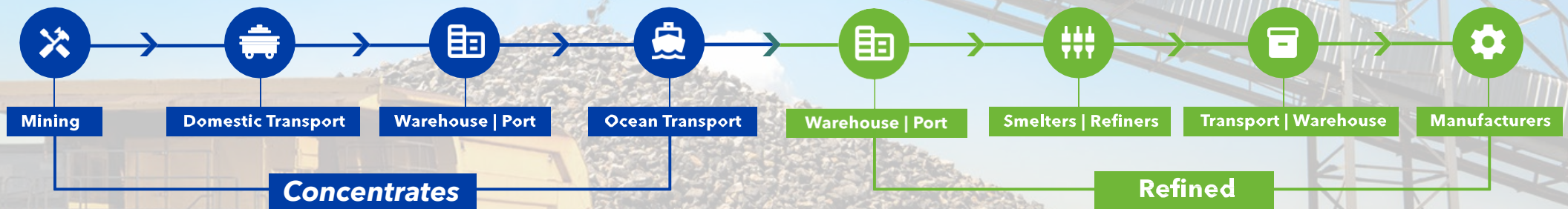
FeNb



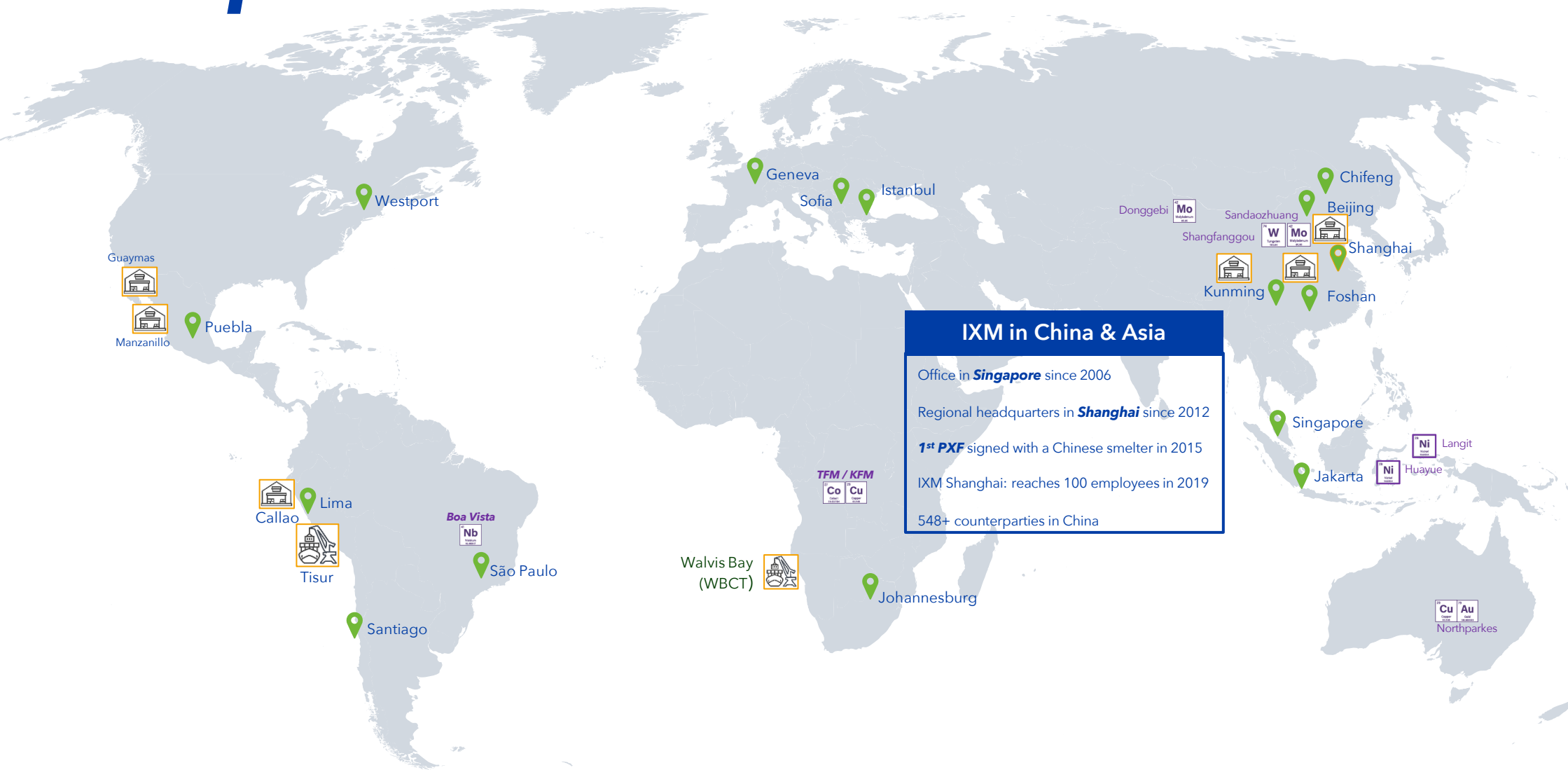
Robert Sidders
Head of Specialty Metals

Partner along the entire value chain

IXM's strength lies in our ability to work with our customers throughout the entire value chain. We de-risk, facilitate, and support at every step of the process.



A diversified and expanding global footprint



IXM cargo terminals
(owned/leased)



IXM warehouses
(owned/leased)



CMOC mines & sites



IXM offices

IXM S.A.

Rue de Lausanne, 15, 7th floor
1201 Geneva,
Switzerland



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