
VISIONBLUE
R E S O U R C E S

ESG INVESTMENT PRINCIPLES

ESG Investment Principles

Vision Blue Resources' (VBR) main environmental and social impacts occur in the mining operations conducted by our investees. We see this as an opportunity, firstly to invest into companies that have a demonstrated commitment to leading ESG management practices through historical performance; and secondly, to invest into those companies which are willing and able to work together with us to build world-class ESG management systems.

Although VBR as an investor will not have absolute control over investees, we will always use our position to positively influence and align investees with our ESG framework and principles, as well as leading industry standards.

Our ESG framework is designed to

- Incorporate relevant analysis and evaluation of ESG topics and issues into our investment due diligence and decision-making processes
- Focus on companies and assets that have an ESG risk profile that meets VBR's risk acceptance criteria, and that have a coherent understanding of their ESG related risks and opportunities
- Consider those investees that have the ambition and capability to implement and manage a world class ESG management framework

As active owners, we will

- Seek to provide management, technical and operating support at asset and corporate levels, and use our expertise to support investees in building a world-class ESG framework to deliver continuous improvement in ESG performance
- Seek appropriate monitoring and disclosure on relevant ESG factors and aspects by the companies in which we invest and regularly report to our investors about status and progress towards specified ESG goals
- Manage our ESG approach to support our investees in improving overall business performance and generate superior returns for our investors, as well as shared value for affected stakeholders
- To underline and support our ESG approach as responsible investors, Vision Blue Resources is a signatory to the United Nations Principles for Responsible Investment (PRI).

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INCORPORATION OF ESG INTO OUR INVESTMENT PROCESS

When we invest into projects, we have defined minimum ESG standards with which we expect an Investee to conform. In these cases, the focus will be on management intent and plans, and monitoring performance of those plans. For investments in more mature operations, the ESG expectations and requirements will be higher and, while management intent is important, a greater emphasis will be placed on evidence of ESG implementation and performance.

ESG forms an integral part of all stages of our investment process. From the initial screening and sourcing stages to the operational due diligence phase, on to investment decision and monitoring and improvement of ESG performance in existing investments:

- The investment team generally compiles and incorporates the findings of our ESG evaluation and due diligence into investment materials to present to our Board for evaluation and discussion, and final investment decision
- Once an investment is made, VBR monitors that investment on an ongoing basis from an ESG perspective. Throughout the monitoring process, VBR evaluates ESG progress and enhancements made by investees and report on these
- VBR will use its influence to encourage further integration of ESG considerations in its investments

GENERAL EXPECTATIONS FOR INVESTEEES

We are committed to the highest ethical, social, and environmental standards, as laid out in our Business Principles. With our investment activities we aim to create long-term shared value for our society and economy.

We seek investments that can demonstrate or are committed to develop:

- ESG leadership, through a credible statement of management intent including defined commitments and clearly articulated ambitions
 - A suitable ESG framework and management system, overseen by capable people and subject to external validation
 - A clear functional governance and organisational structure with the right technical, environmental, and social capabilities and capacity to execute
 - A system to align contractors, suppliers, and partners with their ESG framework and programs
 - An understanding of relevant ESG risks and opportunities, and related important standards, requirements and expectations (e.g., from buyers), on local, national, and international levels
 - A commitment to complying with applicable legal requirements
 - An ESG strategy with realistic, executable plans and targets, with a clear focus on relevant risks and opportunities and alignment with good practice and standards
 - Training and development to ensure adequate capabilities to execute ESG related tasks
 - An open, constructive and productive engagement with relevant stakeholders, e.g. communities that are affected by the mining operations
 - Effective monitoring and review mechanisms in place
 - Analysis of internal monitoring and reporting to drive continuous improvement of ESG performance
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- An integrated assurance program that provides stakeholder confidence that ESG standards and requirements are being met and objectives will be achieved
- Transparent ESG reporting that matches the investment's risk profile and is aligned with leading industry standards

ESG AREAS FOR REVIEW AND MANAGEMENT

The following section provides a non-exhaustive overview of the ESG areas we generally address in each phase of our investment process. Depending on the characteristics and life cycle of the project or mining operation and exposure to ESG risks, each approach will be tailored to place the focus on the ESG topics that are most relevant.

General ESG Framework

Documentation and programs stipulating ESG management intent and commitment, measuring and analysing performance, and continual improvement expectations:

- Risk assessment and planning
- Emergency and crisis management
- ESG policy, standards, practices
- Environmental & Social (E&S) management system elements, including Social & Environmental Impact Assessments (SEIA)
- Management reviews facilitating strategic improvements and decision-making

Health & Safety

Programs and activities intended to embed an effective safety culture, while safeguarding and improving the occupational health and safety of employees and contractors, and the operational integrity of facility installations:

- Promotion of safety culture and safe behaviour, including training and development
 - Process safety - prevention of unintentional releases of chemicals, energy, or other hazardous materials
 - Health & industrial hygiene
 - Detection and prevention of catastrophic risks
 - Medical emergency management
 - Management of injury & illness
 - Fitness for work, assessment & surveillance
 - Promotion of health programs
 - Health reporting and records management
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Environment

- Programs and activities aimed at managing and minimizing the carbon intensity and environmental impact and footprint:
- Prevention of environmental spills and incidents
- Managing and minimising emissions to air and water, noise and dust
- Management, reduction, avoidance and recycling of waste
- Programs to mitigate negative effects on biodiversity, and an ambition to achieve no net-loss of biodiversity
- Promotion of efficient use of natural resources and land
- Efficient use of energy, use of renewable energy, and offsetting of remaining CO2 emissions to achieve carbon neutrality where feasible
- Environmental monitoring programs and transparency with local communities in reporting
- Use of Best Available Technology Economically Achievable (BATEA) in technical processes including, where possible, recycling, re-use, or reprocessing of energy, materials, or resources
- Robust tailings management and monitoring processes with design elements to reduce risks of failures
- Closure and rehabilitation plans, where appropriate

Social

Programs and activities aimed at managing social issues and challenges with both employees the communities, and contributing to sustainable livelihoods:

- Employee care and development, including diversity, fair employment practices, and maximising local content (such as employees, suppliers, contractors) as far as is possible and appropriate
 - Community health, safety and security
 - Commitment to Human rights, including alignment to the 'UN Guiding Principles on Business and Human Rights'
 - External stakeholder engagement, maintaining an effective, constructive and open dialog and engagement with communities, and respecting the rights of indigenous people, ethnic minorities, or other traditionally disadvantaged groups
 - Effective grievance mechanisms
 - Resettlement programs, consideration of in-migration, local inflation, community conflicts, preservation of cultural heritage
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- Land access, use and acquisition
- Management of potential artisanal or small-scale mining activities
- Strategic community development and investment
- Supply chain development and local procurement programs, including programs to develop potential for local businesses and suppliers

Governance

Robust governance and organisational structure, explaining:

- Degree of Board-level oversight and accountability for ESG issues
- Corporate values, compliance and business integrity
- Whistleblower hotlines and/or grievance mechanisms
- Diversity programs for gender and cultural diversity in the workplace
- Executive remuneration that includes ESG factors
- Employee relations
- Government relations

Good practices in transparency, disclosure, accountability:

- Accounting practices
- Total economic contributions, including taxes, royalties, fees, etc. paid to governments (e.g. as per EITI), and indirect economic contributions e.g. through local procurement and employment
- Lobbying practices
- Sustainability reporting (e.g. by using GRI or other reporting standards)
- Commitment to leading ESG industry voluntary standards

Supply Chain Accountability

The ability of the Investee to identify, understand and respond to the needs and requirements from buyers of the materials in support of offtake agreements or financing arrangements, for example:

- Reporting of greenhouse gas emissions (scope 1, 2, and 3)
 - Managing and reducing CO2 emissions, use of renewable energies, and CO2 offsetting where carbon neutrality is a requirement
 - Demonstration of generally accepted, responsible ESG production standards
 - Alignment to other, specific applicable and required ESG standards and initiatives, as and when needed
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