



GREEN MINERALS

Transparency act

The Transparency Act, which came into effect on July 1, 2022, marks a significant milestone in Norway's commitment to corporate social responsibility and ethical business practices. This legislation mandates that larger enterprises and public authorities disclose information on their efforts to respect fundamental human rights and prevent adverse impacts within their operations and supply chains. The Act aims to foster transparency, promote accountability, and empower consumers, investors, and other stakeholders with the information needed to make informed decisions.

Green Minerals is a Norwegian deep-sea mining company, with the mission to deliver minerals for the Green Shift in a responsible manner with as little environmental impact as possible. The company endeavours to develop the value chain of marine minerals through a light-asset strategy. It means that the company is building strong business partnerships to carry out offshore production, logistics, processing and refining of ore minerals. Highlighting that the company has not started operations yet, so this report shows Green Minerals' commitment to prevent negative impact on people and the environment.

The company focus its activities on Norway and its business partners are headquartered in Europe.

The company has three main documents that guides our efforts to upholding human rights:

- Code of Conduct
- Human Rights Policy
- Commitment Policy

And internal policies:

- Anti-harassment
- Whistleblower policy
- Shareholder engagement

- Health and Safety
- Environment protection
- Quality

Embedding best practices and awareness about human rights and decent working conditions

Green Minerals focus on keeping employees informed and updated about the company's work on human rights and decent working condition. By keeping employees well informed about the concerns for potential risks create awareness and responsibility for all to raise concerns for investigation.

The company is stablishing specific training requirements for both office staff and operations. Each job description outlines the necessary education and experience. Additionally, a system that includes a matrix of periodic mandatory training is to be developed and reviewed every year.

Channel for raising concern

Green Minerals encourages everyone to report any concern by talking to the management team or sending an email to our whistleblower channel (whistle@greenminerals.no), if one wishes to keep anonymity. The company has developed a

whistleblower policy to strengthen our support to anyone who wishes to raise a concern, and to prohibit any form of threat or retaliation against individuals who report concerns in good faith. As a result, the company aims to nurture a culture that prioritises the well-being of people and protects the environment. All concerns will be promptly investigated, and the results informed to the to the appropriate stakeholders, including the whistleblower (if known).

Accountability

Accountability in Green Minerals means adhering to stringent environmental and safety standards, ensuring compliance with international and local regulations, and maintaining transparent operations. We are committed to responsible resource extraction, minimizing ecological impact, and protecting marine biodiversity. Regular audits, thorough environmental impact assessments, and continuous monitoring are integral to our practices. Additionally, we engage with stakeholders, including local communities and environmental groups, to address concerns and incorporate their feedback. This comprehensive approach ensures that we operate ethically, sustainably, and with full accountability to all our stakeholders.

Stakeholder engagement

The company has developed a Stakeholder Identification and Analysis procedure to map, prioritise, and assess the influence of each stakeholder group, from those most affected by the company's operations to those least affected. This process enables effective stakeholder engagement. Understanding the role of each group allows us to develop a well-structured plan for communication and relationship strengthening with each stakeholder group.

The due diligence process

Once the scope and planning for the project is finished, we will have an overview of suppliers and subcontractors engaged in the project, which enables an assessment of these companies and their work in human rights and decent work conditions, and if there have been any incidents. In this first assessment, a questionnaire will be sent to suppliers and subcontractors, and when further information is needed, especially in situations where there have been incidents, we might require documentation to understand how companies have engaged with stakeholder, how they have addressed impacts, and which grievance mechanisms were applied and the outcomes. Audits will also be performed periodically.

Once we gather this data, we will map suppliers by countries of operation and identify high-level risky

areas through a country risk index. With this information, it will be possible to prioritise suppliers and risks based on severity. Following, necessary actions must be taken, and continuous follow-up must be ensured.

Points to be considered during the process:

- Dedicated supply chain management system simplify communication and gathering of information from suppliers
- It is important to build strong relationships based on trust with suppliers, ensuring high quality information and commitment

Potential risks

As outlined previously, Green Minerals has yet to commence operations, hence there are no incidents to report at this time. However, we have recognized potential risks across all business areas that could result in human rights violations:

1. Geological Risks

- Resource Estimates: uncertainty estimates of the amount and quality of the mineral resources and/or qualified mineral reserves.
- Exploration Data: uncertainty of the acquired geological data.

Mitigation: The company adheres to reporting principles as established in internationally recognised reporting standards. In addition, the company's resource reporting will be verified by an independent 3rd party as is common for listed companies. To support this reporting activity, the company will establish quality assurance procedures related to the acquisition and treatment of geological data during its exploration activities.

2. Environmental Risks

- Environmental Impact: Potential damage to local ecosystems and biodiversity.
- Waste Management: Handling and disposal of mining waste and tailings.
- Water Usage: Impact on local water sources, including contamination and depletion.

Mitigation: The company plans for completing environment baseline survey of possible future mining sites followed by an environmental impact assessment to support an operation environmental monitoring and mitigation plan. It is predicted that such plan will be a pre-requisite for obtaining a mining permit prior to start mining operations.

The company does not intend to treat the extracted ore at a plant owned by the company but to rely on a partner processing plant. The company will audit the possible processing plant partner with special attention to waste storage and tailing ponds with regards to already delivered permits and local regulations. As part of the audit the company will investigate the sourcing of the fresh water used for processing the ore as well as the handing of effluent water either from the processing itself or from the tailing ponds (as applicable).

3. Technical Risks

- Mining Methods: Suitability and safety of the proposed mining techniques.
- Processing Technology: Efficiency and reliability of ore processing methods.
- Infrastructure: Adequacy and condition of existing infrastructure (roads, power supply, water, etc.).
- Innovation: Need for technological advancements and adaptability to new technologies.
- Maintenance: Equipment reliability and maintenance challenges.

Mitigation: The company has completed its conceptual study of a mining system for mining SMS in the Norwegian's condition. The company will continue with a FEED study to confirm the technological and economical soundness of the

mining system which includes the safety of the personnel, the mitigation of environmental impacts and an adequate level of operational robustness (including maintenance philosophy)

The company does not intend to design and build a dedicated processing plant (adequacy of existing infrastructure is mainly related to land site which is not currently planned)

4. Operational Risks

- Safety Standards: Workplace safety and health risks for employees.
- Labor Issues: Availability, skill level, and reliability of the local workforce.
- Supply Chain: Dependence on external suppliers and potential disruptions.
- Occupational Hazards: Risks associated with the physical working environment.
- Health Issues: Long-term health impacts on workers and nearby populations.

Mitigation: As part of the above-mentioned concept study the company has already identified the relevant standards and guidelines for ensuring a high HSE standard of operation.

The company foresees that offshore Oil&Gas standards will apply to its operations at sea thus the regulatory framework has not been formalised

by the competent authorities yet.

5. Financial Risks

- Cost Overruns: Potential for budget overruns during development and operation.
- Commodity Prices: Volatility in the prices of the mined resources.
- Capital Requirements: Adequacy of funding and financial reserves.

Mitigation: The current financial projections of the company include high and low scenarios related to uncertain revenues and costs (sensitivity studies).

The future mining feasibility studies of the company (necessary to qualify reserves and support mining permit applications) will include sensitivity studies to ensure the robustness of the mining plan with regards to financial risks as required in the mining industry.

6. Legal and Regulatory Risks

- Permits and Licenses: Acquisition and maintenance of necessary permits and licenses.
- Legal Disputes: Existing or potential legal issues, including land ownership and indigenous rights.

Mitigation: The company operates in countries where regulatory frameworks are either established or will be established prior to operations.

Legal disputes regarding land ownership and indigenous rights are extremely unlikely as such issues are handled by the competent authority prior to delivering licenses and permits.

7. Social Risks

- Community Relations: Impact on and relationship with local communities.
- Child labour.
- Modern slavery.

Mitigation: The company has developed policies and procedures to perform meaningful stakeholder engagement.

Even though the company operates in regions where child labour and modern slavery are uncommon, we actively raise awareness about these issues. During supply chain due diligence, those responsible must investigate potential incidents due to their severity. We maintain a zero-tolerance policy towards human rights violations.

8. Market and Economic Risks

- Economic Conditions: Local and global economic conditions affecting

operations.

- Taxation: Local taxation policies and potential changes.
- Demand Fluctuations: Changes in global demand for the mined commodity.
- Competition: Presence and actions of competitors.

Mitigation: The company has established market watch practices and is constantly monitoring possible changes in the near and far future regarding the demand of commodities. The results from this watch supports regular reviews of financial projections supporting the company's operations.

Similar type of watch is established for competitors to consolidate the company's understanding of its environment.

9. Security Risks

- Theft and Vandalism: Potential for theft or vandalism of equipment and resources.

Mitigation: The company intends to operate in region where security is provided by the national authorities.

The accessibility of the resources is extremely limited as they are located in the deep-sea and requires technological and technical capabilities which are extremely limited to large industry

actors.

10. Reputational Risks

- Public Perception: Media coverage and public opinion on deep-sea mining activities.
- Implementation of corporate social responsibility practices.

Mitigation: The company bases its actions solely on data and scientific knowledge and ensures that stakeholders are kept informed.