



RESOURCE
CAPITAL FUNDS

2024 ESG Annual Report

YEAR ENDING DECEMBER 31, 2023

Mining is not a choice. How we mine is.

13 Al Aluminum	14 Si Silicon	24 Cr Chromium
25 Mn Manganese	26 Fe Iron	28 Ni Nickel

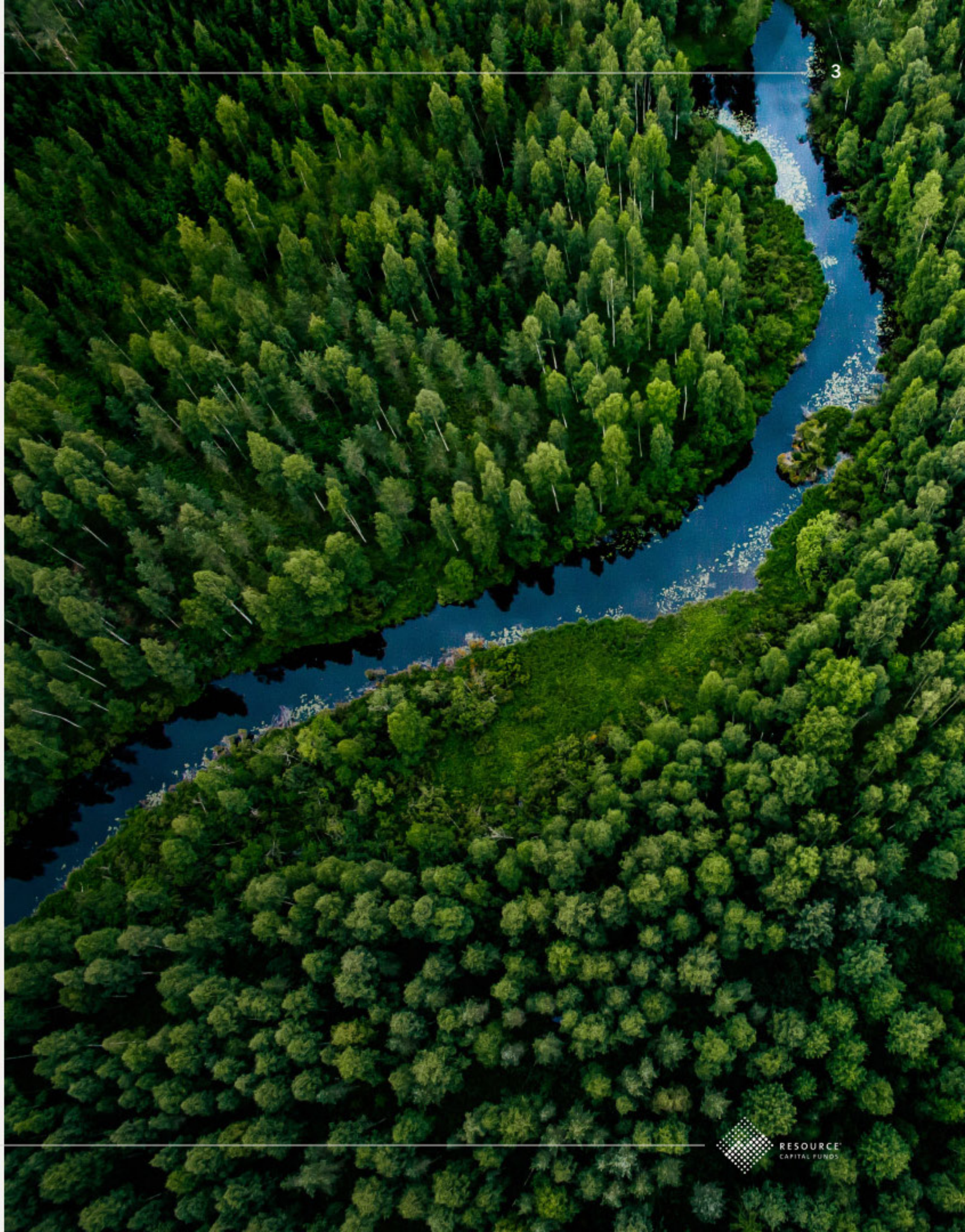
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Acknowledgement

Resource Capital Funds ("RCF") recognizes and shows its respect to the Indigenous, Traditional, and Tribal Peoples of the lands, waters, and territories where RCF and its portfolio companies operate globally. RCF holds deep respect for the distinct cultural and spiritual connections that Indigenous, Traditional, and Tribal Peoples have to these lands, waters, and territories, and their valuable contributions to society. RCF is committed to encouraging its portfolio companies to consider how their operations interact with and affect Indigenous communities and to make long-term decisions which respect and value Indigenous culture.



About This Report

Scope and Key Issues Contained in this Report

RCF's 2024 ESG Report provides an overview of its approach and performance in environmental, social, and governance (ESG) issues across its business and portfolio companies for the year ended December 31 2023, unless a different time period is noted. In addition to 2023 activities, the report also includes progress and planned activities for 2024, where applicable.

To enhance transparency in its reporting, RCF is pleased to disclose ESG performance data aligned to certain leading sustainability reporting frameworks including the Sustainability Accounting Standards Board (SASB) Asset Management and Custody Activities Standard, Task Force on Climate-related Financial Disclosures (TCFD) and the Institutional Limited Partners Association ESG Data Convergence Initiative (EDCI).

This is RCF's fourth ESG report.

About RCF

For 26 years, RCF has been dedicated to delivering capital, growth, and innovation to the mining sector to support demand for the foundational materials required to enhance the lives of every person. A pioneer in mining-focused alternative investments, RCF partners with companies to build successful, innovative, and sustainable businesses that strive to produce superior outcomes for all stakeholders, offering distinct investment strategies that provide capital throughout the development and risk/return spectrum.

Mining is an essential global industry for the world of today and the future. With paradigm shifts in demand driven by decarbonization and other global factors, RCF has the investment experience, technical knowledge, commercial creativity, and global networks necessary to invest throughout commodity cycles.

Groundbreaking

25+

Years of mining investment experience

\$5.1 bn

Funds raised to invest in mining

\$5.1 bn

Total realizations

\$2.2bn

Assets under management

25+

Mines brought into production

15+

Innovation portfolio company investments

30+

Commodities invested in

50+

Countries invested in

230+

Portfolio company investments

170+

Fully realized investments

Data as of September 30, 2024

RCF has made **230+ investments** worldwide and supported **25+ mines** into production

Global network of local investors in key mining jurisdictions



A diversified platform of mining specific strategies



RCF Private Equity

The RCF Private Equity strategy seeks to achieve significant returns from investments in the mining industry. It is founded on the belief that the world is undergoing a paradigm shift in the demand for metals and minerals. The RCF Private Equity strategy seeks a leading role in advancing projects to cash flow through a focus on late-stage assets in strong mining jurisdictions.



RCF Opportunities

The RCF Opportunities strategy rests on the belief that meeting the planet's surging demand for metals, driven by technological innovation, changing demographics, and global electrification and decarbonization objectives, relies on new discoveries and project advancement. To offset the natural risks of early-stage exploration, the RCF Opportunities Strategy pursues a diversified and relatively unconstrained approach that seeks to lower volatility, flatten the j-curve, and generate realizations during and after the investment period.



RCF Innovation

The RCF Innovation Strategy is a growth private equity investor focused exclusively on the mining innovation sector. The energy transition, ESG requirements, and the declining quality and remoteness of mineral reserves are forcing the mining industry to transform itself. The RCF Innovation Strategy seeks to establish equity positions with significant control and influence to enable successful scale up and position innovative firms for high-value exits. Innovation is vital to mining and we believe this niche sector has a large and fast-growing revenue potential. RCF's Innovation Strategy generally invests in a balanced portfolio of 10 to 15 growth equity deals across APAC, North America, and Europe.



RCF Private Credit

The RCF Private Credit Strategy is founded on the belief that responsible mining is essential for global decarbonization efforts and \$2 trillion of new capital is needed to support the global energy transition. Strong demand from energy transition underpins long term positive price trends for specific transitional metals, and a lack of public equity and institutional debt appetite presents an opportunity for alternative credit. The RCF Private Credit Strategy seeks to invest in producing mining and midstream companies and in de-risked, feasibility stage, construction ready, fully permitted counterparties in established mining jurisdictions with an objective of generating attractive risk-adjusted returns and yields.

Multi-disciplinary, in-house expertise

RCF has a cadre of professionals with both global mining industry and investment expertise. Possessing dynamic insights, thoroughly embedded with high caliber technical and operational knowledge, commercial experience, and people networks, that proficiency is deeply ingrained, institutionalized, and able to be deployed in a flexible manner.

The investment professionals of RCF have extensive experience developing and producing mining assets, are fluent with global mining technology, and know how to recognize value and opportunity. Investment teams are supported by RCF's in-house technical, ESG, legal, analytics, markets and talent teams, and the specialized expertise of their members.

The RCF Platform

Technical

- Geology
- Engineering
- Metallurgy
- Infrastructure
- Execution

Talent

- Board and C-suite due diligence
- Management recruitment
- Senior staff advice and development

Markets

- Supply and demand dynamics
- Commodity cost curves
- Public markets trading

ESG

- Environmental
- Social
- Governance
- DE&I
- Permitting

Legal & Tax

- Deal structuring and execution
- Compliance
- Country and legal risk analysis
- Tax optimization

Analytics

- Resources and reserves monitoring
- Operational dashboards
- Predictive modelling

Authenticity Matters

RCF's enduring values of passion, discipline, integrity, respect, and teamwork guide the firm's engagement with all stakeholders, decision-making processes, and commitment to investment excellence. These values drive actions and enable RCF teams to build long-term relationships with investors and the wider mining community.

Responsible investment is at the forefront of the RCF approach to value creation. Critical to this is maintaining a culture of ethical behaviour, transparency, and responsibility in investment processes and ownership practices. The identification and management of ESG impacts, risks and opportunities is deeply embedded within investment decisions and investment management processes.

A Pioneer in Private Equity Mining

Resource Capital Funds is a critical minerals and mining-focused, global alternatives investment firm.

For 25+ years we have partnered with investors, innovators, and miners to lead the mobilization of capital into mining, aiming to produce superior returns for all stakeholders.

From the energy transition to supporting industrialization across the globe, metals and mining has and is the bedrock and growth engine for human civilization and advancement.

Our Vision

Build **successful, innovative** and **sustainable** businesses that strive to produce superior outcomes to all stakeholders.

Our Mission

Act as a **transparent** and **trusted fiduciary**, delivering value to limited partners.

Be a **long-term partner** to the mining companies and projects in which we invest.

Provide a **challenging, engaging, inclusive** and **rewarding** environment for employees to work.

Our Values

Passion

Discipline

Integrity

Respect

Teamwork

RCF Believes

Mining is essential

Almost everything society needs is either **grown** or **mined**. A growing population, continued urbanization, emerging market economies, and the need for critical inputs for technology in the energy transition drive demand.

Value-add

RCF invests in **growth-oriented** mining companies where its **capital, expertise, and capabilities** can help **create value**. RCF has the ability to invest thoughtfully anywhere in the mining ecosystem.

Partnering

RCF has a **dedicated co-investment program**. RCF has resources to introduce a broad range of additional investors to portfolio companies.

Responsible investment

RCF supports **sustainable business practices** and **active management** of environment, social and governance issues to enhance the benefits mining can bring to society and local communities.

RCF Looks For

Motivated management teams

RCF looks to partner with **motivated** management teams that have a track record of developing **profitable, sustainable** and **successful** minerals assets.

Innovation and emerging technologies

RCF partners with companies that promote and harness **innovation** and **emerging** technologies to achieve efficiencies over their competition.

Sustainable practices

RCF partners with companies that are serious about **responsible mining**. RCF believes everyone has to take responsibility for the environmental, social and governance impacts of mining.

Quality mineral assets

RCF's in-house team of technical and investment experts scour the globe for **technically** and **economically** attractive mineral assets. RCF seeks out commodities that are **strategic** and in attractive stages of the market cycle.

A Letter from RCF's ESG Committee

As a leading private investor in mining, mining technology and associated infrastructure, RCF has always recognized the importance of responsible investment and stewardship. Mined materials are critically important to society, but societal recognition of this essential contribution depends, in part, on confidence that minerals and metals are produced responsibly.

RCF's 2023 ESG report demonstrates our commitment to ethical business practices that support responsible production as well as the continued improvement of our policies, procedures and reporting.

The RCF approach to ESG

RCF's approach is based on our 26 years of experience, during which time we have invested in more than 230 mining and mining technology companies, producing over 30 commodities, in more than 50 countries, across multiple commodity cycles. This experience spans technical knowledge, commercial experience, and people networks.

Our ESG strategy is focused on identifying and understanding material opportunities, as well as risks that could negatively impact people and the environment and ensuring these are mitigated and managed. We require each company we invest in to demonstrate a strong commitment to addressing key ESG issues such as safety, governance, and environmental and social impacts. By working closely with management teams, we support implementation of responsible mining practices which adhere to international ESG standards, ensuring that our investments contribute positively to social value and sustainable business practices.

As ESG expectations continue to evolve, effectively managing social and environmental risks – and maximizing positive impacts – has become increasingly crucial for attracting and retaining investment in the mining sector. In response, RCF is committed to continuously refining our approach to integrating ESG considerations into our investment decision-making and stewardship processes.

Our ESG Committee oversees the development, implementation, and monitoring of our responsible investment practices. In 2023, we updated the Committee's charter to enhance oversight and realigned its membership to ensure broad representation across RCF's investment strategies and key business areas. To underscore the importance of ESG and ensure alignment with our overall investment goals, Chris Corbett, RCF's Chief Investment Officer, is now chair of the committee.

Collaboration and transparency

RCF has been a member of the Principles for Responsible Investment (PRI), which remains the largest global reporting project on responsible investment, since 2013. PRI signatories are required to report publicly on their responsible investment activities each year. Being a PRI signatory provides RCF with valuable feedback that enables continuous enhancement of our responsible investment processes, in a targeted way. You can find our scores on page 15.

RCF is also a member of the Institute of Limited Partners Association (ILPA)-backed ESG Data Convergence Initiative (EDCI), a coalition of 350 major private equity General Partners and Limited Partners. EDCI aims to drive convergence around meaningful ESG metrics for the private equity industry and

generate useful, comparable, performance-based data. In 2023 RCF once again provided annual blinded portfolio company ESG-related data for certain funds to EDCI's collaborative reporting system. RCF is proud to be part of this important initiative and looks forward to contributing to the continued improvement of the reporting framework.

RCF is committed to identifying opportunities to collaborate with other stakeholders to improve ESG outcomes. For example, RCF is a member of the Global Battery Alliance (GBA), a public-private collaboration platform founded in 2017 at the World Economic Forum to help establish a sustainable battery value chain by 2030. Throughout the year, RCF was pleased to engage in a variety of panel discussions and industry round tables. We shared best practices across the entire mining value chain, from mine sites to Original Equipment Manufacturers (OEMs), collaborating with leading industry bodies.

Through this collaboration, we continue to see a heightened focus on decarbonization, from investors, regulators and portfolio companies. Much of our low emissions economy of the future will rely on what the critical minerals the mining sector produces. In turn, mining businesses can benefit from the operational efficiencies and low-cost energy solutions underpinning the transition to net zero emissions. RCF aims to work with its portfolio companies to encourage them to identify and implement commercial opportunities to decarbonize their operations and accelerate improvements in their emissions footprint. Through our innovation strategy, we will continue to invest in companies developing innovative emissions reductions technologies.

Looking forward

RCF's ambition is to continue to develop and execute its ESG strategy, with an emphasis on enhancing stewardship, supporting our portfolio companies to implement best practice management of sustainability risks and opportunities and increasing their competitive advantage.

We invite you to learn more about RCF's ESG strategy, commitments, and accomplishments in the following pages of this report.

ESG LEADERSHIP



Jessica Jones
Director, ESG

ESG COMMITTEE



Chris Corbett
Chair of the ESG Committee
and Chief Investment Officer



Lauren McGregor
Principal



Sherri Croasdale
Partner, Senior Advisory Partner
and Head of New York



Jasper Bertisen
Consultant, Commercial



Ross Bhappu
Partner, Senior Strategic Advisor



Richard Brereton
Partner, Global Head of Investor
Relations



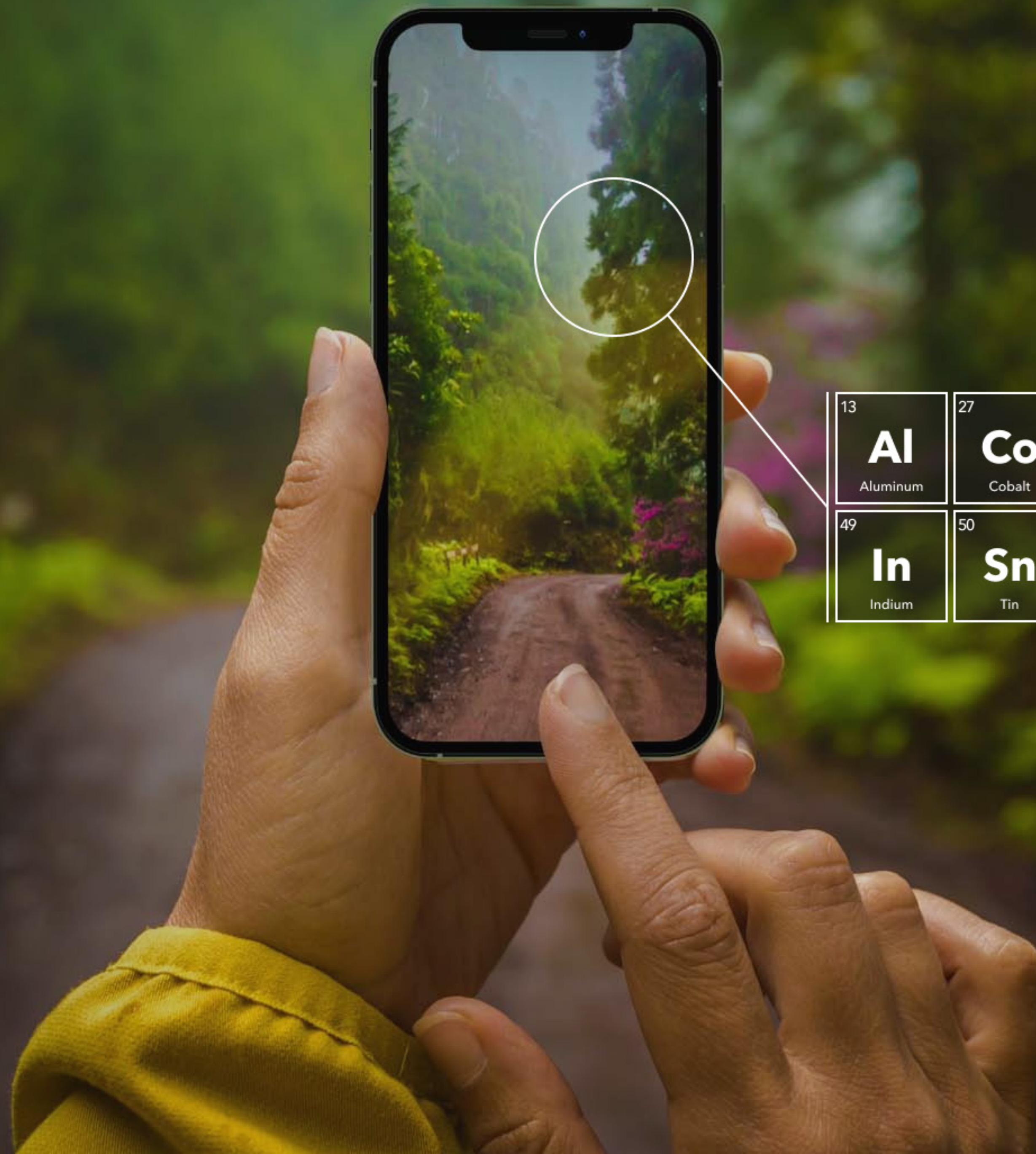
Jacqueline Murray
Partner, Investment Team Leader



Michael Rowe
Partner, HR Business Director

ESG at RCF

Responsible mining for a sustainable future.



13 Al Aluminum	27 Co Cobalt	29 Cu Copper
49 In Indium	50 Sn Tin	73 Ta Tantalum

ESG at RCF

Responsible investment is at the forefront of RCF's approach to value creation. Through years of experience, RCF has witnessed first-hand the symbiotic relationship between effective ESG performance and strong, resilient financial performance.

This relationship is being increasingly recognised and demonstrated across the globe. ESG is rated as both the highest business risk and opportunity for mining and metals companies globally, along with the closely related climate change and license to operate.¹ A 2021 study found that mining companies with high ESG ratings provided 10% higher shareholder returns during the COVID-19 pandemic.²

Since becoming a signatory to the United Nations supported Principals for Responsible Investment (PRI), RCF has worked continuously to strengthen and improve its responsible investing practices and ESG performance. Today, the understanding and management of ESG impacts, risks, and opportunities is deeply embedded within RCF's investment strategies.

Further details of how RCF embeds ESG into its business processes are provided in this report.

The RCF Responsible Investment Policy

First implemented in 2012, RCF's Responsible Investment Policy (the Policy) codifies its commitment and approach to integrating the PRI and ESG into investment analysis and decision making, and RCF's approach to stewardship and engagement, governance and accountability, and disclosure and standards.

The Policy is updated every two to three years in line with RCF's key risks, opportunities, and stakeholder expectations. The current version of RCF's Responsible Investment Policy can be viewed at this link.

All investment actions at RCF are guided by its Responsible Investment Policy, overseen by RCF's Managing Partner and Executive Management, and supported by its ESG Committee.

The RCF ESG Committee is responsible for governing the development and implementation of responsible investment practices, and monitoring effectiveness and performance. Further details of accountabilities for ESG at RCF are provided on page 16.

1. https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/mining-metals/ey-top-10-business-risks-and-opportunities-for-mining-and-metals-in-2023.pdf

2. [pwc.com/mine](https://www.pwc.com/mine)

Our ESG Guiding Principles

RCF has been a signatory of the PRI since 2013. The PRI is an international reporting framework that promotes the incorporation of ESG factors into investment practices across asset classes. It provides a common language and industry standard for reporting responsible investment practices. By implementing the Principles, signatories contribute to the development of a more sustainable global financial system.



Principles of Responsible Investment

Consistent with RCF's fiduciary responsibilities, RCF is committed to the following six Principles of Responsible Investment:

- 1 Incorporation of ESG issues into investment analysis and decision-making processes.
- 2 Active ownership and incorporation of ESG issues into ownership policies and practices.
- 3 Seek appropriate disclosure on ESG issues from portfolio companies.
- 4 Promote acceptance and implementation of the Principles within the investment industry.
- 5 Work together to enhance effectiveness in implementing the Principles.
- 6 Report on activities and progress towards implementing the Principles.

RCF has implemented these Principles around three Key Focus Areas:



PRI Reporting and Assessment

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors. Signatories are required to routinely report on their responsible investment activities against a range of criteria.

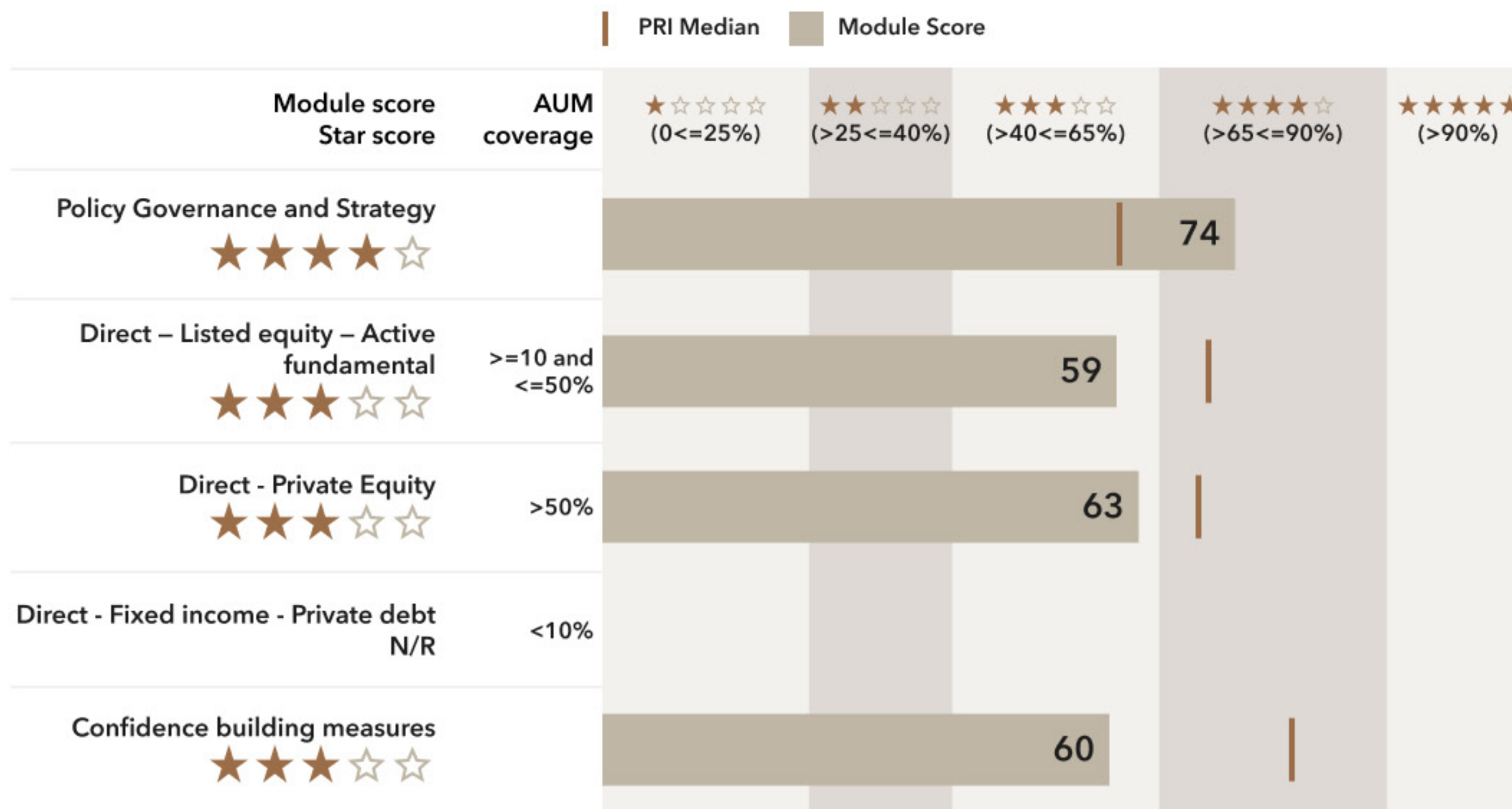
The PRI launched a revised Reporting Tool for the 2023 reporting cycle which improved the clarity, consistency and applicability of the framework and improved its alignment with other industry frameworks and classifications.

Climate change and human rights are recognised as priority issues for the PRI, encouraging investors to embed these issues into their policy and governance practices.

RCF has published its 2023 transparency report on its website, summarised in the figure to the right.



RCF's PRI Summary Scorecard: 2023 Reporting Cycle



RCF's scores reflect its efforts to continuously align its responsible investment approach with the rising and evolving bar of best practice. RCF was pleased to achieve above average scores for its "Policy Governance and Strategy" module and overall achieved a year-on-year improvement in its score. Key areas RCF is focusing in its ESG program to more closely align with PRI principles include incorporating scenario analysis into assessment of climate change risks, setting ESG Key Performance Indicators, and clearer articulation of responsible investment commitments and engagement with stakeholders.

For 2024, the PRI has announced that reporting will be voluntary for signatories that reported in 2023. RCF will take this opportunity to focus on enhancing its responsible investment approach, ready for full reporting again in 2025.

DISCLAIMER: Source: UNPRI. Scores are disclosed for all modules where RCF received a score for the 2023 reporting cycle. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module includes a variety of indicators that address specific topics of responsible investment. Assessment scores are based on information provided directly to the PRI by RCF in the 2023 reporting cycle. The information has not been audited by the PRI or any other party acting on its behalf.

Accountabilities

RCF maintains a clearly articulated and comprehensive approach to ESG accountability across the organization.

Accountabilities for ESG at RCF are summarised in the graphic to the right.

Level

1

RCF Managing Partner and Business Unit Heads

- Oversight and approval of RCF's Investment Decision-Making Process (IDMP) and Responsible Investment Policy.
- Oversight of alignment between RCF's investment strategy and ESG/Responsible Investment.

ESG Committee

- Partners, advisors, staff with relevant expertise and the Director ESG.
- Provides non-executive governance of RCF's Responsible Investment strategy and monitoring performance.

Level

2

Director ESG

- Accountable for design and implementation of RCF's overall ESG and Responsible Investment strategy and disclosure, including training and ESG subject matter expertise.
- Reports to the Chief Investment Officer and seek guidance from the ESG Committee.
- Lead ESG and Responsible Investment stewardship throughout the holding period through detailed due diligence, proactive ESG governance and stewardship.

Legal and Compliance

- Responsible for legal, compliance, and regulatory oversight with respect to ESG.
- Oversight of the Proxy Voting policy.

Level

3

Investment Team Leaders

- Collaboration with ESG Practitioners over approach and depth of ESG due diligence.
- Recommend investment decisions taking into account advice from ESG and other (technical, legal, human resources, etc.) teams.
- Monitor ESG performance and Responsible Investment stewardship.
- Leading implementation of the Proxy Voting policy.

Technical Team

- Collaborates with the Director ESG and provides subject matter expertise on specific ESG-related issues for due diligence and portfolio company stewardship to investment teams.

Material ESG Issues

RCF has defined and prioritised the ESG issues that are generally most material to the performance of the companies in which RCF invests, as well as those that relate to RCF as a management company. Issues identified reflect the nature of RCF's business and ESG strategy, views of broader industry stakeholders, and the evolving investment landscape.

It should be noted that the materiality of certain issues varies significantly between RCF's investments, reflecting the global nature of its strategy and ability to invest at all stages in the mining lifecycle and across the mining ecosystem. For example, for a mining project, water stewardship may be of a lower materiality in a geography that has plentiful water for all users, and security and human rights may be more material in countries that have challenges protecting and respecting human rights. Integrated mine closure may become more material as mining operations reach maturity and progress towards end of life.

RCF will continue to review materiality and update its ratings, adjusting its approach as issues and expectations evolve.

RCF's ESG Material Issues

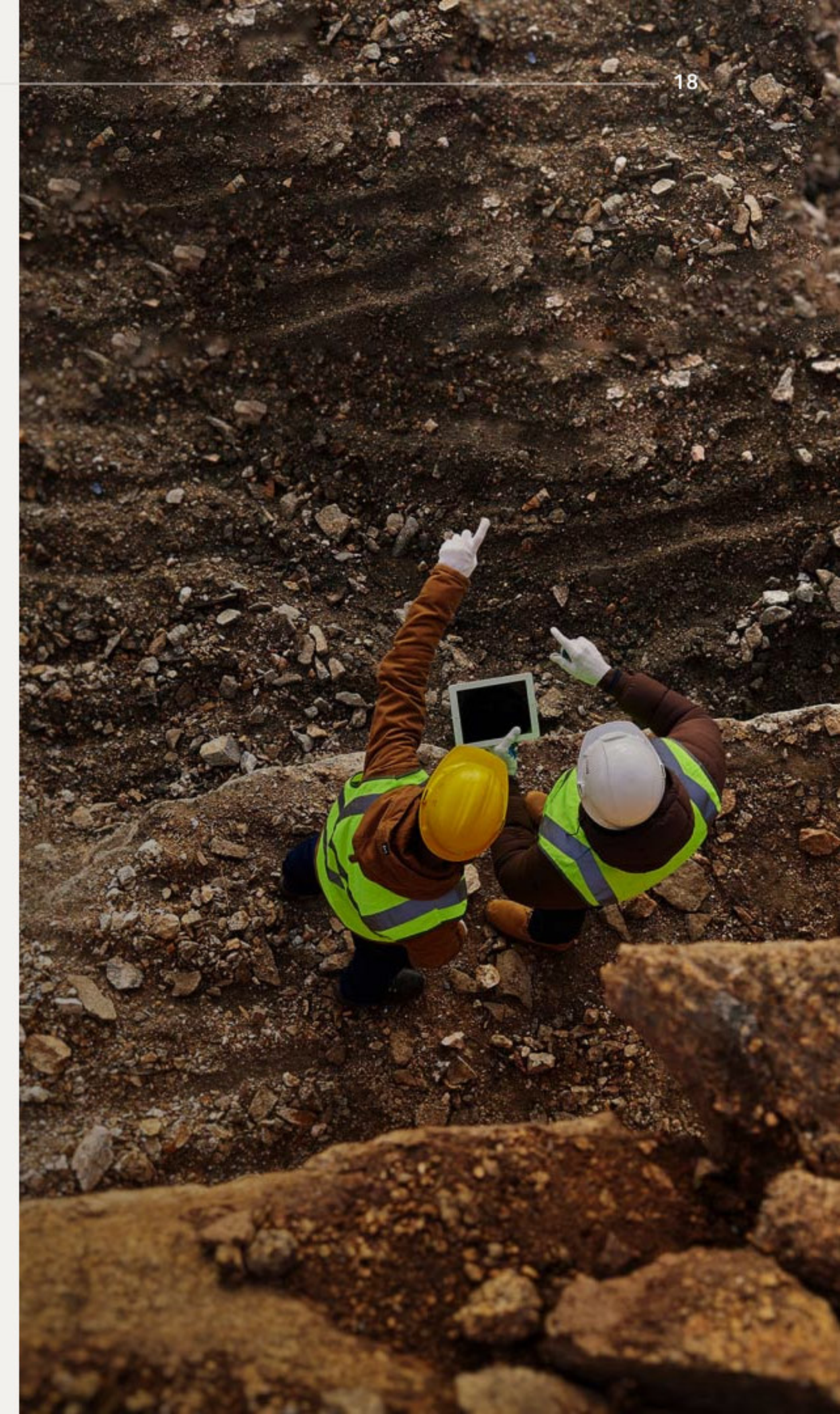
● Primary Issue ● Secondary Issue

Category	Material Topics	Definition	Materiality of Issue in RCF's Mining Investments	Materiality of Issue to RCF Firm and Business Strategy
Environment	Biodiversity and Habitat Conservation	Protection or enhancement of legally protected areas, critical habitats, key biodiversity areas, valued ecosystem components, endangered and threatened species, and ecosystem services.	Primary Issue	Issue Not Material
	Climate Change and Energy	Climate-related physical and transition risks and opportunities, including adaption, resilience, governance, strategy, and reduction of greenhouse gas emissions. Disclosure in line with the TCFD (Task Force on Climate-Related Financial Disclosures).	Primary Issue	Secondary Issue
	Waste and Hazardous Materials	Contamination risks to human health, operations, communities, and the environment. Managing waste in line with the mitigation hierarchy.	Secondary Issue	Issue Not Material
	Water Management and Stewardship	Water stewardship to manage the impacts and risks of operational water requirements, and to water resources shared with communities and the environment, including water quality and quantity.	Primary Issue	Issue Not Material
	Tailings Management	Design, construction, operation and decommissioning of Tailings Storage Facilities (TSFs) to ensure structural integrity. Effective governance of tailings and TSFs to industry-recognised standards is critical for maintaining their integrity.	Primary Issue	Issue Not Material
Social - People and Communities	Employee Welfare, Engagement and Talent Development	Optimisation of human resources, including engagement, commitment and capability, talent development, succession planning, and competition for skilled workers.	Secondary Issue	Primary Issue
	Occupational Health and Safety	Commitment to the health, safety, and wellbeing of workers and their families, local communities, and wider society. Workplace practices and critical controls must be in place to prevent fatalities, minimise injuries, and eliminate occupational diseases, towards a goal of zero harm.	Primary Issue	Primary Issue
	Integrated Mine Closure	Planning and design for mine closure to manage ESG risks and opportunities in consultation with relevant authorities and stakeholders, and appropriate financial provisioning to fund agreed closure and post-closure commitments.	Secondary Issue	Issue Not Material

RCF's ESG Material Issues

● Primary Issue ● Secondary Issue

Category	Material Topics	Definition	Materiality of Issue in RCF's Mining Investments	Materiality of Issue to RCF Firm and Business Strategy
Social - People and Communities	Stakeholders and Community	Approach to working with local and Indigenous communities, achieving a "social licence to operate," and creating social value through employment, enterprise, and economic contribution. Managing risks and opportunities associated with cultural heritage, in-migration, resettlement, artisanal and small-scale mining, vulnerable groups, and community health and safety.	Primary Issue	Secondary Issue
	Security	Security of workers and communities, respecting human rights associated with security activities, aligned with the Voluntary Principles of Security and Human Rights.	Secondary Issue	Issue Not Material
	Human Rights and Labour Rights	Respect for human rights and the interests, cultures, customs, and values of workers and communities, guided by the United Nations (UN) Guiding Principles on Business and Human Rights.	Primary Issue	Issue Not Material
	Diversity, Equity, Inclusion, and Belonging	Fair treatment of all workers and a culture of workplace diversity, equity, and inclusion.	Secondary Issue	Primary Issue
Governance	Risk Management	Approach to assessing and treating risk based on risk appetite, within the context of stakeholder expectations and the risk environment.	Primary Issue	Primary Issue
	Board Composition and Competency	Accountability, oversight and reporting of ESG issues at Executive and Board level, including ESG expertise and capability, diversity, equity, and inclusion.	Primary Issue	Issue Not Material
	Ethical Business	The corporate governance and transparency that supports ESG performance, including compliance with legal and other requirements, Code of Conduct, anti-bribery and corruption, revenue transparency, and disclosure of ESG performance in line with accepted reporting frameworks.	Primary Issue	Primary Issue
	Cybersecurity and Data Privacy	Protection of secure, critical, or sensitive data.	Secondary Issue	Primary Issue
	Business Continuity	Organization's ability to continue to operate in the face of disruptive events, reducing the impact of these events on the environment, society, and governance factors.	Primary Issue	Primary Issue

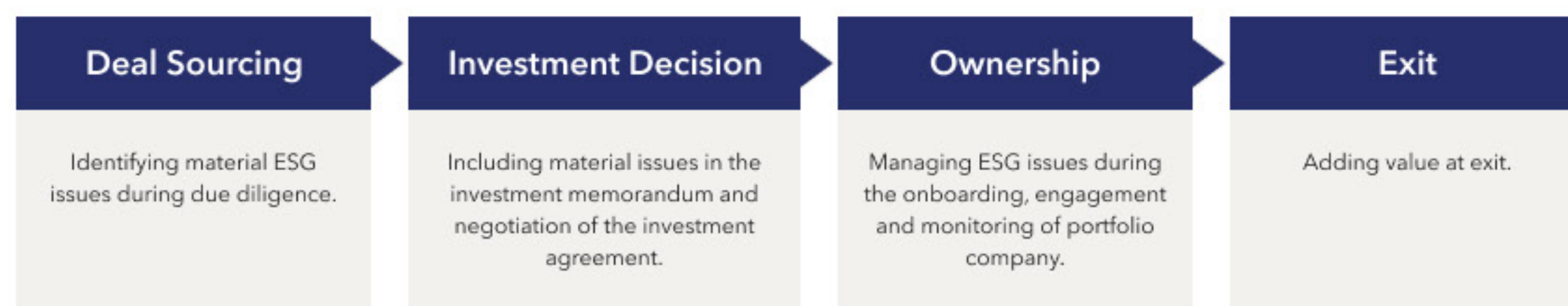


ESG Integration into Investment Analysis and Decision Making

ESG impacts, risks and opportunities are considered at all stages in RCF's Investment Decision Making Process (IDMP)¹, with the aim of creating better investment outcomes for all stakeholders. RCF's relationships with portfolio companies, which often begin at the early stages of exploration and/or project development, support this approach.

First and foremost, RCF ensures its investment practices comply with regulatory requirements, and the companies in which RCF invests are expected to adhere to all applicable host country laws and regulations, at a minimum.

Decision-making steps across the investment process



1. As consistent with and subject to fiduciary duties and legal, regulatory or contractual requirements.

Due Diligence

Fundamental to RCF's investment strategy is an emphasis on due diligence. For ESG matters, this is led by RCF's in-house Director ESG. Due diligence is based on specialized research and key information collected from portfolio companies, which is cross-referenced against applicable legal requirements and relevant international mining-specific good international industry practice standards.

As a first step in RCF's deal-sourcing/due diligence at the pre-investment stage, to the extent information is available, RCF uses ESG impact, risk and opportunity assessment to understand if projects meet RCF funds' "risk appetite" alongside attractive financial returns. In recent years, RCF has enhanced its ESG due diligence to focus on material issues and also ESG opportunities and impacts in relation to the UN SDGs.

The extent of ESG due diligence varies based on factors like investment scale, project size, location, and stage in the mining lifecycle. During 2023, RCF conducted desktop due diligence on around 54 opportunities, 14 of which advanced to full due diligence and six new investments were made.

Site visits aid understanding of ESG aspects and other risks and opportunities during due diligence. During 2023, the RCF team completed around 15 site visits to support due diligence.

When significant ESG risks arise, RCF either refrains from investment or recommends actions for risk management.

An example of where RCF has declined to invest in 2023 at the ESG due diligence stage included a cobalt and nickel refinery with groundwater contamination issues.

Stewardship

In a responsible investment context, stewardship refers to the use of influence by investors to maximise overall long-term value - including the value of common economic, social, and environmental assets - on which returns and clients' and beneficiaries' interests depend.¹

Although RCF has varying levels of operational control and influence over portfolio companies, RCF is uniquely placed to support achievement of these outcomes through ongoing influence and engagement.

Establishing and growing influence where needed is a critical part of RCF's ESG strategy to maximise the long-term value of investments. RCF seeks to gain influence through building collaborative and trusted relationships, providing technical advice, advocacy, focused engagement, and board representation.

1. <https://www.unpri.org/investment-tools/stewardship#:~:text=Also%20known%20as%20'active%20ownership,%20and%20beneficiaries'%20interests%20depend>

Engagement

RCF's ownership activities are guided by ESG action plans, which aim to mitigate risk where possible and to leverage opportunities. The action plans are based on due diligence recommendations and may vary in application. They can include reviewing technical reports, supporting the business to enhance the ESG capability of its board, performance improvement programs, or more direct engagement by sitting on executive committees within the company to directly provide ESG technical expertise.

Performance Monitoring

During RCF's ownership period, ESG performance may assist in attracting funding for the advancement and development of projects and/or securing product offtake. RCF seeks to monitor the ESG performance of Portfolio Companies against ESG action plans and good industry practice. Where RCF has sufficient influence, we require portfolio companies to report their ESG performance quarterly and annually in investment agreements. RCF began collecting available ESG data from portfolio companies in 2018, including selected metrics from the SASB and Global Reporting Initiative (GRI) related to workplace health and safety, energy use and greenhouse gas emissions, community grievances and investment, environmental incidents, headcount and training.

In 2022, RCF adopted the ILPA EDCI as a framework for ESG data reporting to improve ESG data consistency, verification, and usability for its Limited Partners.

Exit


Management of ESG risks can add value to the exit process, and businesses that can demonstrate they are effectively managing ESG risks are likely more attractive to buyers.

Throughout the holding period, where material, RCF seeks to ensure that effective ESG risk management practices are established with a view to an eventual planned exit, and as best as possible, ensure the ability for continued performance under new ownership.

Alignment to Global ESG Initiatives

Disclosure, engagement, and collaboration with leading industry frameworks, associations and initiatives enables RCF to continue to lift ESG performance and transparency, in line with its risk and opportunity profile and stakeholder expectations.

Following are some of the key frameworks and organisations RCF is an affiliate of or seeks to align to.



United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the environment, and ensure all people enjoy peace, prosperity, and equality by 2030 (Agenda 2030).

Adopted by 193 countries, the SDGs took effect in January 2016. Agenda 2030 has five overarching themes, known as the "Five Ps": People, Planet, Prosperity, Peace, and Partnerships, which span the 17 SDGs.



RCF is guided by the belief that when done responsibly and sustainably, mining can deliver strong returns to investors and at the same time, play a key role in the sustainable development of emerging economies.

Society understands that decarbonising the global economy, meeting the Paris Agreement climate targets, and the realising of the SDGs

will result in a sustained demand for metals and minerals over the coming decades.

RCF assesses the potential positive and negative impacts of its investments on the SDGs and considers ways in which negative impacts can be mitigated. RCF also aligns its RCF Foundation grants to the SDGs.



Principles for Responsible Investment

The Principles for Responsible Investment (PRI) recognises that ESG issues can affect the performance of investment companies and seeks to apply principles that better align investors and broader society's objectives.

RCF has been a signatory to the PRI since 2013 and integrates ESG factors in line with the PRI to enhance its investment and ownership decisions, and amplify influence through stewardship efforts. Further details are provided in the latest PRI Submission ([link](#) and page 15).



Sustainability Accounting Standards Board

The Sustainability Accounting Standards Board (SASB) is a reporting framework that sets standards for the disclosure of financially material sustainability information from companies to their investors.

The 2021 ESG Report was RCF's first reporting effort aligned with the SASB Asset Management and Custody Activities Standard framework. RCF has continued this reporting in 2022 and 2023 ESG Reports. RCF will continue to extend this reporting for material issues in future ESG Reports in alignment with the SASB Mining and Metals Standard and other evolving ESG reporting frameworks.



Institutional Limited Partner Association (ILPA) ESG Data Convergence Initiative (EDCI)

The EDCI aims to create and release ESG private market benchmarks which can be leveraged to help translate high-level ESG objectives into material and tangible impact.

In 2023, more than 350 General and Limited Partners representing 4,300 Portfolio Companies and around US\$28 trillion in Assets Under Management (AUM) globally contributed to the initiative, with and 4,300 Portfolio Companies included in the benchmark.

See page 30 for further information on RCF's work in 2023 in relation to the EDCI.



Task Force on Climate-Related Financial Disclosures

Created in 2015 by the Financial Stability Board (FSB), the Task Force on Climate-Related Disclosures (TCFD) is a voluntary reporting framework that aims to promote a more consistent approach to addressing and disclosing climate-related financial risks and opportunities. The widely accepted framework is grouped into four pillars – governance, strategy, risk management, and metrics and targets.

Refer to page 35 for RCF's TCFD report.



Global Battery Alliance

The Global Battery Alliance (GBA) is a public-private collaboration platform founded in 2017 at the World Economic Forum to help establish a circular, responsible, and just battery value chain by 2030.

The aim of the GBA is to ensure that battery production not only supports green energy, but also safeguards human rights and promotes health and environmental sustainability. The initiative is a partnership of 130+ businesses, governments, academics, industry actors, international and non-governmental organizations.

RCF is proud to have joined the GBA in 2022 as the first and only member from a private equity mining finance firm. As a decades-long investor in the minerals critical to energy transition, RCF aims to contribute understanding of some of the challenges associated with expanding production and seek opportunities to partner with others to further its commitment to ethical sourcing of mined materials.

RCF's Approach to Good International Industry Practice

RCF seeks to adopt accepted mining and finance industry-related good international industry practices to inform risk and opportunity assessments during the investment analysis and decision-making process, particularly where performance beyond legal requirements is needed to effectively manage an ESG risk or opportunity.

Informing RCF's approach to ESG



The International Council on Mining and Metals' (ICMM) is an industry leadership organisation working for a safe, just, and sustainable world that is enabled by responsibly produced minerals and metals. This includes defining good practice ESG requirements of members. The ICMM Performance Expectations are widely recognised as the metals and mining industry's good international industry practice framework for ESG.



The International Finance Corporation Performance Standards (IFC) and Environmental and Social Sustainability Framework are a set of social and environmental guidelines that define risks and impact management expectations for projects funded by the IFC (the private sector arm of the World Bank). The standards are designed to promote sustainable development and responsible business, and have become widely adopted as good international industry practice.



The Equator Principles are a voluntary framework adopted by financial institutions to assess and manage the social and environmental risks associated with project financing. They are a set of guidelines that help banks and financial institutions determine, evaluate, and manage the potential environmental and social impacts of projects they consider for financing.



Stakeholder Engagement

Collaboration and advocacy are essential to tackling the biggest issues in mining and maximising the value of investments - engaging on ESG good practices can enhance standards across the industry.

RCF engages with stakeholders, including portfolio companies, Limited Partners, and employees to fulfill its responsible investment commitments and lead to better ESG outcomes. Engagement is focused on specific ESG performance areas and material issues.

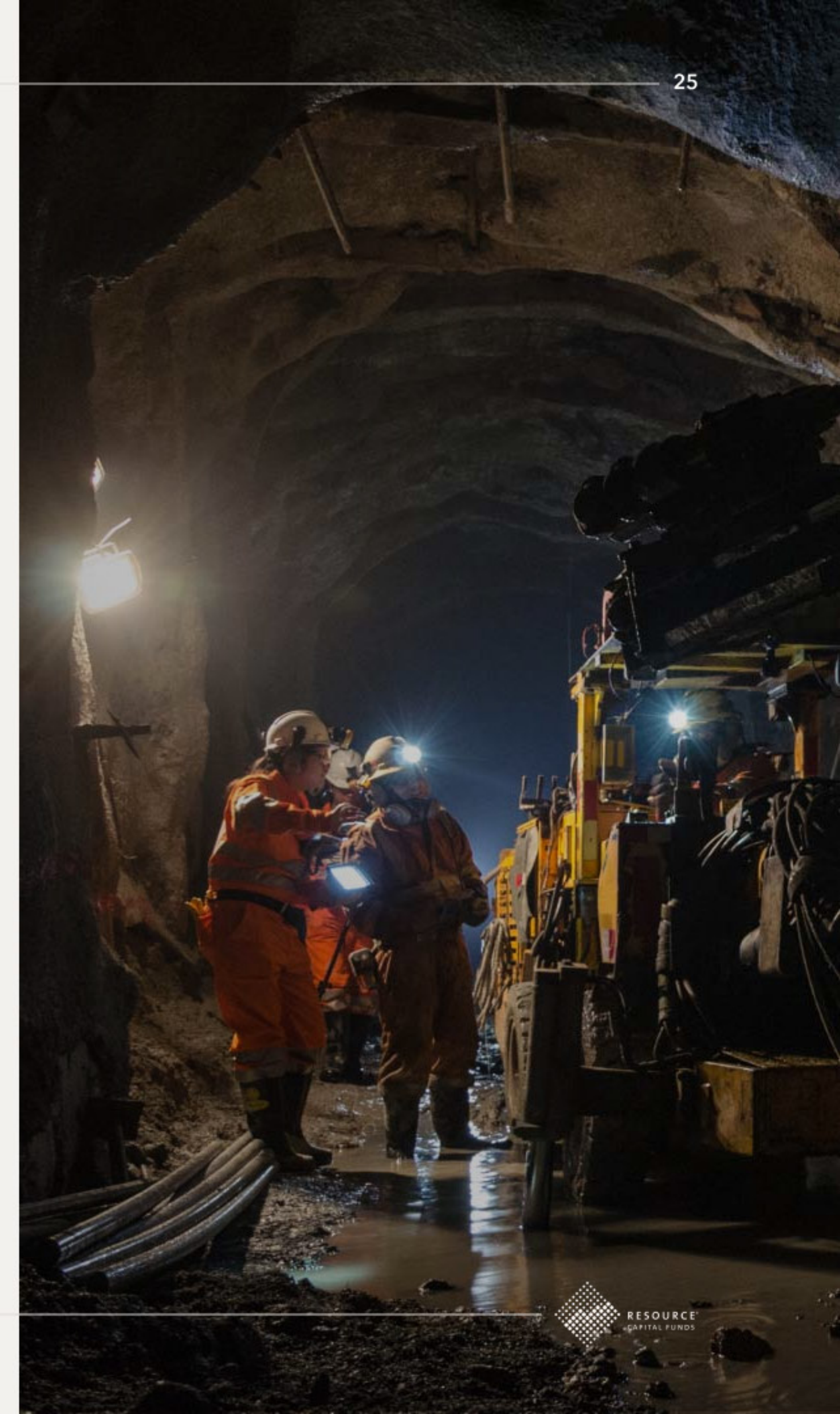
A summary of why and how RCF engages with each of its stakeholder groups is provided in the table to the right.

RCF's Stakeholders and Engagement Approach

Stakeholder Group	Why RCF engages	How RCF engages	Example of engagement in 2023
Portfolio Companies	Stewardship to deliver value creation during the hold period, to be realised at exit and beyond. RCF focuses on improving a Portfolio Company's material ESG impact, risk, and opportunity management, which may require performance above regulatory compliance.	<ul style="list-style-type: none"> Direct ongoing engagement with management and ESG teams. Active monitoring of ESG data and performance reporting. Site visits. Participation on ESG Committees. Taking Board positions or actively adding ESG capability to Board or management. Active focus on material issues and collaboration to build trust and influence. 	<ul style="list-style-type: none"> In 2023, RCF directly engaged on ESG issues with 16 Portfolio Companies across its funds. RCF also either chaired and/or participated in a further four formal ESG committees/working groups of its Portfolio Companies. 17 site visits were completed relating to prospective or existing investments. One RCF-nominated or recommended board member with ESG background were established on Portfolio Company boards.
Limited Partners	<ul style="list-style-type: none"> To understand RCF LPs' strategic ESG priorities and ensure it meets its evolving expectations. Foster understanding of RCF's approach to ESG and associated impacts, risks, and opportunities. 	<ul style="list-style-type: none"> Direct one-on-one meetings. RCF thought leadership and position statements on material ESG issues. Investor forums and roadshows. Annual General Meeting (AGM), presentations, and quarterly and annual reports. Responding to investor questionnaires. ESG Report. 	<ul style="list-style-type: none"> During 2023, RCF held around 300 meetings with LPs. RCF also provided responses to ESG related questionnaires submitted by its investors and presented on ESG at its AGM. In response to increased demand from LPs for transparent ESG data, RCF published its 3rd ESG report, including reporting against international frameworks. RCF reported 2023 ESG performance data for RCF VII and a subset of investments from RCF Opportunities Fund, prior RCF Private Equity vintages, and RCF Jolimont II in alignment with ILPA EDCI, a partnership of private equity stakeholders aiming to generate useful, performance based, comparable ESG data for LPs.
Industry	<ul style="list-style-type: none"> Promote the acceptance and implementation of the PRI across the industry. Share and receive technical knowledge to enhance our effectiveness in responsible investment and ESG performance. 	<ul style="list-style-type: none"> Conference and panel participation. Authoring news and thought leadership articles. Participation in publications and guidance development working groups. 	<ul style="list-style-type: none"> In 2023, RCF published 19 ESG-related papers, made 19 ESG-related conference contributions and conducted eight ESG-related interviews for mining and investment publications and webinars. Topics included ESG stewardship and disclosure; social performance; diversity, equity and inclusion; energy transition, and talent management. Membership in the Global Battery Alliance (refer to page 22 for further details).

RCF's Stakeholders and Engagement Approach (continued)

Stakeholder Group	Why RCF engages	How RCF engages	Example of engagement in 2023
Industry	Promote RCF's ESG performance and approach.	Alignment to ESG frameworks and membership to organisations. Social media announcements of company events and news.	RCF maintains close professional relationships with the leadership of the ICMM, World Gold Council, and Mining Association of Canada. Participation in Women in Mining Chapters at various global mining regions.
Employees	Align the business around RCF's values, strategy, and positioning. Maximise employee engagement and a sense of community and care. Leverage RCF's deep technical and investment knowledge across our global teams. Share ideas to improve decision-making.	Opportunities for employee ownership. Employee surveys. Performance reviews. Town Halls, All Hands meetings. Internal communications, C.O.R.E intranet platform and an employee-led community. In-office noticeboards. Site visit reports.	Town Halls to update staff on the performance of the firm. Company-wide sharing of annual partner strategy alignment workshop information and outcomes. Sharing of site visit reports by technical and deal teams following site visits to facilitate due diligence and stewardship. Around 40% of employees have some ownership of RCF Management Company.
Communities	Support social value creation and promote sustainable development in the local and Indigenous communities proximal to portfolio company operations. Monitor RCF's portfolio companies' "social licence" and approach to community engagement, grievance management, strategic social investment, local employment and procurement, and overall social performance.	Indirect engagement through portfolio company stewardship. Visiting Portfolio Companies communities during site trips. Philanthropy through the RCF Foundation via employee and PC grant applications.	RCF Management Company (RCFM) community outreach programs through the RCF Foundation.



ESG Performance

Measuring and evaluating practices to meet RCF's ESG strategy.

13 Al Aluminum	14 Si Silicon	24 Cr Chromium
25 Mn Manganese	26 Fe Iron	28 Ni Nickel



2023 ESG Performance Summary

Investment Process			
<p>17</p> <p>site visits to Portfolio Companies, which included review of ESG and other technical matters.</p>	<p>6</p> <p>new portfolio company investments.</p>	<p>9</p> <p>exited investments.</p>	<p>21</p> <p>ESG due diligence processes completed (including desk-top and advanced due diligence).</p>
<p>4</p> <p>portfolio company ESG Committees participated in.</p>	<p>2</p> <p>new ESG Committees established.</p>	<p>1</p> <p>ESG board position in portfolio companies facilitated by RCF.</p>	<p>16</p> <p>Portfolio company ongoing engagement on ESG through the year.</p>

Environment



Reported climate change risk and opportunities in line with the Task Force on Climate-Related Disclosures.

Calculated the Scope 1, 2 and material Scope 3 emissions, for around 61% of AUM of financed emissions, and benchmarked the emissions intensity of RCF VII companies.

Received an investment commitment from the Clean Energy Finance Corporation, Australia's 'green bank', for RCF Innovation Fund II.



2023 ESG Performance Summary (continued)

Advocacy

RCF experts authored 19 ESG-related publications and made a further 19 ESG-related conference contributions.

Members of the Global Battery Alliance as the only mining focused private equity firm.



Governance



Collected key ESG performance data for around 61% of RCF's AUM, and disclosed this data for RCF VII portfolio companies, in line with the ILPA EDCI.

Revised and expanded ESG due diligence template to focus on material issues and ESG opportunities and impacts related to the SDGs.

Social

34% of Executive, non-Executive Management, and Professionals in RCF are women; and over 49% of all employees are female.

Around \$264,000 distributed by the RCF Foundation to charitable projects in Australia, USA, Canada, South America, Africa and the United Kingdom.



RCF employees continued to directly volunteer with several non-profit organizations that aim to help support underrepresented groups including Women in Mining (Canada, USA, and UK), the Australian Institute of Company Directors Director Pipeline Project, Canadian Black North Initiative (BNI), International Women in Mining (IWIM), and Diversity in Sustainability (DiS).

Portfolio Company ESG Awards and Recognition

RCF Innovation



2022: Real Time Instruments (RTI International) was awarded the 2022 Export Council of Australia and New South Wales Premier's Export Award in Resources and Energy.

This was awarded for outstanding international success in the production, processing and value adding of extractive resources or provision of equipment, services or solutions related to the resources and energy sectors.

RCF Opportunities



2022: Liberty Gold Corp was awarded the 2022 Environment Excellence Award from the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining.

This was awarded for innovative use of GIS and LIDAR at the Goldstrike Oxide Gold Property in southwest Utah. The innovation improved resource efficiency, minimized ground disturbance, and avoided environmental problems.

RCF Private Equity



2023: Ausenco was named British Columbia's (BC) Top Employers for the seventh year in a row. This special designation recognizes the British Columbia employers that lead their industries in offering exceptional places to work. Employers are evaluated based on physical workplace, work atmosphere, benefits, employee communications, training and development and community involvement.

2022: Ausenco was named one of Canada's Top 100 Employers for Young People in 2022 by Mediacorp Canada Inc., organizers of the annual Canada's Top 100 Employers project.



2023: Phibion's innovative mine tailings management technology was acknowledged at Australia's prized Export Awards, winning the 2023 Resources and Energy Exporter of the Year Award.

2018: Phibion received the Premier of Queensland's Export Award, in the Environmental Solutions category.



2023:

- Green Proper award for sustainability initiative in the nickel industries from the Indonesian Ministry of Environment and Forestry (KLHK).
- ESG World Summit and GRIT Awards for "Most Promising Transition".
- Acknowledgment from the La Tofi School of Social Responsibility through the Nusantara CSR Awards (which recognise commitment and contribution to society and the environment to realise a better future for Indonesia), receiving a certificate and trophy at the GOLD level for their Tangofa Coral Reef Conservation Program.
- National recognition and awards through the Environmental and Social Innovation Awards (ENSIA) for their Metana Bumi program, which provides education and practical capacity building for local farmers in Makarti Jaya Village.
- Recognised at Indonesian Sustainable Development Goals (ISDA) award for their community sustainable fishing program.



2023:

- Received an MSCI ESG Rating of AA
- Included in the Bloomberg Gender-Equality Index
- Ranked among the 2023 Best 50 Corporate Citizens in Canada by Corporate Knights



2023:

GAM's Boyertown plant in the USA is an Occupational Safety and Health Administration (OSHA) Voluntary Protection Programs (VPP) Star site in recognition of its comprehensive and effective safety and health management systems and achievements in injury and illness rates below the national average of the industry. As an OSHA-certified facility, the Boyertown facility is continuously improving plant operations and workplace conditions.

EDCI Data Convergence Initiative

In 2022, RCF joined the Institutional Limited Partner Association’s ESG Data Convergence Initiative (EDCI), aimed at promoting consistent ESG metrics. This initiative helps GPs and Portfolio Companies assess their ESG standard, enhancing transparency and comparability for LPs. The EDCI has 4,300 members, comprising GPs and LPs, with 4,300 Portfolio Companies.

The ESG data covers six categories, including greenhouse gas emissions and net zero strategies, energy, diversity, safety, employee numbers and engagement. Boston Consulting Group (BGC) aggregates the data into an anonymized benchmark and it is then shared with invested LPs.

In 2022, its first year of participation, RCF submitted 3 years of data (2020-2022) from Resource Capital Fund VII L.P., covering 67% of that fund and around 25% of RCF’s total AUM. In 2023, RCF submitted 2023 data for RCF VII, plus expanded reporting for a subset of Portfolio Companies from RCF’s Opportunities, Mature and Jolimont Funds. The data submitted represented around 61% of RCF’s total AUM in 2023.

Results for RCF VII companies over the past three years are shown on page 30. 2023 performance for RCF VII were generally comparable to prior years with improvements over time evident for Board gender diversity and number of injuries. No workplace fatalities occurred in 2023. Other performance in 2023, such as net new hires, greenhouse gas emissions and energy use, generally reflected the evolution of mining projects from construction to stable operations.

EDCI data collected from Portfolio Companies for RCF’s Opportunities, Mature and Jolimont Funds is not included in this report as it remains under review and validation, with a broader set of performance data to be released in RCF’s 2024 ESG Report. Greenhouse gas emissions data for 61% of RCFM’s AUM in Calendar year 2023 is presented on pages 45 and 74.

RCF VII EDCI Data for 2021, 2022 and 2023

Number of companies represented	7
Number of commodities represented	4
Number of countries	6
Percent of RCF Fund VII L.P. represented	~67%
Percent of total RCF AUM reported	~25%

Work Related Accidents

	Injuries	Days lost due to injury ¹	Fatalities
2021	172	5,525	0
2022	170	1,734	3
2023	132	152	0

Net New Hires

	Total FTEs	Total New FTEs	Avg. Annual % Turnover
2021	5,383	292	21%
2022	5,863	480	19%
2023	6,426	563	12%

Diversity

	Women on Board
2021	19%
2022	21%
2023	24%

GHG Emissions (metric tonnes CO₂e) and energy (kWh)

	GHG Scope 1	GHG Scope 2	Total energy consumption	Renewable energy consumption
2021	634,194	59,058	2,732,407,643	29,824,630
2022	616,842	185,555	3,197,681,471	28,101,530
2023	642,526	350,385	2,573,326,512	24,570,353

As per the EDCI guidance, all data are 100% figures from the portfolio companies, and have not been adjusted for RCF’s equity ownership. Data was subject to internal validation. The data has not been externally assured, is indicative in nature and may be subject to change.

1. Defined as number of days for which the employee is incapable of performing the "normal duties of work" as a result of an occupational injury.

Progress against RCF's 2023 ESG Roadmap

RCF's 2023 ESG Roadmap is shown below, with progress detailed on pages 33 and 34. RCF is currently updating its ESG Roadmap for the coming three years, which will be published in its 2024 ESG Report.



2023 Progress Against the RCF ESG Roadmap

● Completed in line with Roadmap
 ● Partially completed in line with Roadmap
 ● Not started or no action, not meeting commitments in Roadmap
 ● New Action in 2022

Goal	Actions	Progress in 2023	Priorities for 2024
ESG Strategic Framework: Focusing on the right foundations to improve RCF's internal ESG governance	Review of Responsible Investment Policy: Articulate RCF's strategic intent and approach	<ul style="list-style-type: none"> Responsible Investment Policy was reviewed and updated in 2022 and implemented in 2023. 	<ul style="list-style-type: none"> Subsequent policy review is scheduled for 2025.
	Review of ESG Committee Charter	<ul style="list-style-type: none"> Charter reviewed, fully updated, approved, and implemented in 2022. 	<ul style="list-style-type: none"> Next review and update scheduled for 2025.
	Develop and implement a multi-year ESG strategy	<ul style="list-style-type: none"> Strategy completed and implementation continued through 2022 and 2023. 	<ul style="list-style-type: none"> Monitor ongoing implementation. Next review and update scheduled for 2024.
	Establish ESG performance expectations for portfolio companies	<ul style="list-style-type: none"> Drafted RCF's ESG Performance Expectations for portfolio companies, to inform assessment of risk and opportunity, term sheets and stewardship. Internal review complete. 	<ul style="list-style-type: none"> Commence implementation of Performance Expectations (including Investment Team training).
Total Portfolio Stewardship: Ensuring robustness and consistency in RCF's approach as responsible investors	Conduct ESG "heatmap" diagnostic for portfolio companies to focus RCF's stewardship plans	<ul style="list-style-type: none"> High level "heat map" completed for a subset of investments. 	<ul style="list-style-type: none"> Heat map approach to be integrated into RCF risk management system and implemented for all investments.
	Continual improvement of ESG due diligence: Focus on robust process, materiality, and actionable recommendations	<ul style="list-style-type: none"> Formalised approach to ESG due diligence. Revised and expanded ESG due diligence template to focus on the full spectrum of material issues, ESG impacts, risks and opportunities related to the SDGs. 	<ul style="list-style-type: none"> Further refinement of due diligence template to ensure focus on material issues relevant to RCF's ESG performance expectations, holding period, and governance rights.
	Deliver internal ESG training	<ul style="list-style-type: none"> Multi-year ESG training plan framework completed, and training commenced. 	<ul style="list-style-type: none"> Continue implementation in line with training plan.
	Strengthen Board and ESG Committee impact: Fulfilling RCF's fiduciary duties and improving RCF's risk-return	<ul style="list-style-type: none"> Established a generic ESG Committee Charter for portfolio companies. Established an additional two ESG committees. Ongoing engagement with current and future ESG-experienced NEDs. Contributed on four portfolio company ESG committees/working groups to ensure focus on materiality and good international industry practices. 	<ul style="list-style-type: none"> Continue direct engagement with current and future ESG-experienced Non-Executive Directors. Develop a process and procedure for responding to ESG-related significant incidents, including reporting, engagement, governance, and post incident learning.
Climate Change strategy: Deepen RCF's understanding and management of climate change risk and opportunities	Review Climate Change Policy	<ul style="list-style-type: none"> Delayed to 2024. 	<ul style="list-style-type: none"> Update policy and implement in line with climate change expectations for new funds.
	Develop multi-year climate change strategy	<ul style="list-style-type: none"> Key actions identified for implementation throughout 2023 and 2024. Published strategy and associated targets in CY23 ESG Report. 	<ul style="list-style-type: none"> Establish climate change expectations/terms for new funds.

2023 Progress Against the RCF ESG Roadmap

● Completed in line with Roadmap
 ● Partially completed in line with Roadmap
 ● Not started or no action, not meeting commitments in Roadmap
 ● New Action in 2022

Goal	Actions	Progress in 2023	Priorities for 2024
Climate Change strategy: Deepen RCF's understanding and management of climate change risk and opportunities	Assess climate-related risks and opportunities	<ul style="list-style-type: none"> Calculated and published Scope 1, 2, and Scope 3 emissions for RCFM in 2022 - this was not updated in 2023 as the activity level had not materially changed. Calculated total energy use and Scope 1 and 2 emissions for around 61% AUM (invested emissions) including a subset of investments from RCF VI, VII, Opportunities and Innovation Funds. Assessed emissions intensity of new investments as part of due diligence process. Commenced high-level physical impacts of climate change risk assessment for a sub-set of investments. 	<ul style="list-style-type: none"> Calculate Scope 1 and 2 invested emissions (RCF's Scope 3 Category 15 emissions) for up to 90% AUM, to establish a complete view of RCF's invested emissions. Complete high-level review of physical impacts of climate change risk assessment for a sub-set of investments. Scope 1, 2 and 3 emissions for RCFM will be re-calculated in 2025 (2024 emissions).
	Improve TCFD reporting	<ul style="list-style-type: none"> Aligned and published reporting to TCFD framework framework in 2022 and advanced reporting in 2023 to report on above progress. 	<ul style="list-style-type: none"> Advance TCFD reporting to disclose work completed in 2023.
Develop ESG Theses: Embedding ESG in RCF's investor relations and marketing approaches	Continue to evaluate LP ESG-related perspectives and expectations	<ul style="list-style-type: none"> Applied LPs feedback during the year to refresh materiality analysis. 	<ul style="list-style-type: none"> Continue to refresh materiality analysis to incorporate additional funds and evolving issues.
	Explore ESG thematic impacts aligned with UN SDG Impact Standard	<ul style="list-style-type: none"> Aligned due diligence and RCF Foundation frameworks with UNSDG Impact Standard. 	<ul style="list-style-type: none"> Identify and define portfolio company ESG-related impacts aligned with SDGs.
	Ensure ESG integrated into exit strategies	<ul style="list-style-type: none"> Assessed ESG in exit decisions. 	<ul style="list-style-type: none"> Continue to integrate ESG into exit strategies.
Diversity, Equity, Inclusion and Belonging (DEIB) Strategy	Develop multi-year DEIB strategy	<ul style="list-style-type: none"> Strategy was developed and implementation commenced. 	<ul style="list-style-type: none"> Continue to implement DEIB strategy. Develop metrics and key performance indicators to measure, track and report RCF's progress. Update RCF's programs to reflect best practices in DEIB.
	Establish employee resource groups	<ul style="list-style-type: none"> Employee Mentoring established. 	<ul style="list-style-type: none"> Continue to implement mentoring and learning activities and monitor outcomes.
	Conduct current state inclusivity assessment	<ul style="list-style-type: none"> Complete. 	<ul style="list-style-type: none"> Monitor inclusivity.
	Review policies and procedures	<ul style="list-style-type: none"> Policies updated to reflect best practice in unconscious bias, psychological safety and inter-cultural intelligence and communication. 	<ul style="list-style-type: none"> Implement policies with a focus on ensuring talent acquisition, retention and promotion are free from discrimination.
ESG Performance Reporting: Ensure RCF's disclosure reflects RCF's activity and strategy and is aligned with stakeholder expectations	Survey portfolio companies to get a baseline of available ESG data and quality	<ul style="list-style-type: none"> Reviewed key reporting frameworks to develop an updated ESG data reporting protocol for RCF Portfolio Companies, including selected metrics of SASB Mining and Metals. Collected data and reported to ILPA EDCI for 2023 for around 61% AUM, around a 40% increase from 2022. 	<ul style="list-style-type: none"> Integrate ESG data reporting protocol into existing routine portfolio company reporting processes. Expand ESG data reporting to no less than 90% AUM. Future Funds: Establish data expectations, standards, and governance.
	Set ESG targets and KPIs	<ul style="list-style-type: none"> Set qualitative targets for climate change. KPIs for Board gender diversity and safety performance under development. 	<ul style="list-style-type: none"> Set quantitative targets for Portfolio Company greenhouse gas emissions, Board gender diversity and safety performance.

Creating Value Through ESG: Enhancing ESG Stewardship Through Data

RCF began collecting ESG data from its Portfolio Companies in 2018, including selected metrics from the SASB and Global Reporting Initiative related to workplace health and safety, energy use and greenhouse gas emissions, social and environmental performance and people metrics. RCF has historically used this data to monitor portfolio company performance and support its disclosures.

The rapid evolution of ESG disclosure standards and an ever-increasingly complex universe of ESG and industry reporting and performance frameworks triggered RCF to kick off the ESG Data Governance project in 2023.

The overall purpose of the project is to lift the precision and oversight of RCF's ESG performance monitoring and stewardship of investment companies to that of its monitoring of financial metrics. This will enhance RCF's ability to add value to its investments through building ESG capability in its portfolio companies and enhancing risk and opportunity management. The enhanced ESG data will also support RCF's ESG disclosures and reporting for its investors and other stakeholders.

The ESG Data Governance project is being rolled out in stages, which include:

- **Identify the risks and opportunities:** Review of current data and investment's material ESG issues.
- **Identify most relevant reporting frameworks:** Review of financial and mining industry reporting frameworks to select those that are most relevant to RCF's activities and ESG objectives. The Institutional Limited Partner Association (ILPA) ESG Data Convergence Initiative, the Sustainability Accounting Standards Board (SASB) Asset Management Standard and Task Force on Climate Related Financial Disclosures have been identified as primary frameworks. Selected metrics were also chosen from the SASB Metals and Mining and Metals Standard, Global Reporting Initiative Mining Sector Standard and the EU's Sustainable Finance Disclosure Regulation Principal Adverse Impact indicators.

- **Establish ESG databook:** Define a list of ESG data metrics RCF will monitor and their cadence for collection, as well as applicability across different funds, mining project development stages and innovation companies.
- **Integration into RCF's existing performance monitoring reporting framework via EFront Invest:** Update the ESG databook into RCF's EFront Invest system, a web-based, end-to-end software solution that streamlines investment management, from operational and portfolio management to performance evaluation and reporting.
- **Portfolio Company engagement:** Working with Portfolio Companies to deliver on the enhanced ESG data reporting, including coaching and data verification.
- **Establishing internal reporting:** Establish dashboards and internal reporting using existing reporting tools and processes to ensure ESG performance can be clearly tracked alongside financial performance.
- **Monitoring and review:** Refining and improving the process through its first year of functioning to ensure the outcome efficiently and effectively achieves its objectives. The data process will be reviewed every 2 years or in the event of a material change.

Completion of the work is scheduled for early 2025.


The primary challenge of this project has been to establish a reporting framework that is effective across RCF's diverse portfolio and investment strategies. Key to addressing this has been establishing a set of criteria which determine what companies and metrics will be monitored within each fund and investment stage.

RCF look forward to reporting its progress on this critical project in its 2024 ESG Report.



Climate Change

Responsibly supporting the energy transition.



13 Al Aluminum	14 Si Silicon	24 Cr Chromium
25 Mn Manganese	26 Fe Iron	28 Ni Nickel

Addressing Climate Change Responsibly

Climate change is a pressing global challenge. RCF recognises the global effort to reduce global greenhouse gas emissions to limit the increase in global average temperatures to 2°C and pursue efforts to limit the increase to 1.5°C. The inextricable links between climate change, water, biodiversity, and socio-economic development mean action in line with the Paris Agreement is critical to achieving the UN Sustainable Development Goals.

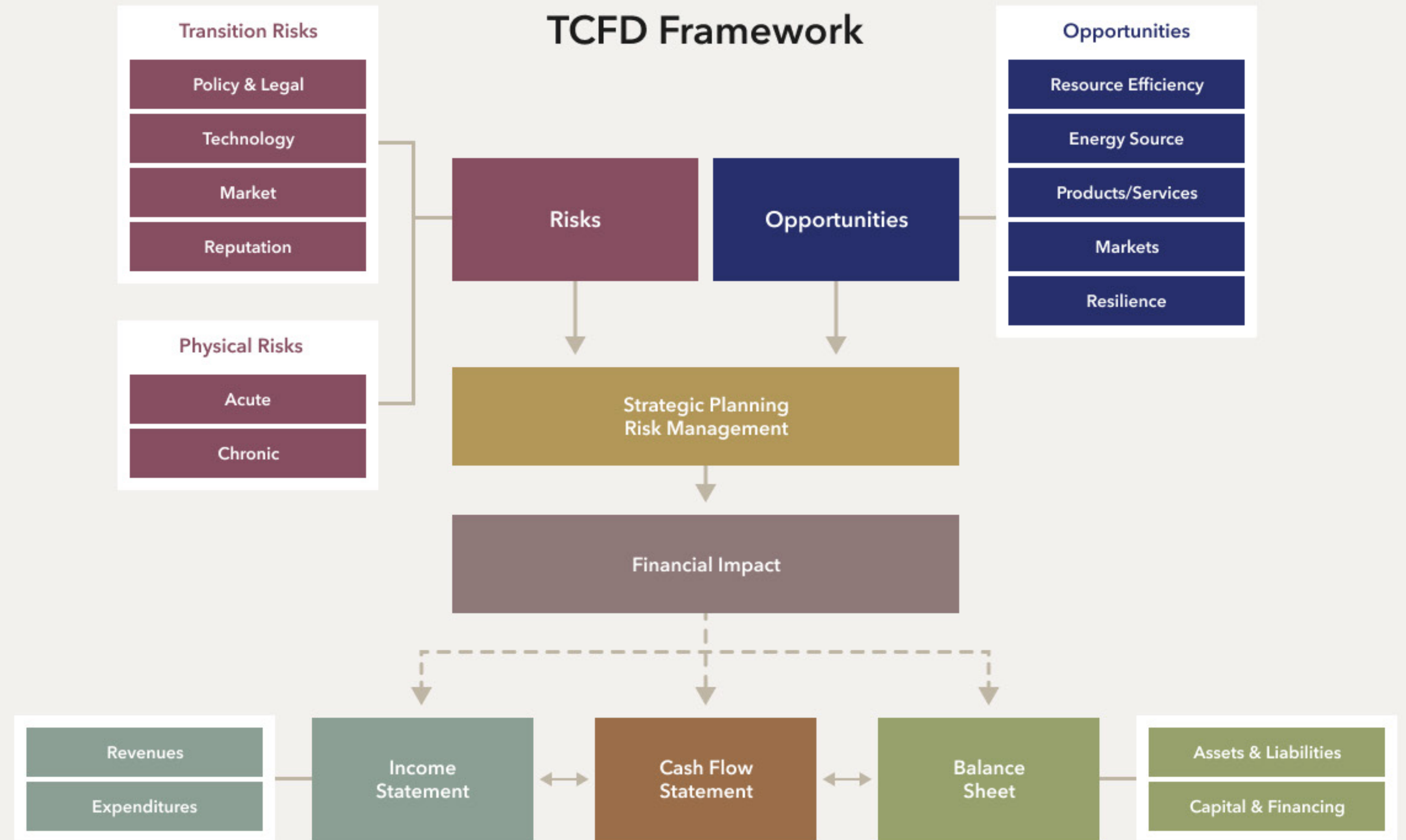
The mining and metals sector's role in meeting this challenge is both through the production of minerals needed for the transition to a low carbon economy, and reduction in the emissions from the energy required for the extraction and subsequent treatment of mined products into forms capable of being used in downstream applications and products.





The physical impacts of climate change and the transition to a low carbon economy presents a range of financial risks and opportunities. Created in 2015 by the Financial Stability Board (FSB), the Task Force on Climate-Related Disclosures (TCFD) aims to promote a more consistent approach to addressing and disclosing climate-related financial risks and opportunities. The widely accepted framework is grouped into four pillars - governance, strategy, risk management, and metrics and targets (see table to the right).

RCF provided its initial disclosure aligned with the TCFD framework in its 2021 ESG Report. RCF is committed to continuous improvement of both performance and disclosure. The following sections demonstrate RCF's continued advancement towards TCFD reporting on relevant climate-related risks and opportunities and extends the disclosure of RCF's firm and portfolio company (invested) emissions.



Source: Recommendations of the Task Force on Climate-related Financial Disclosures

Governance

As with all of RCF's responsible investment actions, RCF's senior leadership strives to oversee management of climate-related risks and opportunities. Accountabilities for responsible investment governance at RCF, which includes climate change, are summarised on page 16. Further detail about RCF's over-arching governance processes is provided on page 62.

Direct oversight of RCF's Climate Change Policy, established in 2015, is under the mandate of the ESG Committee. RCF's Climate Change Policy outlines its approach to evaluating climate-related risks and opportunities, including considering climate risk in due diligence and ongoing portfolio company engagement.

In practice, responsibility for identifying, assessing and managing climate-related risks lies with RCF's

investment teams, working in partnership with the Director ESG, with guidance from the ESG Committee. RCF Investment Committees for each Fund make decisions on where RCF deploys capital, considering material ESG issues, including the findings from climate-related analysis.

During 2023, RCF's ESG committee discussed several evolving climate-related risks and opportunities, including RCF's approach to emissions reduction targets and assessment of the physical risks of climate change to investments. Such discussions informed the on-going update of RCF's climate change strategy and workplan and the continued enhancement of RCF's reporting against the TCFD reporting framework.



Strategy

RCF acknowledges that a changing climate and the energy transition represent both risks and opportunities to the mining and metals sector which may affect RCF's strategy, investments and returns. Given the scale of RCF's invested (Scope 3) emissions relative to RCF's own business, its investment portfolio is the primary focus of RCF's climate strategy.

RCF has identified climate-related risks and opportunities which it expects will impact portfolio companies over the short (one to three years), medium (three to six years) and long term (more than six years). RCF's initial approach to identifying, assessing and managing these risks and opportunities is described in the pages that follow.



Climate-Related Investment Risks and Opportunities



Physical Risks

Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Mining projects are often located in harsh climates. More frequent and intense weather events may increase the physical challenges to mining operations, such as direct damage to mine infrastructure, disruptions to operations and indirect impacts from their supply chain. Examples of physical risks are detailed in the table below.

Physical Risk	Potential Mining Industry Impacts ¹
Acute: Event driven	<ul style="list-style-type: none"> • More frequent droughts, forest fires, and floods may alter the supply of water and other key inputs to mine sites and disrupt development or operations. • Flooding from extreme rains can also cause operational disruptions, including mine closure, washed-out roads, and unsafe water levels in tailing dams.
Chronic: Longer-term shifts in climate patterns	<ul style="list-style-type: none"> • Changing climatic patterns can result in an increase in rainfall and flooding events leading to operational disruptions. • Significant global metals resources are in water-stressed and arid areas and (depending on the change in climatic pattern) this could lead to vulnerability of operational water supply, increased competition for shared water resources and increased costs. • Extreme heat in already hot places - particularly Australia, China, and parts of North and West Africa - can decrease worker productivity and raise cooling costs. It can also put workers' health (and sometimes their lives) at risk.

1. Reference: <https://www.mckinsey.com/capabilities/sustainability/our-insights/climate-risk-and-decarbonization-what-every-mining-ceo-needs-to-know>

Transition Risks

Transitioning to a lower-carbon economy will require extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk but also opportunity to RCF and its portfolio companies. Transition risks and opportunities are detailed in the table at the right.

Transition Risks and Opportunities of Climate Change in the Metals and Mining Industry

Risks	Potential Risks	Potential Opportunities
Policy and Legal	<ul style="list-style-type: none"> Increased carbon taxes, carbon pricing and cap and trade programs could increase costs for mining companies and/or require companies to make investments to reduce emissions from operations. Portfolio companies may face increased climate-related litigation risk from potential non-compliances or the perception that they are not acting quickly enough to mitigate climate risks. 	<ul style="list-style-type: none"> The need to secure mineral inputs critical to decarbonization has led many governments to implement Critical Minerals strategies which may include significant incentives to bring new projects into construction.
Technology Changes	<ul style="list-style-type: none"> Disruptive new low-emissions technologies may change demand for commodities, positively or negatively depending on whether commodities are inputs in new or displaced technology (e.g., new battery technology may change the market fundamentals for certain metals that RCF invests in, including nickel, lithium, vanadium, Platinum Group Metals (PGMs) and graphite). Portfolio companies may experience challenges adopting new technologies necessary to support emissions reduction targets. The cost and unproven nature of new technology could reduce RCF's investments' productivity and profit margins. 	<ul style="list-style-type: none"> Mining Equipment, Technology and Services Sector (METS) companies that are innovating to reduce industry emissions, (e.g., autonomous and electric vehicles, and advanced sensors and monitoring systems) may improve their competitive position.
Market	<ul style="list-style-type: none"> As metals play a vital role in the transition to cleaner energy production, demand for some commodities may be reduced, influenced by different climate transition pathways. 	<ul style="list-style-type: none"> Companies that proactively seek opportunities in higher-demand commodities may be able to diversify and better position themselves for the transition to a lower-carbon economy. Relatively low emissions mining operations may develop a competitive advantage, provide better access to capital, or enhance their ability to secure attractive offtake agreements.
Portfolio and Strategy	<ul style="list-style-type: none"> Climate change may enhance pollution concerns or scarcity pressures in mining areas, resulting in stricter environmental regulation. This may impact on RCF's investments costs of, or access to, key inputs such as water, and/or the ability to secure land approvals for new developments. 	<ul style="list-style-type: none"> As demand for transition metals grow, so will government incentives to support mining projects and initiatives that provide the critical resources. Environmental regulation could become faster and more efficient for these investments.
Reputation	<ul style="list-style-type: none"> Negative stakeholder impressions of the mining industry's contribution to climate-change could cause reputational damage, decrease investor confidence, create challenges in maintaining positive community relations and pose additional obstacles to companies' ability to develop projects, which may result in a material adverse impact on their financial position. 	<ul style="list-style-type: none"> Mining companies that demonstrate leadership and innovation to address climate change while also maintaining their financial performance will enhance their reputation with all stakeholders and improve investor confidence.

Portfolio Screening of the Physical Impacts of Climate Change

RCF commenced work in 2023 to assess the physical risks of climate change in its portfolio using scenario analysis, partnering with ERM, a multinational consultancy firm which focuses on sustainability and the environment. The objective of this work was to provide RCF insight into the risk exposure of its investments to the physical effects of climate change which can reasonably be predicted now. The outputs are intended to support RCF's climate adaptation planning and alignment with the Task-Force on Climate-Related Financial Disclosures recommendations for assessment of climate-related risks and opportunities.

The work is utilising ERM's proprietary Climate Impact Platform ('CIP'). CIP is an automated climate event analysis tool which is underpinned by ERM's Global Climate Database, ERM's knowledge of different asset types, and a range of climate projections. This was supported by GIS-based analysis of a selection of high-priority climate hazards.

Climate hazard screening is being conducted for 15 of RCF's longer life mining / mineral processing investments located in Australia, the United States of America, Canada, Finland, Brazil, Kazakhstan and Chile. The investments were selected to ensure representation of geographical and climatic variation.

The investments are being stress-tested at a 4.4° Celcius temperature rise aligned with the Intergovernmental Panel on Climate Change Shared Socioeconomic Pathways 8.5 2100 scenario (SSP5-8.5) for a 2030 and 2050 time horizon. SSP5-8.5 specifically describes a "high emissions" or "worst-case" scenario. It represents a future where there is high economic growth driven by fossil fuels (oil, coal, and gas), leading to high levels of greenhouse gas emissions. The "8.5" refers to the radiative forcing level (measured in watts per square meter) that the Earth's atmosphere could experience by 2100 if this scenario unfolds, leading to severe climate warming.

Risks assessed at each investment include extreme heat/cold, flooding, extreme rain, coastal flooding, cyclones, wildfire, landslides and water stress/drought.

RCF look forward to sharing the outputs of this assessment in its 2024 ESG Report.



Baseline

Rank	Owner	Asset	Risk score	Risk rating
1	Company 1	ABC Asset	2.58	Moderate
2	Company 2	DEF Asset	2.46	Moderate
3	Company 3	GHI Asset	2.35	Moderate
4	Company 4	JKL Asset	2.16	Moderate
5	Company 5	MNO Asset	2.15	Moderate
6	Company 6	PQR Asset	2.04	Moderate
7	Company 7	STU Asset	1.77	Low

2050

Rank	Owner	Asset	Risk score	Risk rating
1	Company 2	DEF Asset	3.16	High
2	Company 1	ABC Asset	2.79	Moderate
3	Company 4	MNO Asset	2.63	Moderate
4	Company 6	STU Asset	2.57	Moderate
5	Company 2	GHI Asset	2.47	Moderate
6	Company 3	JKL Asset	2.43	Moderate
7	Company 7	VWX Asset	2.22	Moderate

Risk Management

As with other ESG issues, RCF strives to take a materiality-based approach to integrating climate-related risk and opportunity management into RCF's strategic planning and investment processes. RCF's management response to climate change continues to develop, but currently spans key areas detailed below.

Commodity and Diversification Focus

RCF recognizes that transition risks and opportunities will have significant impacts on demand for metals and minerals. As such, it continually monitors global market trends to ensure that as far as possible, RCF funds are positioned to withstand and benefit from these structural trends. For example, this includes the assessment of government climate targets and related demand for renewable energy infrastructure, which in turn impacts demand for certain metals. Senior investment professionals meet semi-annually to review RCF's commodity focus and ensure that they are well-positioned to respond to changes.

RCF's Fund portfolios are well diversified in terms of commodity and jurisdiction, which mitigate the risk of exposure to climate-related risks in any single region or market. By focusing on high-quality assets, RCF aims to select portfolio companies able to withstand fluctuations in commodity price and other risks, including potential increased costs resulting from the transition to a low-carbon economy.

Climate-related Due Diligence and Stewardship

RCF's due diligence process is the main method for attempting to identify climate-related risks and opportunities, as well as for assessing how companies are preparing for climate change impacts. RCF takes into consideration government requirements and compliance with applicable jurisdictional emission limits (in line with Nationally Determined Contributions), current and evolving carbon trading regulations and offset requirements, as well as any regional reporting obligations. RCF continues to enhance its approach to understanding the relative greenhouse gas emissions intensity of investments. Where data is available, RCF considers the potential impact of regulated carbon prices on future financial returns and asset and portfolio values and monitors these through the holding period if they are material.

As part of RCF's climate change strategy, it is conducting a high-level review of the resilience of its portfolio against the physical impacts of climate change in more detail, including consideration of a more extreme physical climate temperature increase scenario.

RCF has commenced calculating current and future Scope 3 Financed Emissions exposure from its investments, with 2023 emissions disclosed on pages 45 and 74 of this report.

Reporting and Engagement

RCF seeks to actively engage with its investors and the market to ensure it remains in line with their expectations for climate action and disclosure. RCF published its Climate Change Policy and position statement in 2015, and its first TCFD aligned report in its 2021 ESG report, including disclosure of RCFM Scope 1 and 2 emissions, and selected categories of Scope 3 emissions. RCF has extended this reporting in 2022 and 2023 by more specifically articulating its climate-related risks and opportunities, and advancing its Scope 3 calculation, including a sub-set of its financed emissions (for around 61% of its AUM).

RCF believes that collaboration is essential to achieving global decarbonization targets in a sustainable way. In 2022 RCF was pleased to join the Global Battery Alliance, which aims to ensure that the extraction of these materials occurs ethically and in line with best practices, and not at the expense of communities or the environment. RCF is the only mining focused private equity firm to join the Alliance to date (refer to page 22 for further details).



RCF Innovation

RCF Innovation invests in high-growth Mining Equipment, Technology, and Service (METS) companies that seek to tackle the mining industry's biggest challenges with innovative solutions. These challenges include electrifying mining fleets, addressing inefficient water consumption, fatigue monitoring for operators of heavy equipment, and improving the management of tailings storage facilities.

Since its inception, the Fund has evaluated over 1,000 companies across Africa, Australia, Canada, Europe, New Zealand, South America, and the U.S., and has made significant investments in more than 14 companies.



In 2022, the Clean Energy Finance Corporation (CEFC) committed up to \$13.5 million to RCF Innovation II. This commitment is aimed at clean energy businesses developing industry-specific software and technology to improve energy efficiency, develop mine-specific renewable energy storage solutions, and increase electrification of mine site vehicles. The Fund will report the Scope 1, 2 and 3 emissions of its portfolio companies, consider the decarbonization potential of technologies under development and look for opportunities to establish net zero targets.

Metrics

RCF started calculating a portion of its greenhouse gas emissions in 2021, which has been continued and expanded across 2022 and 2023. RCF is aiming to calculate a complete view of its greenhouse gas emissions across Scopes 1, 2 and 3 by the end of 2025. RCF's progress towards these targets is detailed below.

Scope 1 and 2 Emissions

RCF first calculated and disclosed its RCFM Scope 1 and 2 emissions in its 2021 ESG report using the *Greenhouse Gas Protocol Corporate Accounting and Reporting Standard* (Greenhouse Gas Protocol), and updated this in its 2022 ESG Report. As an office-based company, RCF has no Scope 1 emissions. RCF's Scope 2 emissions relate to its energy usage at its leased office premises. Given RCF's Scope 1 and 2 emissions are relatively low, activity levels have not materially changed from 2022 and the resources required to conduct the update, RCF have not updated its Scope 1 and 2 emissions calculation for 2023. Going forward, RCF will update its Scope 1 and 2 emissions every three years or following material changes in activity-level, whichever is sooner.

Scope 3 Emissions

In 2021 RCF commenced calculation of its Scope 3 emissions baseline using organizational reporting boundaries in accordance with the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*.

In 2021 RCF calculated and disclosed its Scope 3 Category 6 (Business Travel) emissions. In 2022 RCF updated these metrics and extended its Scope 3 calculation to cover other material Scope 3 categories (refer page 45).

Given the scale of RCF's investment activities compared to its footprint as an office-based company, Scope 3 Category 15 (Financed Emissions) represents the most material source of emissions for RCF. In 2022 RCF calculated the Scope 1 and 2 emissions of portfolio companies in its most recent flagship fund, RCF VII (refer page 45) for 2020 to 2022 and part of Fund VI. These calculations represented around 50% of RCF's Assets Under Management in 2022.

In 2023, RCF extended these calculations to a subset of companies in RCF Opportunities and Innovation Funds, increasing Scope 3 emissions calculated and reported to around 61% of RCF's Assets Under Management.

In line with its climate change targets (refer page 46), RCF will continue to build its Scope 3 Category 15 (Financed Emissions) calculations to provide a full account of emissions by the end of 2025.

In 2023 RCF worked with Skarn Associates (a leading ESG data analysis firm) to forecast future Scope 1 and 2 emissions for RCF VII companies to 2030 and provide emissions intensity benchmarking data. This has helped RCF to understand how the emissions profile of its portfolio companies will evolve over time, particularly as some projects move from construction to full operation, and where opportunities for emissions reduction may exist.

A summary of emissions RCF has calculated is provided in the Table on the next page.

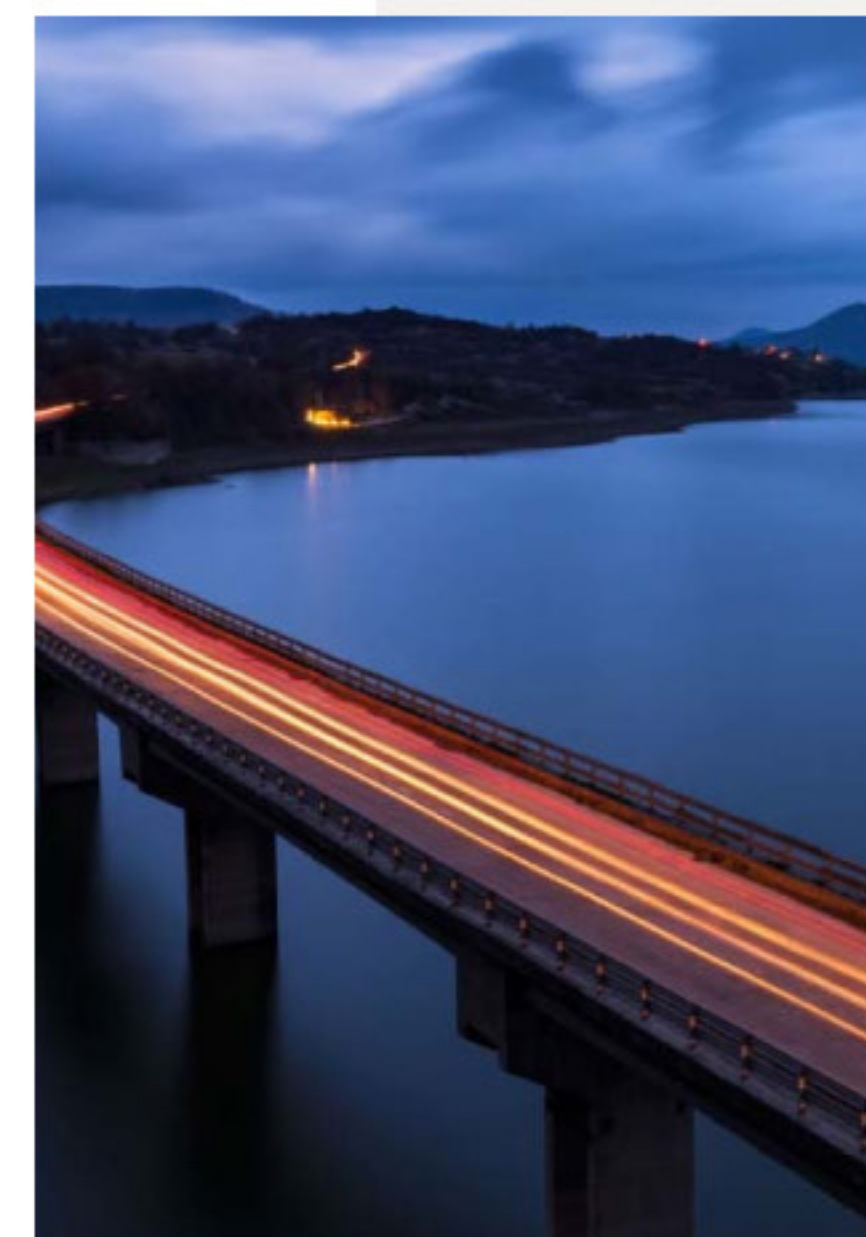
Summary of RCF Greenhouse Gas Emissions¹

		2023		2022		2021
		2023 Emissions (metric tonnes of carbon dioxide equivalent)	Proportion of 2023 Emissions (%)	2022 Emissions (metric tonnes of carbon dioxide equivalent)	Proportion of 2022 Emissions (%)	2021 Emissions (metric tonnes of carbon dioxide equivalent)
Scope 1	Direct Emissions	0	0.0%	0	0.0%	0
Scope 2	Indirect Emissions			227	0.4%	208
Scope 3	Category 1: Upstream Goods and Services			2,144	4.0%	Not calculated
	Category 2: Upstream Capital Goods			40	0.1%	Not calculated
	Category 3: Upstream Fuel and Energy Related Activities			14.5	0.0%	Not calculated
	Category 6: Business Travel			2,014	3.8%	561 ³
	Category 8: Upstream Leased Assets			127	0.2%	Not calculated
	Category 15: Financed Emissions ²	135,601 ²	>95%	53,063 ²	91.4%	Not calculated

1. Metric tonnes CO₂e

2. Financed emissions have been disclosed for a subset of Portfolio Companies/Investments Scope 1 and 2 emissions, which in 2022 represented around 50% of RCF's AUM. The calculation was expanded to a greater number of Portfolio Companies/Investments in 2023, representing around 61% of RCFM's AUM. RCF intend to expand this calculation further in future years.

3. Impacted by COVID-19 travel restrictions



Targets

As part of RCF's climate change strategy, RCF has set qualitative targets for the period 2023 and 2024. These are focused on enhancing RCF's climate change governance, risk assessments, and disclosure.

Climate change and decision-making

Update RCF's climate change policy and governance through due diligence, stewardship, engagement, and disclosure processes to ensure climate change risks and opportunities are fully embedded in business decision-making.

Physical risk analysis

Conduct broad scenario analysis to identify global locations of RCF's investments that would be most at risk from the physical impacts of climate change.

Greenhouse gas emissions

RCF is committed to continuing to advance its calculation of its Scope 3 Financed Emissions. RCF will apply the *Greenhouse Gas Protocol* definitions of organizational boundaries and materiality to expand its Scope 3 financed emissions calculations in 2024 to provide a full account of emissions by the end of 2025. RCF will continue to focus its effort in 2024 on portfolio companies in the RCF Innovation and Opportunities Funds.

Emissions Reduction

RCF is actively implementing its climate change strategy, with a focus on assessing opportunities for setting measurable emissions reduction targets across its most material emissions source, Scope 3 Financed Emissions category.

Some of RCF's portfolio companies have conducted Environmental and Social Impact Assessments (ESIA), which include estimates of greenhouse gas emissions and strategies for mitigation. Additionally, certain portfolio companies have committed to reducing greenhouse gas emissions and exploring renewable energy options.

RCF's climate change strategy includes review of these opportunities, and tracking their evolution and progress over time.

In 2023 as a first step in this process and as part of its EDCI data collection, RCF surveyed a subset of 20 of its Portfolio Companies from RCF VI, VII, Opportunities and Innovation Funds on their decarbonization plans. Of the 20 Companies surveyed, eight reported they have a decarbonization strategy in place, with five of these Companies setting short-term targets to support these plans. Five of the Companies have committed to achieving net zero emissions by 2050 or sooner, and a further seven intend to set a net zero goal within the next two years.

RCF Innovation: Calculating greenhouse gas emissions

RCF Jolimont Mining Innovation Fund II and II-A L.P. (RCF Innovation II or the Fund) invests in high-growth companies that seek to make mining safer, cleaner and more productive. By enabling these companies to apply innovation and technology to tackle some of the mining industry's biggest ESG challenges, the Fund aims to improve mining sustainability while delivering returns to investors.

ESG challenges being tackled include emissions reduction, electrifying mining fleets and haulage, addressing inefficient water consumption, improved process control to enhance efficiency and recovery, and improving the management of tailings storage facilities.

Australia's "green bank", the Clean Energy Finance Corporation (CEFC) invests in the clean energy transition to reduce emissions across the economy. The CEFC has committed around USD \$14 million to RCF Innovation II. The Fund is proud of its involvement with the CEFC.

The Fund considers the decarbonisation potential of technologies prior to investment. In 2023, the Fund collaborated with in-scope Portfolio Companies to baseline current greenhouse gas emissions, supporting development of strategies to reduce emissions and assist the progress of mining customers progress towards net zero emissions through the application of advanced technology.

This approach will be applied progressively for each in-scope Portfolio Company, with baseline reporting within one year and emission reduction plans in place within two years of the initial investment.


RCF engaged consulting firm Energetics and worked in partnership with each company to:

- Build a bespoke best practice model to calculate their greenhouse gas emissions, which could be updated monthly to keep track of their emissions and routine reporting; and
- Build the companies' understanding and capability in emissions reporting.

Each of the companies is now independently routinely calculating and reporting their greenhouse gas emissions. The next step will be for each company to use this data to develop their net zero greenhouse gas emissions plans.

This work will involve:

- Identification of the most material sources of emissions for each Company;
- Identification and evaluation of emissions reduction opportunities and their quantification (emissions, capital cost, and value);
- Implementation of emissions reduction plans and inclusion of emissions reduction in strategic plans;
- Measurement of success in reducing emissions including in management performance assessments.

Portfolio Company ¹	Technology	Scope 1 ²	Scope 2 ²	Total (Scope 1 + 2)
	Provides Accelerated Mechanical Consolidation technology to extract and recover water and reduce the capacity required in tailings dams.	6,694	21	6,715
	Developing a world-leading suite of elemental analysers and moisture analysers that empower customers with accurate, immediate and targeted visibility over bulk material operations.	44	45	89
	Innovation to design and manufacture ingenious, fully autonomous, emissions- and battery-free material hauling systems for underground and surface mining. Railveyor is the lowest operating cost and lowest CO ₂ emitter for ore haulage.	48	10	58
	Integrating systems to bring electric light vehicles to mining.	1.6	1.4	3

1. Visit <https://resourcecapitalfunds.com/strategies/innovation/esg-and-rcf-innovation-ii/> for further information.

2. See Glossary for definitions.

Global Battery Alliance Battery Passport

The Global Battery Alliance (GBA) is a public-private collaboration platform founded in 2017 at the World Economic Forum to help establish a circular, responsible, and just battery value chain by 2030.

The aim of the GBA is to ensure that battery production not only supports green energy, but also safeguards human rights and promotes health and environmental sustainability.

RCF is proud to have joined the GBA in 2022 as the first and only member from a private equity mining finance firm.

One of the key initiatives the GBA Battery Passport program. The passport program provides a global reporting framework to govern rules around measurement, auditing, and reporting of ESG parameters across the battery value chain. Key features are a digital identification for batteries containing data and descriptions about ESG history, and a quality seal for batteries to facilitate responsible consumer purchasing.

Through this program, the GBA is aiming to provide transparency of the impact of the battery along the value chain to all relevant stakeholders, create a framework for benchmarking batteries and establishing minimum acceptable standards, and validate and track progress toward sustainable batteries.

Through participation in the GBA, RCF has participated first hand in establishment of a sustainable and responsible battery value chain.

Environmental Performance

Opportunity mined responsibly.

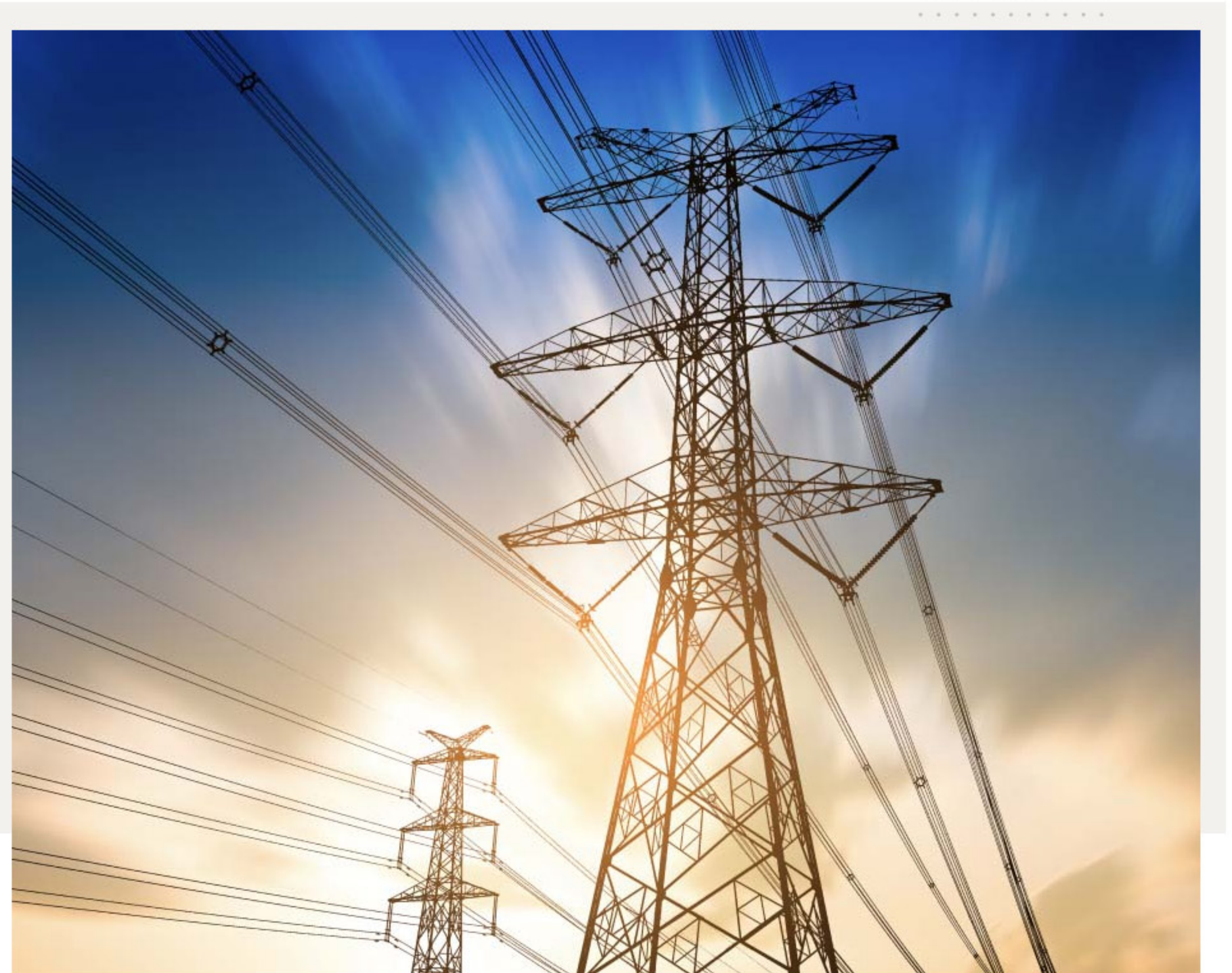


14 Si Silicon	29 Cu Copper	30 Zn Zinc	31 Ga Gallium	32 Ge Germanium
34 Se Selenium	47 Ag Silver	48 Cd Cadmium	49 In Indium	52 Te Tellurium

Risks and Impacts

Mining relies on acquiring and preserving rights to collectively owned resources derived from nature, such as land and water. However, the mining industry can also generate environmental risks and impacts. The escalating effects of climate change and the ongoing decline in biodiversity have intensified strain on the Earth's natural systems along with competition for environmental resources.

RCF conducts due diligence on a wide range of environmental issues facing its portfolio companies in an effort to better understand how these may affect performance. Post initial investment, RCF seeks to regularly review its portfolio companies' environmental performance, for example, by collecting and reviewing performance data on material environmental issues and reviewing environmental management practices. This includes monitoring leading and lagging indicators to ensure that appropriate investigations have been initiated, and corrective and/or preventative action plans put into place. RCF may also engage external specialists to conduct specific environmental assessments and, where necessary, work with portfolio companies to develop performance improvement plans.



Management of Material Environmental Issues

A summary of RCF’s approach to managing its most material environmental issues is provided in the table to the right, along with examples of associated key management actions taken in 2023 and issues for future focus. Additional detail is also provided on RCF’s progress in managing Tailings Storage Facility (TSF) risk. Climate Change is discussed in detail on page 35.



Material Issue	Approach to due diligence and stewardship	Key actions in 2023	Future focus
Biodiversity and habitat conservation	Protection or enhancement of legally protected areas, critical habitats, key biodiversity areas, valued ecosystem components, endangered and threatened species, and ecosystem services.	Developed biodiversity-related expectations for future investments. Identified draft metrics to track performance to commence alignment with the Taskforce on Nature-related Financial Disclosures.	Implement biodiversity expectations and metrics for selected Portfolio Companies and commence tracking.
Water management and stewardship	Water stewardship to manage the impacts and risks of operational water needs, and for water resources shared with communities and the environment, including water quality and quantity.	Developed draft water stewardship-related expectations for future investments. Defined draft metrics to track water stewardship.	Implement water stewardship expectations and water metrics for selected Portfolio Companies and commence tracking.
Tailings Storage Facility (TSF) management	Design, construction, operation, and decommissioning of TSFs to ensure structural integrity (refer to page 52 for further details). Effective governance of tailings and TSFs to industry-recognised standards is critical for maintaining their integrity.	Collated data on Portfolio Companies TSFs in line with Church of England Pensions Board and the Council on Ethics Swedish National Pension Funds (COE/SNP) reporting categories. Worked with one RCF VII company to bring TSF management in line with international standards in relation to cyanide management.	Disclose details of Very High rated risk consequence TSFs in RCF’s portfolio in line with COE/SNP reporting categories.

Case Study: RCF Opportunities Fund I, Liberty Gold

Aiming for Net-Positive Biodiversity and Habitat Improvements for Sage Grouse

The Greater sage-grouse (*Centrocercus urophasianus*; "GRSG") and the Columbian Sharp-tailed grouse (*Tympanuchus phasianellus columbianus*; "CSTG") are iconic, North American ground-dwelling birds. Their habitat has been significantly and progressively reduced over the last century across the western United States. Major impacts are from wildfire, climate change, invasive weeds, human development, and habitat fragmentation. Predation from birds and land-based mammals is also creating a substantive impact on population dynamics.

Liberty Gold's Black Pine project in Curlew Valley, southern Idaho, is largely located in poor quality GRSG/CSTG habitat. There are few leks (traditional courtship display areas) in the main valley adjacent to the deposit area, and declining bird counts have been evident over the last five years of detailed study by Liberty Gold and third party wildlife biologists.

Liberty Gold is firmly committed to mitigate impacts to the local grouse populations, by the application of operational controls and protecting and improving sagebrush habitat quality in adjacent areas. Liberty's recent efforts include:

- Provided annual bird counts to regulatory agencies since 2018.
- In 2022, planted 20,000 sagebrush seedlings in a burned area to encourage brooding and feeding.

- In 2023, initiated a GRSG GPS tagging program to monitor their movements and will continue through 2025.
- In 2023, purchased more than 1000 acres (405 hectares) of private land in the area to use as potential mitigation and conservation sites.
- Partnered with SWCA Environmental Consultants to develop habitat maps and conservation plans. With SWCA's map-based tools, habitat values in the proposed mine area (both pre-and post-mining) can be compared with potential conservation areas, thus providing key baseline habitat information.
- Working closely with the U.S. Forest Service, Bureau of Land Management, Idaho Department of Fish and Game, and the Idaho Governor's Office of Species Conservation on plans to monitor and protect the birds, and for mitigation and conservation projects.
- Starting to develop partnerships, with the help of the consulting group BDO Canada, with local ranchers, land trusts, and wildlife organizations to identify opportunities for conservation projects.

Liberty Gold's goal is to relinquish the land in the Black Pine area post-mining in a better biological state than it exists currently, and assuring it is well-prepared and able to sustain the next key use of the land. This means promoting biodiversity, improving landform and vegetation quality, and providing revenue opportunities for local communities. Through these efforts, Liberty Gold intends to have a net-positive biodiversity impact on the area, leaving it better than its pre-mining state. Liberty's sage grouse programs are just one part of the sustainability initiatives that make up this commitment.

Libertygold



Tailings Management

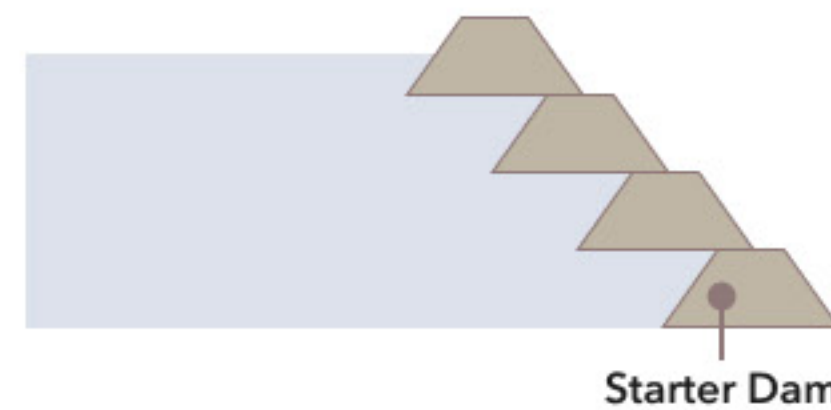
Tailings are the residual, slurry-like material left after metals are extracted from ore, consisting of fine rock and soil particles, water, and residual processing reagents. Tailings produced during processing are stored in a Tailings Storage Facility (TSF).

Tailings and TSFs can pose potential human health and safety risks, and adverse impacts on the environment. Responsible tailings management is critical to minimising and mitigating these risks. The primary risk of TSFs is loss of tailings containment into the surrounding environment, either during operation or after TSF closure. The impact of a TSF loss of containment ranges from minor land and water contamination with low environmental and social impacts and minimal operational disturbance, to a catastrophic event resulting in multiple casualties, severe impacts on livelihoods, and significant environmental damage.

There are three main tailings dam construction types based on the design of the main dam embankment - upstream, downstream and centreline (refer figure below). The design is chosen based on factors like dam siting, geology, seismicity, climate, construction methods, and tailings characteristics.

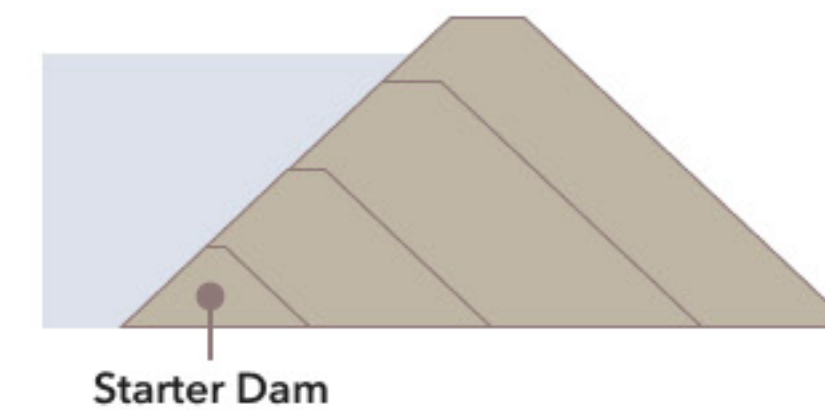
Studies show that if a main TSF embankment is constructed by an upstream method, instability issues are twice as likely to occur than from a dam constructed from other methods such as downstream or centreline¹ (refer to the figure below).

Upstream Construction



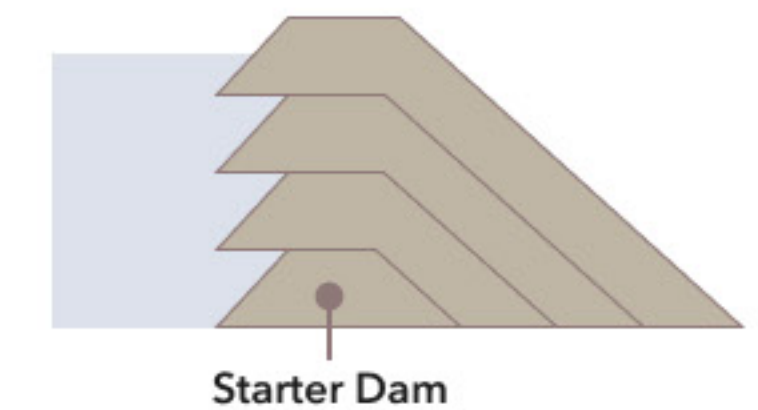
The stability of the facility depends on the integrity of the tailings. Although this method has a history of successful use spanning decades, its design demands more consistent operational control and management effort compared to downstream construction.

Downstream Construction



The construction technique isn't dependent on tailings stability and offers greater operational versatility.

Centreline Construction



This construction approach is valuable when the dam's overall footprint faces physical limitations. While the facility's stability still depends on tailings integrity, to a lesser degree than upstream construction, it necessitates heightened operational control, management diligence, and thorough review compared to downstream construction.

RCF's due diligence process and stewardship includes assessments of planned or existing TSF construction methodologies, design and operational management standards, material risks, and TSF governance and oversight. In 2022 RCF began to align selected requirements of the 2019 *Investor Mining and Tailings Initiative* and the Global Industry Standard on Tailings Management to its due diligence process.

Across RCF's portfolio companies at the end of 2023, there were a total of eight active TSFs and three closed TSFs. The main embankments of all these dams and their subsequent raises have been either downstream or centreline construction. Based on the assessment of the consequences of dam failure, five dams operated by RCF portfolio companies have been classified as High or Extreme Risk under their

respective operating standards. None of these dams have upstream construction methods for their main embankment, significantly reducing their likelihood of failure.

Currently, RCF is working to enhance transparency in relation to TSF management by its portfolio companies, in line with the 2019 *Investor Mining and Tailings Initiative*, led by the Church of England Pensions Board and the Swedish Council on Ethics. RCF has progressed establishment of a directory of the Very High or Extreme Consequence Risk TSFs in its investments, including location, raising method, heights, volumes, risk ratings, and other technical details. RCF will also be focusing stewardship and action plans to ensure RCF maintains oversight over these.

1. <https://www.nature.com/articles/s41598-021-84897-0>

Case Study: RCF VII, IAMGOLD, Robust tailings management from pre-feasibility through to closure

IAMGOLD is committed to ensuring the safety of its employees, communities and the environment in the management of its Tailings Storage Facilities (TSFs). Tailings management is considered at the onset from pre-feasibility through to closure. IAMGOLD has developed a robust tailings management system and fosters a culture of leadership, accountability and continual improvement to support performance in environmental stewardship. The tailings management framework is informed by laws and regulations, international frameworks, stakeholder expectations, peer benchmarking and best practices.

IAMGOLD operates four active TSFs, as well as manages one inactive and two closed, legacy TSFs.

IAMGOLD's tailings management framework consists of policies, standards, plans, and operating procedures and tools. Each site develops a Tailings Operating, Maintenance, and Surveillance (OMS) Manual, which include a Tailings Management Plan and Water Management Manual that defines the conditions under which each facility is operated, including roles and responsibilities, risk management and controls, and maintenance and surveillance.

The Board of Directors has overall stewardship of IAMGOLD's tailings performance, supported by the Sustainability and Technical Committees of the Board. The Chief Operating Officer is the

designated Accountable Executive Officer on tailings management who is responsible for overseeing the implementation of the tailings management system, ensuring there is adequate training and resources, and that a qualified, experienced Responsible Person, Engineer of Record, and Independent Reviewers are in place for each facility according to the level of risk and the characteristics of the TSF.

At each site, the Responsible Person manages the TSF and is an integral part of the development, implementation and continual improvement of the tailings management system. External experts, including the Engineer of Record, provide critical tailings management expertise, especially on safety, as part of the annual Water and Tailings management reviews conducted by the Independent Tailings Review Board.

TSFs are regularly inspected by competent and trained responsible persons appointed to manage their performance. Additionally, an annual inspection is conducted by the Engineer of Record. Each of IAMGOLD's operations has Emergency Response and Preparedness Plans in place to address risks, including potential dam breaches and are regularly tested. In 2023, and in the past five years, none of IAMGOLD's TSFs had incidents of seepage. Extensive testing is conducted to stay prepared, as mandated by regulations requiring annual tests of response plans, which are submitted to the appropriate ministry of environment.

Social Performance

Focusing on local relationships and communities.



27 Co Cobalt	29 Cu Copper	47 Ag Silver
50 Sn Tin	73 Ta Tantalum	79 Au Gold

Committed Engagement

Social performance is the outcome of a company's engagement, activities, and commitments that directly and indirectly impact stakeholders - or, affect the quality of relationships with those stakeholders.

RCF has specific areas of focus for the social performance of its portfolio companies: the health, safety, and wellbeing of workers; grievance management; engagement with stakeholders, including local and Indigenous communities; human and labour rights; and diversity, equity, inclusion and belonging (DEIB).

Through engagement and stewardship, RCF aims to pursue continual improvement in social performance, and support opportunities to contribute to the social, economic, and institutional development of host countries and local and Indigenous communities. In addition to global international good industry practices to guide its approach to social performance (refer to page 23), RCF also refers to the UN Guiding Principles on Business and Human Rights, and the Voluntary Principles of Security and Human Rights.

RCF has collected social performance data from its portfolio companies since 2018. To more effectively evaluate performance and provide standardised data to investors and other stakeholders, RCF is monitoring and reporting data points for health and safety, human resources, and Board diversity in alignment with the EDCI ESG Data Convergence Initiative (refer to page 30) for RCF Fund VII and selected Opportunities and Innovation Fund Portfolio Companies. RCF intends to extend this approach across all RCF Portfolio Companies and will continue to incorporate additional datapoints to monitor social investment and human rights.

For RCF Management Company (RCFM), RCF's commitment to the health and safety of its workers is codified in its Occupational Health and Safety Policy, which details its approach to providing a safe workplace and managing hazards and injuries.



Management of material social performance issues

Material Issue	Approach to due diligence and stewardship	Key Actions in 2023	Future Focus
Health, safety and wellbeing	Commitment to the health and safety of workers and their families, local communities, and wider society. Workplace practices and critical controls are in place to prevent fatalities, minimise injuries and eliminate occupational diseases, towards a goal of zero harm.	<p>Collected key safety performance metrics for a subset of Portfolio Companies from RCF VI, RCF VII, Opportunities and Innovation Funds and reported to the EDCI for benchmarking. Reviewed performance against ICMM benchmark data. Developed draft RCF health and safety performance expectations and metrics for Portfolio Companies.</p> <p>Completed 17 site visits to assist establishing whether portfolio companies are adhering to safe working practices in line with RCF's expectations.</p> <p>Worked closely with one RCF VII Portfolio Company to establish a safety performance improvement plan.</p> <p>Due diligence and portfolio company monitoring, including review of health and safety management capability, policies and performance.</p>	<p>Implement RCF health and safety performance expectations and performance monitoring for selected Portfolio Companies, and track against global benchmarks.</p> <p>Implement safety improvement plans where Portfolio Company performance does not meet RCF expectations.</p>
Stakeholder and Communities	Working with local and indigenous communities, achieving a licence to operate, and creating social value through employment, enterprise, and economic contribution. Managing risks and opportunities associated with cultural heritage, in-migration, resettlement, artisanal and small-scale mining, Indigenous people and vulnerable groups, and community health and safety.	<p>Participation in four portfolio company ESG Committees, which review strategy and social performance.</p> <p>Developed RCF social performance expectations and metrics for future investments.</p> <p>Distribution of around \$264k by the RCF Foundation to 37 organizations in Australia, USA, Canada, United Kingdom, Kazakhstan, Burkina Faso, Brazil, Jamaica and Chile.</p> <p>Supporting philanthropic initiatives through the RCF Foundation.</p>	<p>Establish routine social performance data reporting for Portfolio Companies and monitor and track performance. Implement improvement plans where Portfolio Company performance does not meet RCF expectations.</p> <p>Continue to focus RCF Foundation grants to benefit the communities where RCF's portfolio companies operate.</p>
Human and labour rights	Respect human rights and the interests, cultures, customs and values of workers and communities, guided by the UN Guiding Principles on Business and Human Rights and the Voluntary Principles of Security and Human Rights.	No specific actions in 2023.	<p>Conduct RCFM training on human rights, risks and impacts associated with mining.</p> <p>Consider developing an RCF Modern Slavery Statement.</p>
Diversity, Equity, Inclusion and Belonging (DEIB)	Fair treatment of all workers and a culture of workplace diversity, equity, inclusion, and belonging.	<p>Collected Board and C-Suite diversity data for a subset of RCF VI, RCF VII, Opportunities and Innovation Funds and collected employee turnover data (for around 61% AUM). Reviewed Board diversity against global benchmarks.</p> <p>Continued to work closely with companies to identify diverse candidates for Board roles.</p> <p>Updated policies to reflect best practice in unconscious bias, psychological safety and inter-cultural intelligence and communication.</p> <p>Completed review to minimize bias and discrimination in talent acquisition, retention and promotion.</p> <p>Established employee mentorship program.</p> <p>Completed current state inclusivity assessment.</p>	<p>Continue to further develop and implement RCFM DEIB Strategy.</p> <p>Set quantitative Board diversity targets for future funds.</p> <p>Continue to develop metrics and performance indicators to track and report progress.</p>

Diversity, Equity, Inclusion and Belonging (DEIB)

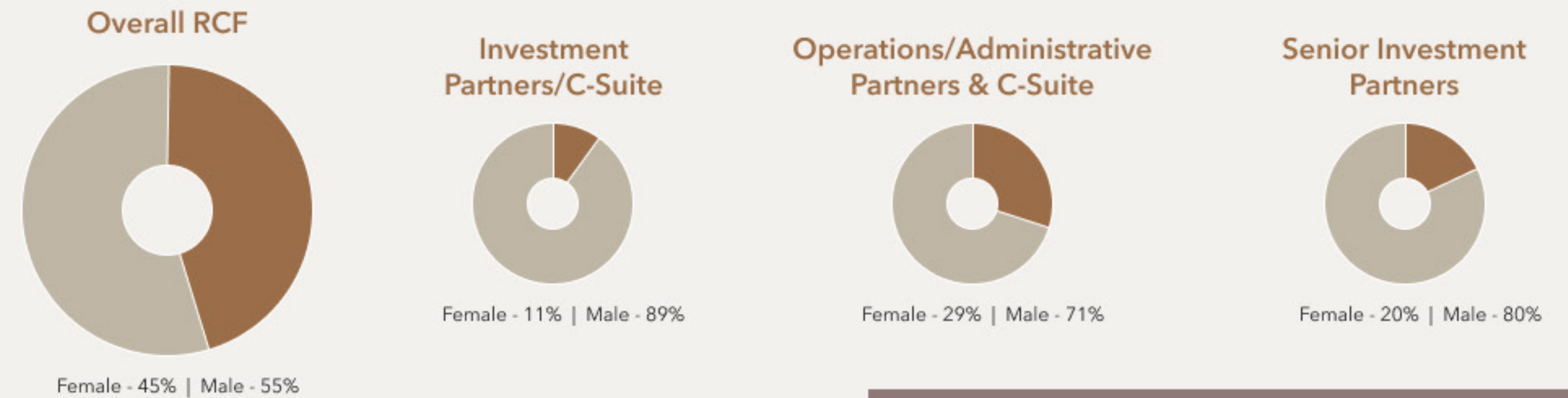
RCF believes that having a workforce comprised of individuals who bring diversity in gender, age, ethnicity, cultural background, and sexual orientation leads to creativity, innovation, and ultimately, better decision-making. RCF strives to promote diversity, ensure equity, foster inclusion, and cultivate a sense of belonging within its organization. RCF has visible and consistent commitment from top leadership to drive DEIB initiatives, with regular communication around the importance of DEIB throughout the organization and modelling inclusive behaviours. RCF is committed to creating an environment where every team member feels valued, respected, and empowered to contribute their best.

To ensure that everyone at RCF understands their rights and expectations of their colleagues, RCF requires all employees to complete DEIB training. This training supports a culture of open dialogue, where employees feel comfortable discussing DEIB topics and providing feedback.

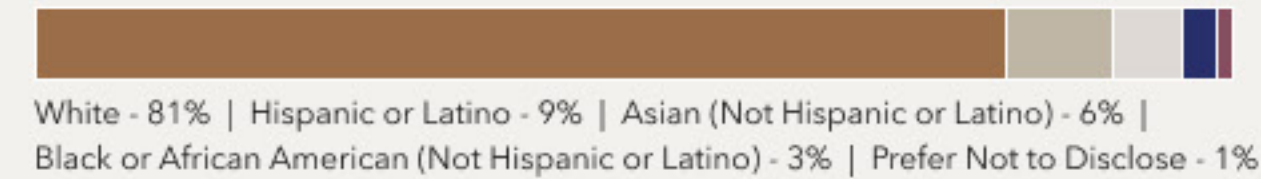
Within its portfolio companies, RCF evaluates Board of Directors' composition from a diversity perspective. Recognizing that there are significant challenges in the mining sector regarding all forms of diversity, RCF engages with its portfolio companies on a regular basis to discuss and influence board changes when necessary.

Going forward, RCF will be assessing its DEIB policies and training with the aim of updating its programs to reflect best practices in unconscious bias awareness, psychological safety, and intercultural intelligence and communication. RCF is also working towards ensuring that its talent acquisition, retention, and promotion practices are free from discrimination of any kind, and RCF is developing metrics and key performance indicators to measure, track, and report its progress. RCF looks forward to sharing updates on DEIB in future ESG reports.

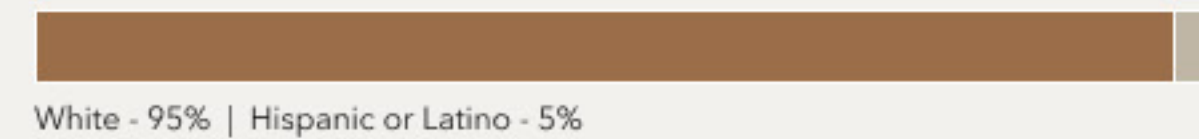
For calendar year 2023, RCF added 21 new employees of which 71% were women, and 24% were diverse in ethnicity.



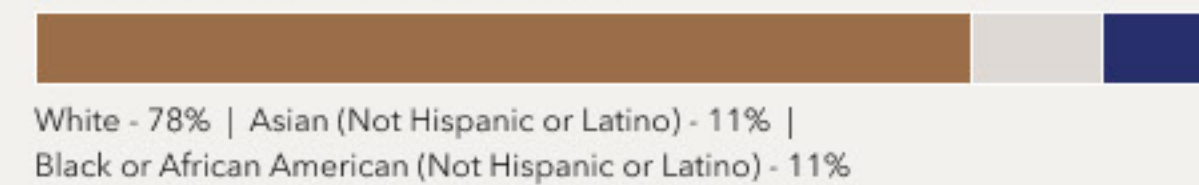
Ethnicity Company-Wide



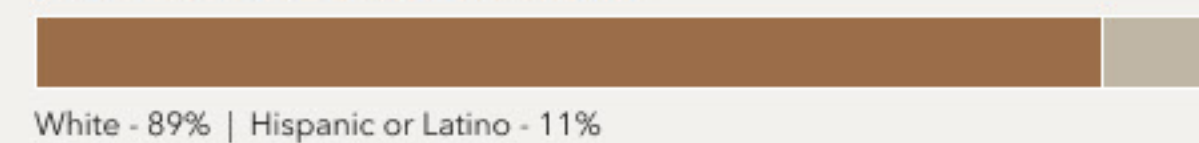
RCF Management (Male)



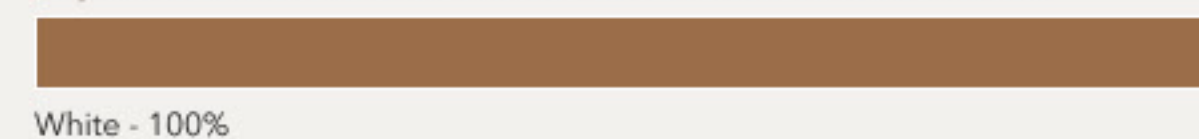
RCF Management (Female)



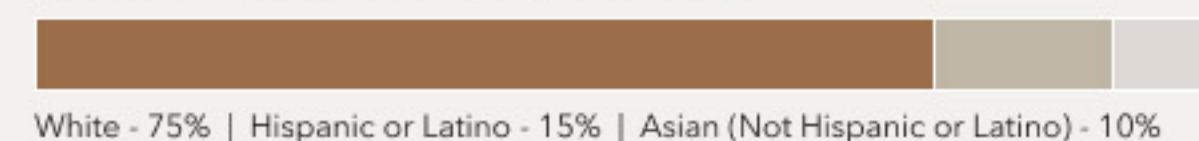
Investment Partners/C-Suite



Operations/Administrative Partners & C-Suite



Senior Investment Professionals



Collaborating with Global DEIB Initiatives

RCF supports several DEIB initiatives both within and outside of the mining and private equity industries.

For many years, RCF has been a key and founding sponsor of the Australian Institute of Company Directors Director Pipeline Project, mentoring women on programs to achieve their first board roles. Two RCF employees sit on the Board of the Canadian chapter of Women in Mining (WIM), an international non-profit that pursues gender equality and promotes women's voices, access to opportunities and leadership in the mining sector. RCF employees are also members of the WIM UK and WIM Colorado chapters.

During 2023, RCF's employees participated as advisory Board or committee members in diversity organizations. This includes the Black North Initiative (BNI), which has a mission to end anti-Black systemic racism in Canada by utilizing a business-first mindset, as well as a grassroots global organization, Diversity in Sustainability (DiS), which aims to support DEIB within the field of sustainability globally across all industries.

The RCF Foundation Activities

The Resource Capital Funds Foundation (the Foundation) was established in 2008 with a mission to support social change and promote sustainable development on a global scale. The Foundation supports philanthropic initiatives in communities where RCF's portfolio companies operate, and where its employees are located. RCF evaluates funding applications based on each initiative's ability to help achieve UN Sustainable Development Goals (SDGs), and all applicants must clearly demonstrate how Foundation funding will contribute to one or more of the 17 goals. Grant review and project selection are conducted by the RCF Foundation's Board of Directors. Funding applications may be initiated by RCF's employees (including on behalf of portfolio companies) or by its portfolio companies directly. The Resource Capital Funds Foundation Annual Report provides a summary of the grants and details on the financial position of the Foundation. The Foundation also provides funding for RCF's employee-matched giving program for contributions up to US\$250 annually to registered charitable institutions.

The broad mandate of the Foundation has resulted in the support of a wide variety of charitable causes reflecting both geographic and demographic diversity. RCF is proud to be making a positive impact across the globe.

Since inception, the RCF Foundation has disbursed nearly \$2 million in grants and contributions to over 200 organizations. In 2023, the RCF Foundation disbursed approximately \$264,000 to 37 organizations in Australia, USA, Canada, United Kingdom, Kazakhstan, Burkina Faso, Brazil, Jamaica and Chile.

In recent years, RCF's Foundation has been focused on increasing the proportion of grants to benefit the communities where its portfolio companies operate, and broadening its geographic impact in non-OECD jurisdictions where RCF believe its dollars will have greatest social impact.

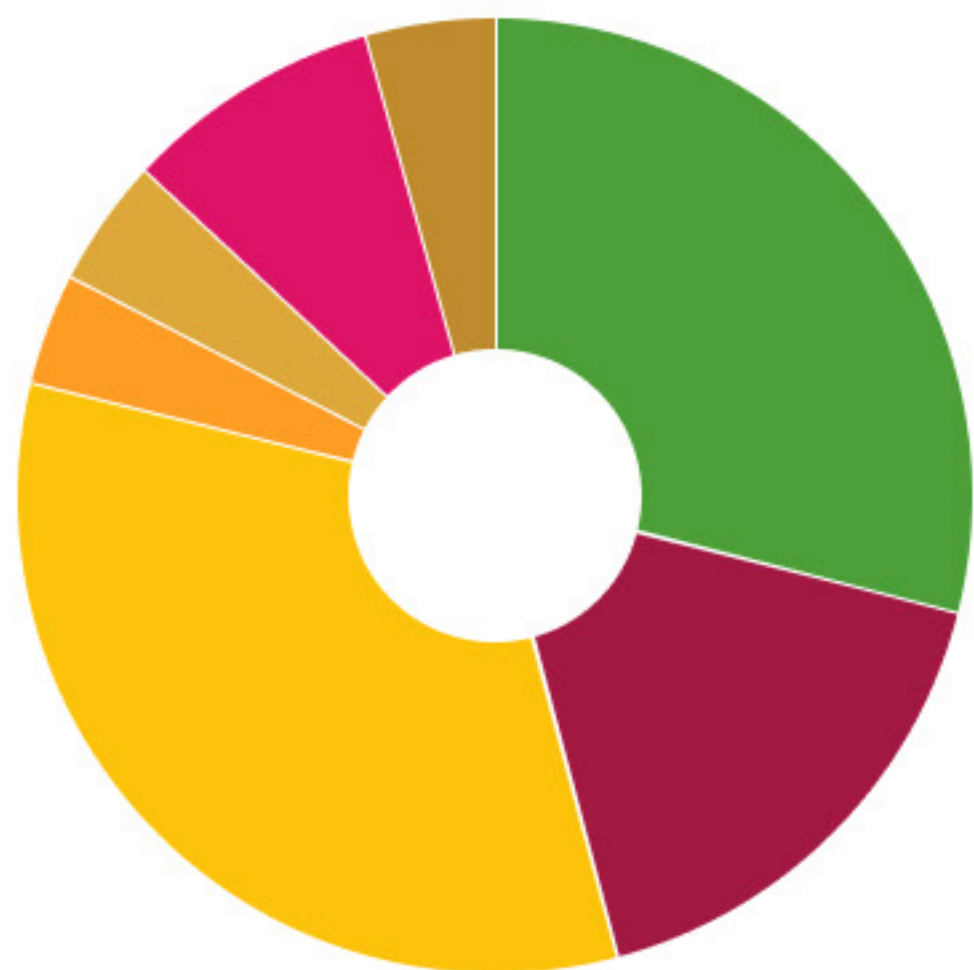
A summary of RCF's Foundation activities is provided below.

Relevant SDG	Beneficiaries	Geographic Location
1 NO POVERTY 	Covenant House	Canada
2 ZERO HUNGER 	Catholic Organization for Development and Solidarity (OCADES CARITAS)	Burkina Faso
3 GOOD HEALTH AND WELL-BEING 	Migiziwaadiswan	USA
	Nine Miles of Smiles	Canada
	United Way	Canada
	Ebenezer Rehabilitation Centre	Jamaica
	Hope Community Services	Australia
	The Parkinson's Foundation	Australia
	Tommy Raskin Memorial Fund for People and Animals	USA
4 QUALITY EDUCATION 	Alzheimers Dementia Support (ADS) Charity	United Kingdom
	Ickle Pickles	United Kingdom
	Aurora Education Foundation Limited	Australia

Relevant SDG	Beneficiaries	Geographic Location
5 GENDER EQUALITY 	Girls Rock	USA
	Documentary Australia	Australia
8 DECENT WORK AND ECONOMIC GROWTH 	ONG de Desarrollo Simon de Cirene	Chile
	Kazakhstan Society of the Deaf (Arman-Kokshe)	Kazakhstan
	Association of Parents and Friends of Exceptional People of Palmeiropolis	Brazil
10 REDUCED INEQUALITIES 	McGregor Kids Plus (Something Cool, Inc.)	USA
	Binar Futures	Australia
11 SUSTAINABLE CITIES AND COMMUNITIES 	Denver Scholarship Foundation	USA
	Boulder Wildlife Community Fund	USA
	Twin Hills Trust	Namibia
	Gilbertsville Fire and Rescue	USA

RCF Foundation CY2023

Proportion of Funds Distribution Per UNSDG



Geographical Distribution of Funds



- Good Health and Well-Being
- Sustainable Cities and Communities
- Decent Work and Economic Growth
- Quality Education
- Reduced Inequalities
- Zero Hunger
- Gender Equality

- Chile
- Canada
- USA
- Australia
- Brazil
- Burkina Faso
- Kazakhstan
- Jamaica



Case Study: RCF and RG Gold, Achieving Benchmark Safety Performance

RG Gold is a Kazakh gold mining and production company based in Kazakhstan. It operates the RayGorodok gold mine, one of the largest deposits of gold and third largest in terms of gold resources in Kazakhstan, with 6 million oz of gold reserves. The mine is located in the Burabay district of Akmola Oblast (region). Ore is mined from two open pits: North and South Raygorodok. Over 1,600 employees and contractors work at the site.

RCF partnered in the investment with Verny Capital, the majority owner and one of the largest private equity groups in Kazakhstan. RCF Fund VII owns approximately 35% of the company.

The investment was made in 2018 ahead of expansion of the mine, which saw it transform from a heap leach operation to expanded processing with a new carbon-in-pulp five million tonnes per annum (Mtpa) primary gold ore processing plant, which was brought into operation in 2022.

Following successful commissioning of the processing plant, safety performance was unstable throughout its first year of operations.

An internal audit indicated deficiencies and inconsistencies in safety compliance, performance reporting, and training and a safety culture still under development.

RCF worked in partnership with management in late 2023 and early 2024 to develop a safety performance improvement plan, which included:

- Engagement of an internationally experienced Health and Safety Director to implement critical risk management and lead development of the safety culture across the site;
- Engagement of a consultant to assist with completion of safety risk assessments and safe work procedures;
- Establishing an ESG Committee with oversight over safety performance and implementation of the safety improvement program.

In May 2024, RG Gold celebrated 1.6 million working hours without a Lost Time Incident, a record for the project. The Total Recordable Incident Rate for the operation is now also well within global benchmarks.



Case Study: RCF VII, IAMGOLD's Approach to Sustainable Mining

A Top Employer

For two years in a row, IAMGOLD has been recognized as one of Greater Toronto's Top Employers. In 2023, IAMGOLD were recognized for its efforts on various engagement, inclusion, and culture including:

- Providing competitive compensation and benefits, including a diverse health benefits plan, offering a health spending account, a wellness spending account that can be used to support family or household needs, and coverage to support the cost of mental health practitioners.
- Encouragement of employees to reduce their carbon footprint through a clean energy vehicle program, providing reimbursement of up to CAN\$3,000 every 36 months for the purchase or lease of electric or hybrid vehicles.
- Provide maternity and parental leave top-up to new mothers (90 per cent of salary for up to 25 weeks) and recently extended the policy to fathers and adoptive parents, offering top-up of 90 per cent of salary for up to eight weeks.
- A formal hybrid flexible work program, which aims to foster an environment that provides flexibility for both personal and work commitments for team members.

This approach extends beyond IAMGOLD's Canadian operations. The Essakane Mine in Burkina Faso supports the professional growth of local employees, the education of youth, and the overall well-being of all staff members through the following initiatives:

- Literacy and Financial Training: This program enhances employees' reading and writing skills and teaches budget planning and financial management. The aim is to boost business capabilities and professional confidence.
- Psychologist Support: A psychologist was hired to assist managers and teams in increasing focus and activities related to psychological safety.
- National Top Students Scholarship: Two students (one man and one woman) receive scholarships to pursue mining-related studies in Canada.
- Excellence Scholarships: A total of 32 five-year scholarships are awarded to post-secondary students in Burkina Faso pursuing bachelor's or master's degrees or enrolled in an engineering program. An additional five scholarships are granted to children of IAMGOLD employees in Burkina Faso. These scholarships assist students with living expenses through an initial payment and regular monthly stipends, totalling \$450,000.

"As a major private employer in Burkina Faso, we have a responsibility to ensure that the benefits of our mining activities are shared with all our host communities. It is extremely important for us that we continue to be an exemplary corporate citizen and that we continue to nurture strong ties with our neighbouring communities and Burkina Faso as a whole." - Tidiane Barry, General Manager, Essakane.

Respecting and upholding Indigenous rights at Cote Gold in Canada

Last fall, IAMGOLD completed the redirection of the Mollie River at Côté Gold in Canada to avoid potential flooding in the open pit from the river and nearby lakes. The priority was to protect existing waterways and ecosystems, particularly the local fish habitat. This rerouting was a crucial part of the mine's environmental permitting process, done in collaboration with Indigenous partners and other stakeholders.

To accomplish the rerouting, IAMGOLD applied natural channel design principles to establish self-sustaining systems that restore ecological functions. For example, the rerouting incorporated features like low-gradient meandering channels, fish spawning habitat, back-water habitat, standing snags for birds, and new wetlands. As part of the compensation for the removal of Côté Lake and associated fish habitat, IAMGOLD constructed a new lake connected to the Mollie River realignment. They worked closely with Mattagami First Nation and Flying Post First Nation to rename the new lake. After a consultative process, the communities proposed "Oshki Lake", meaning "new" or "young" in the local language. In August 2023, the Ontario Ministry of Natural Resources and Forestry officially approved the name, solidifying the collaboration between Côté Gold and local communities.

IAMGOLD[®]
CORPORATION



Governance

Strong governance is the foundation of successful ESG practices.



13 Al Aluminum	14 Si Silicon	24 Cr Chromium
25 Mn Manganese	26 Fe Iron	28 Ni Nickel

Good Governance

The ESG space is constantly evolving. One thing that has remained unchanged, however, is RCF's commitment to the principle of good governance as the foundation of successful performance. Good governance and practice can facilitate everything from risk management, permit approval, securing a robust 'social license to operate,' and access to capital.

RCF's Approach

RCF's approach to investment includes thorough due diligence on a company's governance structure, policies, and practices. This involves assessing board composition, conflicts of interest, anti-bribery and corruption measures, legal risks, transparency, and jurisdictional governance capacity. RCF refrains from investing in jurisdictions with excessive sovereign risk or legal constraints.

In portfolio companies where RCF has significant influence, it exercises this through board appointments and subcommittees. Even in less influential investments, like its Opportunities Funds, RCF engages with management on material risks.

Internally, RCF aligns its governance with stakeholder expectations and regulations. As an SEC-registered investment adviser, RCF takes its fiduciary responsibilities seriously and strives to create a strong culture of compliance. Its Code of Ethics emphasizes the importance of ethical conduct and the prevention or mitigation of conflicts of interest.¹

RCF's governance is overseen by a diverse 14-member Partner group, all with ownership stakes. This group reflects a mix of longstanding and new members. Each RCF Fund has an Investment Committee (IC), comprising Partners, investment team members, and often external experts, to review and consider investment proposals. Comprehensive investment committee papers summarizing risks and opportunities, including ESG factors, are prepared for each investment, and IC members monitor the portfolio's progress.

1. Registration under the Investment Advisers Act of 1940 does not imply a certain level of skill or training.

Material Governance Issues

RCF's approach to material governance issues is detailed in the table shown to the right.

Material Issue	Approach to Due Diligence and Stewardship	Key Actions in 2023	Future Focus
Risk Management	<p>RCF's approach to assessing and treating risk based on risk appetite, within the context of stakeholder expectations and the risk environment.</p> <p>Over RCF's 25-year history it has developed a robust and tested Investment Decision Making Process (IDMP) that incorporates learning from RCF's previous investments. The IDMP is comprised of multiple due diligence phases within a structure that is followed for each investment opportunity and includes the review of ESG, technical, financial, marketing, management, and legal aspects.</p>	<p>Integrated ESG risk and opportunities for potential new investments into RCF's enterprise risk management framework.</p>	<p>Review and update material ESG risks for existing investments, and integrate into RCF's enterprise risk management framework and ESG Action Plans.</p>
Board composition and competency	<p>Accountability, oversight and reporting of ESG issues at Executive and Board level, including ESG expertise and capability, diversity, equity and inclusion.</p> <p>RCF evaluates and monitors the composition of an investment company's Board of Directors against a Board Matrix. This Matrix includes a range of criteria (including decision-making, operational experience, marketing, strategy, past industry and geographical experience) as well as diversity in age, gender, ethnicity and other forms of diversity. RCF advocates and supports companies to make changes where necessary to set them up for future success.</p>	<p>Required the establishment of board level ESG Committees as part of investment basis to two newly invested portfolio companies. Provided a number of ESG experienced board ready candidates to portfolio companies. One was appointed.</p> <p>Halted furthering the exit arrangement of a portfolio company with a third party buyer based on due diligence establishing high risk reputation issues.</p> <p>Maintained ESG operational and financial expertise on Boards to ensure effective oversight and appropriate influence into investments.</p>	<p>Continue to advocate for Board-level ESG Committees alongside operational and financial expertise to ensure effective oversight and appropriate influence to investments.</p> <p>Deepen and broaden the diversity of Board candidates across all aspects of diversity.</p>
Ethical business: Anti-bribery and Corruption	<p>Corruption can take place at any stage of the mining process and encompasses a broad range of behaviours and activities, ranging from legal non-compliance, unethical behaviour, through to bribery.</p> <p>RCF expects its portfolio companies to fully comply with all relevant laws and regulations.</p> <p>RCF expects anti-corruption and bribery policies to be in place, enforced, and communicated to key stakeholders, including relevant training.</p> <p>RCF has in place a robust Code of Ethics to ensure the highest standards of ethical conduct and fulfillment of its fiduciary duty in line with the U.S. Investment Advisers Act.</p>	<p>Conducted an annual compliance review of the policy and made no material updates.</p>	<p>Firm-wide compliance training. Review RCF's current Anti-Bribery, Anti-Money Laundering and Sanctions Screening Policy and Program to determine what enhancements will be needed to comply with the new FinCEN AML/CFT rule that will apply to registered investment advisers that will be effective January 1, 2026.</p>

Material Issue	Management Approach	Key Management Actions in 2023	Future Focus
Ethical business: Conflicts of interest	RCF's policies and procedures aim to identify and disclose, mitigate and/or eliminate conflicts of interest. RCF has a duty to act solely in the best interests of its investors and to make full and fair disclosure of all material facts, particularly where RCF's interests conflict with an investor. In certain instances, disclosure to and consent of an investor may be facilitated through the Limited Partner Advisory Committee or another independent committee to the extent required by the client's governing documents. The Limited Partner Advisory Committee, which comprises a group of LPs, makes decisions and addresses conflicts on behalf of all the LPs.	Conducted an annual compliance review of the policy and made no material updates.	Conduct firm-wide compliance training. Review whether new investment strategies or vehicles will trigger new potential conflicts with RCFM or its Clients and whether updated disclosures, procedures, and policies will be required.
Ethical business: Proxy Voting	RCF's Proxy Voting Policy codifies its approach to voting as stewards of its investors best interest, consistent with proxy voting agreements and investment mandates. It covers voting procedures, conflicts of interest, disclosure, and governance.	Enhanced the Proxy Voting Policy to include recommended guidelines for investment teams to consider when voting on corporate governance and environmental and social issues, promoting a consistent approach to the firm's proxy voting practices.	Conduct firm-wide compliance training. Monitor to ensure that the investment teams adhere to the updated policy and vote all proxy votes in the best interest of clients.
Cybersecurity and data privacy	Protection of secure, critical or sensitive data. RCF's cybersecurity design provides multiple layers of cybersecurity tools that work in a series, including perimeter defense, secure internet browsing, multiple spam filters, endpoint detect and response tools, enforced operating system and applications updates, and in-house account creation and removal. Logs from these tools are aggregated and monitored for anomalous activity and RCF is immediately notified when any anomalous activity is detected. Security is reviewed annually at a minimum through vulnerability testing, penetration testing, a desktop exercise, risk assessment, and policy review. In case of an incident, RCF use redundant systems, backup cloud locally (logically separated from the rest of the network) and local to the cloud, and has an incident response and business continuity policy.	Began implementing a Zero Trust network with port isolation and only vertical traffic for all users. Certificate-based MFA was setup for workstations for "network" access and office wifi, adding applications to Single Sign-on infrastructure, and setting up a third party to aggregate and monitor logs and notify on anomalous activity.	Complete the Zero Trust setup, complete initial audit and remediation for SOC II Type II attestation, moving active directory infrastructure to Microsoft's cloud service, Entra, and removing unnecessary hardware due to that cloud move (attack surface reduction).
Business Continuity	RCF's ability to continue to operate in the face of disruptive events reduces their impact on environment, social and governance factors.	Review and update of Business Continuity Plan as required.	Reviewed and updated the Business Continuity Plan as deemed appropriate after the annual review.

Proxy Voting

As active owners, proxy voting is a key part of RCF's approach to responsible investment. Exercising voting rights on management/shareholder resolutions ensures RCF acts as stewards of its investors' best interests, consistent with proxy voting agreements and investment mandates. Voting also provides clear and transparent feedback to investee companies, complementing ongoing stewardship with management teams and/or board members on material business, ESG, and compensation issues. RCF votes all proxies in a prudent manner, considering the prevailing circumstances.

RCF's approach to proxy voting is codified in its Proxy Voting Policy. The policy covers voting procedures, conflicts of interest, disclosure, and governance. ESG-relevant subject matter considerations included in the policy include company management tenure, skills, diversity and performance, executive compensation, and sustainability risks and opportunities, with a focus on delivering long-term sustainable value. The policy complies with the requirements of Rule 206(4)-6 and Rule 204-2(c)(2) under the U.S. Investment Advisers Act of 1940.

RCF updated its Proxy Voting Policy in 2023 to enhance its focus on portfolio company governance and ensure RCF votes consistently in line with its business objectives and commitment to act in the best interests of its clients and investors.

Case Study: RCF VII, PuCobre, A Commitment to ESG Governance

RCF invested in Punta del Cobre Company (PuCobre) El Espino copper and gold project in Chile in 2023 as a minority partner with PuCobre's subsidiary company, El Espino SpA. The US\$700M project is currently under construction and will deliver 26,000 tonnes of fine copper concentrates and 13,000 ounces of gold per year. Commissioning is scheduled for 2026.

RCF and PuCobre established an ESG Committee in early 2023. Meetings are held once per quarter, either on site in Chile in person or remotely. The purpose of the Committee is to maintain oversight over ESG project risks and opportunities on behalf of the Shareholders Council, and for RCF to share with PuCobre best practices and benchmarking on ESG. Contact between the Director ESG and El Espino management is maintained between meetings, including monthly reporting and ad hoc discussions on key issues as they arise.



RCF and PuCobre have quickly and effectively established a highly collaborative working relationship on ESG matters, and the project has commenced on a strong foundation of ESG governance.

Key topics covered at the meetings to date include:

- Health and safety performance, management systems and establishment of safety KPIs for the project.
- Project ESG KPIs and performance monitoring.
- Social performance, including monitoring of the project KPIs in relation to local employment, procurement, resettlement, community engagement and investment.
- Permitting, including monitoring progress of critical permits associated with listed flora species and cultural heritage.
- Risk management, including review of the risk register and monitoring critical controls for key ESG risks and opportunities.
- Construction readiness, including establishing key compliance systems and processes.
- Meeting ESG requirements of providers of finance.

RCF is proud of its partnership with PuCobre and its role in supporting the company to deliver additional copper critical to the energy transition sustainably and responsibly.

Case Study: RCF Opportunities Fund I, Nickel Industries ESG Initiatives

Creating a Sustainable Living Precinct

Nickel Industries Limited (Nickel Industries or the Company) is partnering with Shanghai Decent to construct the ENC HPAL (ENC or the project) within the Indonesia Morowali Industrial Park (IMIP) in Central Sulawesi, Indonesia.

ENC is expected to produce 72 000 tonnes per year of contained nickel equivalent across three major class one nickel products. In addition to producing a mixed hydroxide precipitate (MHP), the project will be capable of producing both nickel sulphate and nickel cathode, differentiating it from the current generation of HPAL plants currently being constructed across Indonesia, and providing Nickel Industries with significant operating flexibility through the cycle.

Construction commenced on the project in 2023. Earthworks have been completed and supporting ground infrastructure installed. Production is expected to begin in the final quarter of 2025.

The project is set to be one of the lowest-carbon-emitting HPAL projects in the world, supported by the company's recent PT Sumber Energi Surya Nusantara (SESNA) solar project, which is the largest solar project in Indonesia. The project follows on from a very successful smaller 396kWp plus 250kWh battery storage project that was implemented at the Company's Hengjaya Mine operations in 2022.

The vision for the project and the surrounding precinct to become the new global standard for sustainable project development, with renewable power driving a low-carbon emission operating environment. It is envisaged that the greater project area will evolve into a "green forest" precinct living area for employees, comprising apartments, villas, gymnasiums and sports fields utilising clean electric power across all buildings and transportation fleet including forklifts, excavators, commuter vehicles and trams for moving employees around the Project.

This project represents a transitioning of the Company's operations to renewable energy sources and its commitment to a more sustainable future for Indonesia's mining industry. It is just one of several initiatives that underpin Nickel Industries' climate strategy. Nickel Industries announced its emission reduction target in December 2023, against the backdrop of the COP28 United Nations Climate Change Conference that took place in Dubai, United Arab Emirates. During the conference, the Company unveiled its commitment to a 50% reduction in carbon intensity by 2035 and net zero emissions by 2050.

The Company was one of only two companies with Indonesian mining operations invited to present at the conference, reflecting the growing recognition it is receiving for taking a leadership role in advancing the sustainability of Indonesia's nickel industry.

Nickel Industries Commitment to Biodiversity

Biodiversity is a crucial aspect of Nickel Industries' environmental stewardship commitment, and the Company has integrated biodiversity management programs into its good mining practices.

The Company's mining operations area is located in the Morowali Regency of the east coast province of Central Sulawesi, Indonesia, covering 5,983 hectares.

Conservation strategies are in place that are designed to positively impact high-value biodiversity in project areas through well-planned mine closure activities, ensuring their efficient completion as operational phases conclude. The Company maintains open communication with all relevant stakeholders to ensure a coordinated approach to the final land use plan.

Nickel Industries has also designated an approximately ±200-hectare area within Hengjaya Mine for its flagship biodiversity conservation program. The conservation area boasts good forest cover, exhibiting high diversity in both flora and fauna. Serving as a habitat for wildlife along the river and upstream in the forest area, this region holds significant ecological value.

Anticipated to serve as a hub for research, local seed plant cultivation, and a tourist attraction, the conservation area has undergone infrastructure development. Construction of routes, installation of signs, and shelters have been implemented around the Ciamsi forest, which connects to the conservation area. Ciamsi has been chosen as the showcase for the conservation forest due to its relatively good potential in terms of flora and fauna, providing a snapshot of the mine's conservation efforts within the broader landscape.

This is just one of the biodiversity conservation projects implemented by Nickel Industries. Others include partnering with local communities to rehabilitate mangrove, riparian areas and corals. In 2022 the Hengjaya Mine kicked off a collaboration with government bodies, professional institutions, and the local community to implement a pilot coral transplantation project in the marine area of Tangofa Village, specifically Tanjung Batu Manu, covering an area of approximately 150 by 90 meters.

NICKEL
INDUSTRIES



Case Study: RCF Innovation II, Railveyor

Railveyor is an innovation company that designs and manufactures fully autonomous, emissions- and battery-free bulk material hauling systems for underground and surface mining use. Fully-electric and autonomous, Railveyor's narrow gauge light rail system is propelled by low-horsepower stationary power plants adjacent to the rail route. Railveyor's combination of high efficiency and low maintenance provides an alternative to trucks, conveyors, and trains.

The traditional value of Railveyor to a mining operation is focused on increased efficiency and reduced costs. But Railveyor also brings significant value to the table when viewed through the lens of Environmental, Social & Governance (ESG) issues. Railveyor have leveraged the United Nations Sustainable Development Goals framework to define their ESG value through the lens of Planet, People & Prosperity, which is outlined below.

Planet

When paired with energy drawn from renewable sources, Railveyor's energy efficiency can reduce a mine's carbon emissions significantly.

People

The autonomous Railveyor system removes workers from the most hazardous areas of a mining operation, reducing the potential for accidents that lead to loss of life or limb. By creating a more predictable and controllable working environment, mines could potentially become as safe as a modern, well-managed factory floor – and improved public (and shareholder) perception may follow.

The Railveyor system also transports any bulk material more quietly and with less dust generated when compared with over-the-road truck haulage, which is beneficial for local communities.

Railveyor represents a valuable, viable opportunity to transition the transport system of a traditionally labor-intensive, potentially hazardous industry towards a safer, more automated future – a future which is coming, one way or another.

Prosperity

Demand for mined resources is changing. Formerly unheard-of rare earth minerals and materials like lithium are the next vital commodities in the global supply chain, presenting opportunities in new locales. The relative remoteness of many new mine sites presents a challenge when it comes to sustainable transport. Also, many existing mines are nearing end of life, dealing with degraded ore bodies or approaching superdeep phases of development.

Railveyor's energy efficient, cost-saving material transport system provides a solution to many of these issues. Ore and materials can be hauled from remote mines to port terminals without requiring costly road infrastructure and emitting tons of carbon. Mines which might otherwise be closed (or never explored at all) due to inadequate profitability may be kept open or pursued – leading to more employment locally, more tax revenue for local governments and greater equity in less-developed nations. The growth of Gross World Product (GWP) through this century may never slow, but doing so sustainably requires smart technology and wise investments in capital.

RAILVEYOR™
SMART MOVE



Glossary

Appendix I

Active Ownership	An approach where shareholders or investors take a proactive and engaged role in influencing the behaviour and decisions of the companies in which they have invested.
Artisanal Small-Scale Mining	Informal mining activities carried out by individuals or small groups, often with limited mechanization and equipment.
Biodiversity	The variety of life on Earth including the richness and variability of living organisms and their diversity of genetics, species, ecosystems and ecological processes.
Business Continuity	Organization's ability to continue to operate in the face of disruptive events, reducing the impact of these events on the environment, society, and governance factors.
Critical Minerals	Natural resources that are of strategic importance to an economy, security, and technological advancement due to their essential role in various industries, including manufacturing, energy, and defence. Energy transition critical minerals are a subset of critical minerals that play a particularly crucial role in the global transition toward a more sustainable and low-carbon energy system.
Cultural Heritage	The collective legacy of tangible and intangible artifacts, traditions, knowledge, and practices passed down through generations within a society or community.
Decarbonization	The process of reducing or eliminating the greenhouse gas emissions produced by human activities, particularly those associated with the burning of fossil fuels such as coal, oil, and natural gas.
Due Diligence	A systematic process to collect and interpret information about a prospective investment, which includes both technical and financial due diligence.
Energy Transition	The global energy sector's shift from fossil-based systems of energy production and consumption – including oil, natural gas and coal – to renewable energy sources like wind and solar, as well as lithium-ion batteries.
Engagement	Process through which entities interact and communicate with individuals, groups, or organizations that have a vested interest in their activities, decisions, or outcomes.
Environmental and Social Impact Assessment	A systematic process to evaluate and understand the potential environmental and social risks and impacts of a proposed project before it is implemented.
ESG	ESG stands for Environmental, Social, and Governance. It is a framework used to evaluate and measure the sustainability and ethical impact of a company or organization's activities.
ESG Integration	Including ESG factors in investment analysis and decisions to better manage risks and improve returns. It is often used in combination with screening and thematic investing.
Exit	The process of selling or divesting an investment, typically with the aim of realizing financial gains or achieving specific investment objectives.

Financed Emissions	The greenhouse gas emissions that are associated with the funding, investment, or financial support provided to activities, projects, or organizations that produce emissions. These emissions are often accounted for by equity ownership or contribution.
General Partner	Responsible for a Private Equity Fund's administration, management and operation.
Good International Industry Practice	A set of globally recognized standards, guidelines, and best practices that are widely accepted and followed within the mining industry. RCF particularly focusses on the International Council of Mining and Metals Performance Expectations, International Finance Corporation Performance Standards and the Equator Principles.
Governance	The processes and structures through which organizations and entities are directed, controlled, and managed. Governance is a critical aspect of ensuring that an organization operates effectively, ethically, and in alignment with its objectives and values.
Greenhouse Gas Emissions	Release of certain gases into the Earth's atmosphere that trap heat and contribute to the greenhouse effect, which leads to global warming and climate change. Gases include carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O) and fluorinated gases.
Human Rights	A set of inherent and universal rights and freedoms that are regarded as essential to all individuals, regardless of their nationality, ethnicity, gender, religion, or any other characteristic.
Indigenous Peoples	People that have historical continuity with pre-colonial societies that developed on their territories, and who consider themselves distinct from other sectors of the societies now prevailing on those territories, or parts of them. Indigenous People have social, cultural, economic, and political traditions that stand apart from the dominant societies that surround them. They usually have a deep spiritual and cultural connection to the land and water.
In-Migration	In a mining context, the movement of people into a specific geographic area or region for the purpose of participating in mining activities or seeking employment within the mining industry.
Investment Analysis	The process of evaluating an investment opportunity or asset to determine its potential for generating financial returns and achieving specific investment goals.
Investment Committee	A decision-making body that oversees and advises management on an organization's investment assets. This committee usually has the primary responsibility for investment strategies, objectives, processes and investment decisions.
Investment Decision	Research, analysis, and other steps that lead to a decision to make, maintain, or modify an investment (e.g., to buy, sell, or hold a security), or commit capital to a fund or other asset.
Limited Partner	Investors in a pooled fund that do not take part in its active management. Limited partners/clients can include institutional investors, sovereign and endowment funds, family offices, and high-net-worth individuals.
Material ESG Issue	ESG issue with potential to have a significant impact on the current and future financial, economic, reputational and legal prospects of an issuer, security, investment or asset class.

Glossary

Mitigation Hierarchy	A structured framework used in environmental and land use planning to guide decision-making and actions related to the avoidance, reduction, and offsetting of environmental impacts.
Net New Hires	Human resources metric which calculates the number of new employees who have been hired by an organization after accounting for the number of employees who have left or been separated from the company during a specific period.
Paris Agreement	An agreement between countries party to the United Nations Framework Convention on Climate Change (UNFCCC) to strengthen efforts to combat climate change and adapt to its effects by limiting global warming to well below 2 degrees Celsius (3.6 degrees Fahrenheit) above pre-industrial levels, with efforts to limit the increase to 1.5 degrees Celsius.
Portfolio Company	A company that is held within the investment portfolio of a private equity firm, venture capital fund, or other types of investment entities.
Proxy Voting	The exercise of voting rights on management and/or shareholder resolutions to formally express approval, or disapproval, on relevant matters.
Resettlement	The process of moving individuals or communities from their current home or land to a new location, due to development projects. Resettlement can be voluntary or involuntary.
Responsible Investment	An investment approach that considers environmental, social, and governance (ESG) factors in addition to traditional financial criteria when making investment decisions.
Scope 1, 2 and 3 Emissions Greenhouse Gas (GHG) Emissions	Greenhouse gas (GHG) emissions are emissions of gases that trap heat in the atmosphere and are typically split into three categories. Scope 1 emissions are direct emissions from sources owned or controlled by an entity. Scope 2 emissions are indirect emissions, generated by purchased energy. Scope 3 emissions are indirect emissions, not included in Scope 2 emissions, that occur in the value chain of the entity. These include both 'upstream' and 'downstream' emissions. For RCF, Scope 3 emissions are primarily emissions resulting from our investments (invested emissions, calculated on an equity basis).
Screening	Applying filters to securities, issuers, investments, sectors or other financial instruments to rule investments in or out, based on pre-specified criteria.

Social License to Operate	The acceptance, trust, and approval granted by a community, stakeholders, or the broader public to a company, organization, or project, allowing it to conduct its activities in a specific location or within a particular industry.
Social Performance	The extent to which an entity achieves its social and societal objectives and responsibilities. It assesses the organization's management of impacts and risks on society, its interactions with stakeholders, contributions to the well-being of communities, and adherence to ethical and social values.
Social Value	The positive impact that an organization or project has on society and the well-being of individuals and communities beyond its financial or economic performance.
Stakeholder	An individual, group, organization, or entity that has an interest or concern in a particular project, organization, or system and can affect or be affected by its actions, decisions, or outcomes.
Stewardship	The use of influence by investors to maximize overall long-term value, including the value of common economic, social and environmental assets, on which returns and client and beneficiary interests depend.
Sustainability	Sustainability in mining context means conducting operations that minimize environmental, social, and economic harm while maximizing long-term benefits and resource efficiency.
Tailings Storage Facility (TSF)	A structure used in the mining industry to store and manage the waste materials generated during the mining and mineral extraction process. These waste materials consist of finely ground rock particles, water, and residual chemicals used in the mining process.
Transparency	The extent to which investors and other stakeholders have open and easily understandable access to required information about a company's financial and ESG performance.
Water Stewardship	A holistic and collaborative approach to the management and conservation of water resources to ensure their long-term sustainability, availability, and quality.
Work-Related Accidents	Incidents that are directly associated with the work or workplace and result in unintended harm, injury, or damage to employees, visitors, or property.

Acronyms

AUM	Assets Under Management
BNI	Canadian Black North Initiative
CEFC	Clean Energy Finance Corporation
DiS	Diversity in Sustainability
EDCI	ESG Data Convergence Initiative
ESG	Environment, Social and Governance
FSB	Financial Stability Board
GBA	Global Battery Alliance
GRI	Global Reporting Initiative
ICMM	International Council on Mining and Metals
IDMP	Investment Decision Making Process
IFC	International Finance Corporation
ILPA	Institute of Limited Partners Association
iWiM	International Women in Mining
METS	Mining Equipment, Technology and Services
OEM	Original Equipment Manufacturers
PGM	Platinum Group Metals
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goals
TCFD	Task-Force on Climate-Related Disclosures
TSF	Tailings Storage Facility
TSM	Towards Sustainable Mining
UN	United Nations
WIM	Women in Mining

Appendix II

SASB Asset Management and Custody Activities

Topic	Metric	RCF Reference
<p>Transparent Information & Fair Advice for Customers</p>	<p>FN-AC-270a.1</p> <p>(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings.</p>	<p>RCF does not have any employees who fall under the definition of “covered employees” under the FINRA rules. Therefore, this item is not applicable.</p>
	<p>FN-AC-270a.2</p> <p>Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers.</p>	<p>RCF did not sustain any monetary losses in 2023 due to legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations. RCF must promptly amend its SEC regulatory filings in the event of material events, including legal proceedings and related monetary losses or sanctions. RCF will deliver interim amendments to certain filings to clients as deemed warranted.</p>
	<p>FN-AC-270a.3</p> <p>Description of approach to informing customers about products and services.</p>	<p>Around 89% of RCF’s LPs are located in the U.S. (based on tax status) and range from university endowments, foundations and philanthropic trusts to family trusts and pension funds.</p> <p>RCF has an integrated approach to informing potential and existing LPs about RCF’s capabilities to address their needs and meet their particular investment goals. This approach includes detailed policies and procedures to ensure that all marketing materials comply with relevant SEC regulation. Any performance data distributed by the Company and its Supervised Persons to prospective or existing Investors or Clients is subject to the provisions of Rule 206(4)-1 and Rule 206(4)-8 under the Advisers Act.</p> <p>To fulfill RCF’s commitment of being a transparent and trusted fiduciary, RCF regularly engages with its LPs, providing quarterly reports and holding an annual general meeting.</p> <p>Refer to page 24 of this ESG report for more detail on how RCF engages, communicates and collaborates with RCF’s Investors.</p> <p>Form ADV</p> <p>As a registered investment advisor, RCF is required to file a Uniform Application for Investment Adviser Registration on Form ADV (“Form ADV”) with the SEC. Parts 1 and 2A of the Company’s Form ADV are available for review by the SEC, applicable state regulatory authorities and the public via the SEC website.</p> <p>As per regulatory requirements, RCF’s policy is to deliver the Form ADV Parts 2A and 2B to each prospective LP, prior to entering into a binding subscription agreement.</p>

SASB Asset Management and Custody Activities (continued)

Topic	Metric	RCF Reference																																																																		
<p>Employee Diversity & Inclusion</p>	<p>FN-AC-330a.1</p> <p>Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.</p>	<table border="1" data-bbox="1902 399 3075 680"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> <th>N/A*</th> </tr> </thead> <tbody> <tr> <td>Executive Management</td> <td>3</td> <td>13</td> <td>0</td> </tr> <tr> <td>Non-Executive Management</td> <td>6</td> <td>8</td> <td>0</td> </tr> <tr> <td>Professional</td> <td>26</td> <td>36</td> <td>0</td> </tr> <tr> <td>All Other Employees</td> <td>11</td> <td>0</td> <td>0</td> </tr> <tr> <td>Grand Total</td> <td>46</td> <td>57</td> <td>0</td> </tr> </tbody> </table> <table border="1" data-bbox="1902 718 3075 1018"> <thead> <tr> <th></th> <th>Asian</th> <th>Black or African American</th> <th>Latin American</th> <th>White</th> <th>Other†</th> <th>N/A*</th> </tr> </thead> <tbody> <tr> <td>Executive Management</td> <td>0</td> <td>0</td> <td>1</td> <td>15</td> <td>0</td> <td>0</td> </tr> <tr> <td>Non-Executive Management</td> <td>1</td> <td>1</td> <td>0</td> <td>12</td> <td>0</td> <td>0</td> </tr> <tr> <td>Professional</td> <td>5</td> <td>2</td> <td>6</td> <td>47</td> <td>2</td> <td>0</td> </tr> <tr> <td>All Other Employees</td> <td>0</td> <td>0</td> <td>1</td> <td>10</td> <td>0</td> <td>0</td> </tr> <tr> <td>Grand Total</td> <td>6</td> <td>3</td> <td>8</td> <td>84</td> <td>2</td> <td>0</td> </tr> </tbody> </table> <p>* N/A = not available or not disclosed</p> <p>† Other includes the classifications: Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or More Races".</p> <p>Refer to page 57 of this ESG report for more detail on RCF's diversity, equity, inclusion and belonging initiatives for fostering equitable employee representation across its global operations.</p>		Female	Male	N/A*	Executive Management	3	13	0	Non-Executive Management	6	8	0	Professional	26	36	0	All Other Employees	11	0	0	Grand Total	46	57	0		Asian	Black or African American	Latin American	White	Other†	N/A*	Executive Management	0	0	1	15	0	0	Non-Executive Management	1	1	0	12	0	0	Professional	5	2	6	47	2	0	All Other Employees	0	0	1	10	0	0	Grand Total	6	3	8	84	2	0
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<p>Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory</p>	<p>FN-AC-410a.1</p> <p>Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance ("ESG") issues, (2) sustainability themed investing, and (3) screening.</p>	<p>ESG Integration</p> <p>RCF believes in the importance of investing responsibly and that ESG management is as important as a project's technical characteristics or market conditions. As part of its investment analysis and risk management strategy, every investment team at RCF considers ESG factors in their investment processes. RCF believes that this contributes to the improvement of long-term returns and more sustainable businesses.</p> <p>95% AUM generally employ ESG integration.</p>																																																																		

SASB Asset Management and Custody Activities (continued)

Topic	Metric	RCF Reference
<p>Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory</p>	<p>FN-AC-410a.1</p> <p>Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance ("ESG") issues, (2) sustainability themed investing, and (3) screening.</p>	<p>Screening</p> <p>Due diligence incorporates screening drawing from relevant international standards to assess portfolio company performance and to identify areas where performance does not satisfy RCF's minimum standards.</p> <p>100% assets under management employ ESG screening.</p> <p>Sustainability-themed Investing</p> <p>RCF does not have assets under management which have a specific mandate to be invested in sustainability-themed assets.</p>
	<p>FN-AC-410a.2</p> <p>Description of approach to incorporation of environmental, social, and governance ("ESG") factors in investment or wealth management processes and strategies.</p>	<p>Refer to the main body of this ESG report (pages 13 to 24) for comprehensive discussion on RCF's approach to the incorporation of ESG factors in its investment processes and strategies.</p>
	<p>FN-AC-410A.3</p> <p>Description of proxy voting and investee engagement policies and procedures</p>	<p>Proxy Voting</p> <p>The majority of investments made by the private investment funds to which RCF provides its advisory service ("Clients") are private companies. Where publicly listed equity positions are held, RCF has adopted policies and procedures which ensure that it complies with the requirements of Rule 206(4)-6 and Rule 204-2(c)(2) under the Advisers Act.</p> <p>RCF monitors the performance, activities and events related to each investment. When exercising its voting authority with respect to securities held by its funds, it considers such information, evaluates other issues that could have an impact on the value of the security and votes with a view toward maximizing overall value. RCF votes all proxies in a prudent manner, considering the prevailing circumstances at such time and RCF's fiduciary duty to its Clients.</p> <p>In accordance with Rule 204-2 of the Advisers Act, RCF maintains appropriate books and records in connection with proxy voting.</p> <p>Responsible Investment Policy</p> <p>RCF's investee engagement procedures are governed by the Responsible Investment Policy. The level of engagement with portfolio companies is based on the materiality of issues and the size of the ownership stake.</p> <p>Refer to page 20 of this ESG report for more detail on RCF's engagement strategy.</p>

SASB Asset Management and Custody Activities (continued)

Topic	Metric	RCF Reference
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3.	Scope 1: 62,240 tCO ₂ e Scope 2: 73,361 tCO ₂ e
	Total amount of assets under management (AUM) included in the financed emissions disclosure.	Approximately \$1.4 Billion
	Percentage of total assets under management (AUM) included in the financed emissions calculation.	Approximately 61% of total AUM
	Description of the methodology used to calculate financed emissions.	Scope 1: Primarily activity-based Scope 2: Primarily location-based
Business Ethics	FN-AC-510a.1 Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.	RCF did not sustain any monetary losses in 2023 as a result of legal proceedings associated with its marketing and communications of financial product related information to new and returning customers. RCF reports all such matters that are material to RCF in its filings with the SEC.
	FN-AC-510a.2 Description of whistleblower policies and procedures.	RCF's Whistleblower Policy encourages employees to bring good faith claims of violations of applicable laws to the attention of the Chief Compliance Officer. The policy includes a non-retaliation measure and does not limit the rights of employees under applicable whistleblower laws and regulation to report violations of any such laws or regulations.
Activity Metrics	FN-AC-000.A Total assets under management ("AUM")	(1) RCF's total registered AUM was approximately \$0 as of December 31, 2023. (2) RCF's total unregistered AUM was \$2.3 Billion as of December 31, 2023.
	FN-AC-000.B Total assets under custody and supervision.	As an alternative asset manager, total AUM is a more relevant activity metric for RCF. As per FN-AC-000.A, as of December 31, 2023, RCF had \$2.3 billion AUM.

RCF Fund VII: ILPA EDCI Metrics and Mapping to Other Relevant ESG Frameworks

Topic	Metric	
General Data	Number of companies represented	7
	Number of commodities represented	4
	Number of countries	6
	% of Fund Represented	67%
	% of RCF AUM represented	24%

Topic	Metric	Related Frameworks	2023	2022	2021
Greenhouse Gas Emissions (metric tonnes CO ₂ e)	Scope 1	GRI: 305-1 SASB: EM-MM-110a.1. CDP: C6.1 TCFD: Metrics and Targets GHG Protocol WEF: Climate Change	642,526	616,842	634,194
	Scope 2	GRI: 305-2 CDP: C6.3 TCFD: Metrics and Targets GHG Protocol WEF: Climate Change	350,385	185,555	59,058
	Scope 3	GRI: 305-3 CDP: C6.5 TCFD: Metrics and Targets GHG Protocol WEF: Climate Change (material emissions only)	Optional, Not calculated		

Topic	Metric	Related Frameworks	2023	2022	2021
Energy	Total Energy Consumption (kWh)	GRI 302-1 CDP: C8.2&2a SASB: EM-MM-130a.1.	2,573,326,512	3,197,681,471	2,732,407,643
	Renewable Energy Consumption (kWh)	CDP: C8.2&2a SASB: EM-MM-130a.1.	24,570,353	28,101,530	29,824,630
	Renewable Energy Consumption (%)	SASB: EM-MM-130a.1.	1.0	0.9	1.1
Diversity	Women on Board (%)	GRI: 405-1 WEF: Dignity & Equality	21	21	19
	Women in C-Suite (%)	GRI: 405-1 WEF: Dignity & Equality	14	Not calculated	Not calculated
	Under-represented groups on board (%)	GRI: 405-1 WEF: Dignity & Equality	Optional, Not calculated		
	LGBTQ on board (%)	GRI: 405-1 WEF: Dignity & Equality	Optional, Not calculated		
Work-related accidents	Injuries (#)	GRI:2018 403-9a&b SASB: EM-MM-320a.1. WEF: Health and Well-being	132	170	172

RCF Fund VII: ILPA EDCI Metrics and Mapping to Other Relevant ESG Frameworks (continued)

Topic	Metric	Related Frameworks	2023	2022	2021
Work-related accidents	Fatalities (#)	GRI: 403-9a&b SASB: EM-MM-320a.1.	0	3	0
	Days lost due to injury (# day)	WEF: Health and Well-being OSHA	152	1,734	5,525
Net New Hires	Total FTEs (#)	GRI: 401-1 SASB: EM-MM-000.B WEF: Employment and Wealth Generation	6,426	5,863	5,383
	Total new FTEs (#)	GRI: 401-1 WEF: Employment and Wealth Generation	563	480	292
	Net new hires organic (#)	GRI: 401-1 WEF: Employment and Wealth Generation	531	477	290

Topic	Metric	Related Frameworks	2023	2022	2021
Net New Hires	Net new hires total (#)	GRI: 401-1 WEF: Employment and Wealth Generation	563	480	292
	Turnover (%)	GRI: 401-1 WEF: Employment and Wealth Generation	12	19	21
Employee engagement	Employee survey completed (%)	NA	14	29	0
	Employee survey response (%)	NA	86	71	0

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IMPORTANT INFORMATION

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