RIMCO
RED ISLAND MINING COMPANY

IMPACT & ESG

Report 2025 – 2026



Lot IIR 188E Bis Ambohitrakely - Antananarivo 101 - Madagascar
contact@rimco.mg
+261 34 14 784 84

Visit our website



Table of contents

Editorial 1

1. ABOUT RIMCO 2

Mica and Market we apply 3
Our operations 4
Our Identity 5
Supply Chain Mapping and commitments 6
ESG Report Key Indicators and context 7

2. ENVIRONMENT 8

Waste Management 9
Carbon Footprint 9
Dust Emissions 10
Water Consumption 10

3. SOCIAL 11

Employee Diversity 12
The Living Wage Transition 13
Efficient Grievance Channels 16
Safe Work for Well-Being and Better Earning 18

4. GOVERNANCE 19

Internal Policies Assessment 22
Processing Center Compliance Progress 20
Pilot Mine Compliance Progress 21
Upstream Supply Chain Due Diligence 23
Traceability system 24

5. POSITIVE IMPACT 25

CSR Program Pillars 26
Achievements 2025–2026 27
Strategic CSR Outlook : FY 2026–2028 Priorities 28

Message from CEO of RIMCO

This first ESG report marks a fundamental milestone in RIMCO's sustainability and impact journey. It reflects our commitment to transparently sharing our progress and anchoring our actions in our mission: to responsibly produce high-quality mica that supports global industries while creating lasting value for our supply chain and local communities.

In Southern Madagascar, mica mining exists within a paradoxical socioeconomic context, where widespread poverty and sector informality represent major barriers to human development. On one hand, the due diligence requirements of our downstream supply chain demand strict legal compliance and respect for human rights—prioritizing the elimination of child labor and access to a living wage for all stakeholders across the chain. On the other hand, local economic and cultural realities sometimes lead communities to view a 12-year-old adolescent as a responsible young adult who can work to help support their family.

Facing these challenges, RIMCO is committed to bridging the gap between these two realities through a structured, responsible approach, ensuring that our operations serve as a genuine driver of sustainable development for the families who rely on them.

The scale of the task ahead is reflected in the indicators of this first report, which we choose to publish with complete transparency. They form the baseline for our strategic roadmap. Today, we take pride in our impact on economic inclusion, with **55% of our workforce being women**, demonstrating the central role they play in our value chain.

However, we are fully aware of how far we still have to go. To date, only **13% of our employees earn a living wage**, a mere **10% of our mines are currently undergoing compliance upgrades**, and our sorting sites average **57% compliance** with the GWS standard. Environmentally, **23% of our production is classified as waste** and has yet to be repurposed. These figures are not a final destination, but our starting line.

They define our strategic priorities for the coming years :

- → **Accelerate site compliance upgrades** to ensure 25% of our production comes from responsible mines by the end of 2027, and achieve at least 80% compliance during upcoming audits of our sorting facilities.
- → **Rethink our production model** by upgrading equipment and machinery while developing alternative economic avenues to boost incomes across our value chain.
- → **Build partnerships and support research** to reduce waste and drive resource recovery.

While executing the vast majority of this action plan is the direct responsibility of RIMCO and its teams, **achieving a living wage requires collective awareness and strong commitment from all actors across the downstream supply chain.**

This report embodies our pledge to measure our impact, account for our progress with humility and transparency, and **demonstrate—year after year—that a responsible and prosperous mica industry is possible in Madagascar.**



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1.

About RIMCO
Red Island Mining Company

Mica and Market we apply 3

Our operations 4

Our Identity 5

Supply Chain Mapping and commitments 6

ESG Report Key Indicators and context 7

Mica and market we apply

Mica is a group of hydrous aluminum silicate minerals known for their unique layered structure, which allows them to cleave into thin sheets. The two main types found in Madagascar are phlogopite, which currently accounts for **more than 90% of the mica produced and exported in Madagascar**, and muscovite

Phlogopite Mica : Produced mainly in southern Madagascar. It ranges in color from golden brown to amber, with both dark and light shades. **Phlogopite can withstand extreme thermal conditions** of up to 1,000 °C at peak temperatures without disintegrating.

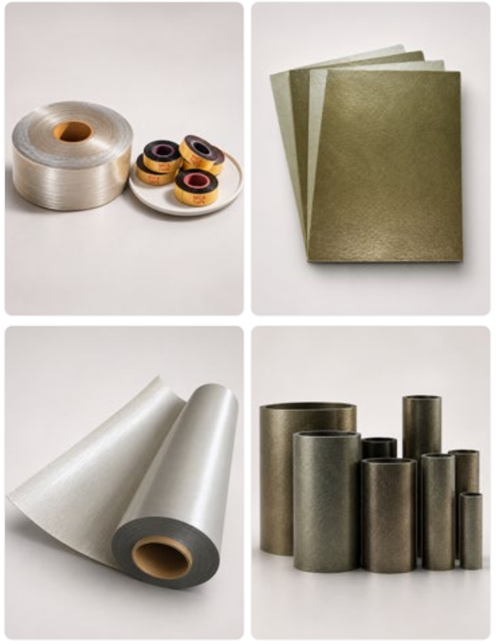
Muscovite Mica : In Madagascar, it is found in mines in the central and eastern regions. It is a colorless and transparent material. Muscovite sheets are used as electrical insulators, and scraps are **used for their reflective properties** in paints and cosmetics.



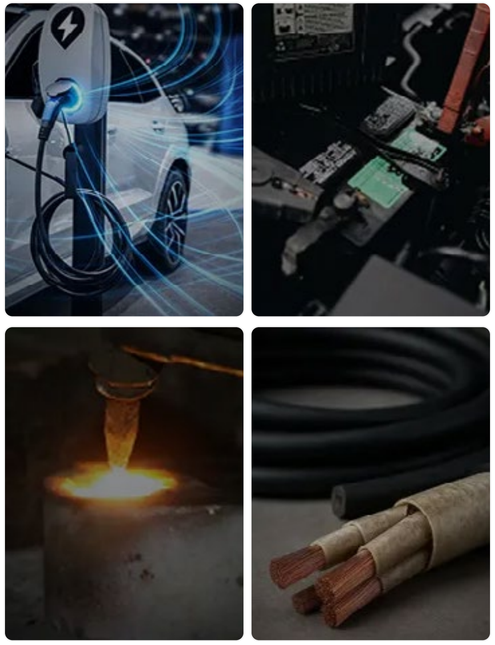
RAW MICA



MICA PAPER | MICA SHEET



APPLICATIONS

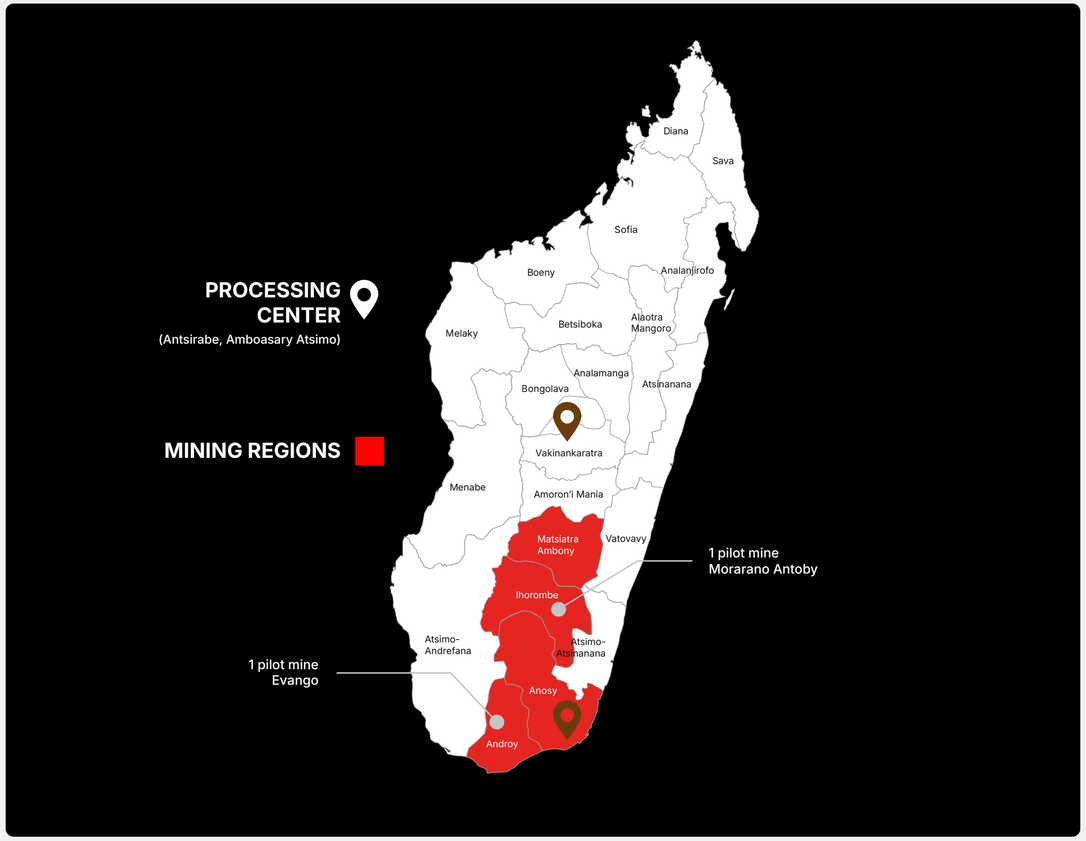


Our operations

Founded in 2023, RIMCO is a Malagasy company supported by Malagasy capital. We combine local knowledge, transparent and traceable operation aligned with international standards , to create long-term value for both global industries and Malagasy communities .

Our operations consist primarily of

- Mica collection and extraction across **57 artisanal and small-scale mining (ASM) sites located in four southern regions of Madagascar,** including two mines currently implementing the Mica CRAFT Standard.
- **Two processing centers** located in Antsirabe and Amboasary Atsimo, both operating under the Global Workplace Standard (GWS).
- Approximately 850 direct jobs, which include 700 day laborers (excluding mining site personnel).
- **A dedicated compliance team** and management system, driving our **target to reach 40% responsible mining production by 2028.**







Our identity



OUR PURPOSE

By 2028 , the company targets the export of 16,000 tons of mica per year, while progressively increasing the share of responsibly sourced production.

OUR AMBITION

Our ambition is to help structure, professionalize, and strengthen the mica supply chain, ensuring that this essential mineral is produced more responsibly, more transparently, and with a positive impact for each community engaged in the supply chain and whose livelihoods depend on it.

OUR MISSION

To responsibly produce high-quality mica that supports global industries while creating lasting value for our supply chain and local communities.

OUR CORE VALUES

Trust

Building long-term partnerships through transparency and honoring commitments.

Agility

Adapting quickly to field realities and supply chain challenges.

Leadership

Listen and share progress and challenges for achieving a common goal at every levels.

Communication

Ensuring clarity, coordination, and shared progress at every level.

Supply chain mapping and commitment

At RIMCO, **we focus on our core expertise: mica production and processing.** This specialization ensures our products meet the highest quality and compliance standards. We rely on two key supply chain actors—collectors and transporters—to manage the organization and rapid development of our sourcing network, ensuring a seamless flow from the mines to our sorting facilities and the export port.

Through this supply chain mapping, which connects mining communities to international brands, **we aim to promote transparency** among our downstream partners and implement due diligence by supporting each upstream actor on identifying gaps between baseline practices and standards, and conduct risk assessments to bridge them.



RIMCO adhere and is engaging its stakeholder to the following committments

01 | No use of child labour

02 | Workplace equality

03 | Respect of universal human rights through prohibiting violence, forced labour, and slavery

04 | Health and safety at work (OHS)

05 | Provide at least a legal wage and work to achieve living wage

06 | Engage positive impact in the communities surrounding operations and the supply chain

07 | Engage supply chain due diligence through the CRAFT system implementation

08 | Respect for the environment and cultural heritage

09 | Combat corruption, bribery, and conflicts of interest

10 | Freedom of association and protection for whistleblowers





















ESG Report Key Indicators and Context

RIMCO's fiscal year runs from July of the current year through June of next year

This first ESG report **covers the 2025–2026 fiscal year (July 2025– June 2026). It was prepared in accordance with the VSME**[1] (Voluntary Sustainability Reporting Standard for SMEs) standards.

This report focuses primarily on data from the processing centers, with the exception of the due diligence analyses in the governance section.

Analyses concerning RIMCO's pilot mining sites will be the subject of a Mica Craft report to be issued by early March 2027.

→ Environment

Metric	Output / Consumption	Ratio
Mica Waste[2]	2,758 MT	23%
CO_2 Emissions[3]	1,715 MT	18%
Water Consumption	64.75 m^3	—

→ Social

Metric	Value / Compliance Rate
Female Workforce Representation	55%
Daily Workers – Living Wage Compliance Rate[4]	13%
Daily Workers – Legal Wage Compliance Rate[5]	50% (Dry Season) / 23% (Rainy Season)
Permanent Workers – Living Wage Compliance Rate	3%
Permanent Workers – Legal Wage Compliance Rate	55%
Grievance Resolution Rate	60%
Fatal Injuries	0
Serious Injuries	1

→ Gouvernance

Metric	Value / Coverage
Registered Collectors	69
Registered Transporters	35
Due Diligence Sourcing Volume Share[6]	48%
GWS Compliance Rate – Amboasary Atsimo Site[7]	57%
GWS Compliance Rate – Antsirabe Site[8]	55%
Mica CRAFT Pilot Mine Volume Share[9]	10%

1 This standard is suitable for companies with fewer than 1,000 employees that are not publicly traded, such as RIMCO
2 Difference between the weight of finished mica and the gross weight of the raw material (ratio of waste weight to raw material weight)
3 Primarily Scope 3, since 99% of our carbon emissions come from the transportation of mica. This corresponds to the amount of CO2 emitted during the transportation of mica from the mine to the point of export (rate of carbon emissions relative to the total weight of mica transported)
4 Number of employees earning a living wage, calculated using the Ankers method, relative to the total number of daily employees
5 Number of employees earning a legal wage, according to Decree No 2024-794 for wages until February 2026 and Decree No. 2026-1352 for the wages from March 2026, relative to the total number of employees category.

6 Volume of mica supplied by collectors who have committed to due diligence, compared to the total volume of mica
7 Results of the audit conducted by SGS in November 2025
8 Calculated as of November 2025 based on a self-assessment using the audit grid provided by the Responsible Mica Initiative and the audit result of Amboasary
9 Volume of mica collected from pilot mines currently being brought into compliance with the Mica Craft standard, compared to the total volume of mica

2.

Environment



Waste Management	9
Carbon footprint	9
Dust emissions	10
Water consumption	10

Waste management

Three types of waste are generated by MICA's operations: MICA waste, general waste (organic, paper, plastic, etc.), and specific waste (welding rods, sewing needles, etc.)

Type of waste	Percentage
MICA WASTE	90%
GENERAL WASTE (recyclable and non-recyclable)	8%
SPECIFIC WASTE	2%

→ Volume of waste generated

For this first year of compliance (2025–2026), only mica waste will be assessed, as it accounts for the majority of production

QUANTITY OF RAW MICA (1)	11,991	metric tons
QUANTITY OF PROCESSED MICA (2)	9,233	metric tons
QUANTITY OF PRODUCED MICA WASTE (1)-(2)	2,758	metric tons
Waste-to-raw-mica ratio	**23%**	

MICA waste production accounts for 23% of the volume of mica extracted.

→ Volume of waste generated

Mica waste : RIMCO has set a target of maintaining a ratio below 25% by ensuring quality control of the extracted mica.

At the same time, we plan to sign MoUs in 2027 with universities in Antananarivo to conduct research on mica waste recovery, particularly for applications in construction materials and agriculture in order to reduce this ratio for the coming years.

General waste : For the 2026–2027 fiscal year, RIMCO is implementing a recycling program.

Special waste : For the 2026–2027 fiscal year, RIMCO will implement a sorting system for special waste

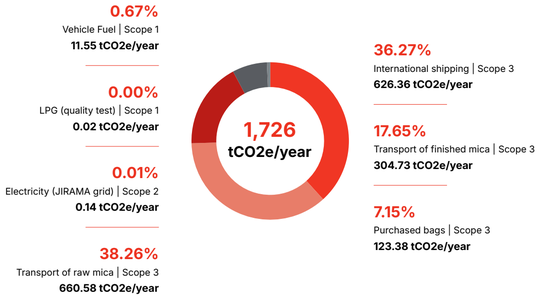


Carbon footprint

The assessment is conducted in accordance with the GHG Protocol, an international standard for accounting for Greenhouse Gaz emissions developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). It classifies emissions into three scopes :

Scope	Description	Inventory for RIMCO
1	Direct Emissions	• LPG (Liquefied Petroleum Gas) used during MICA quality testing • Vehicle fuel for employee travel and business trips
2	Direct Emissions	• Electricity consumption
3	Other indirect emissions from the value chain	• Transport of raw MICA from the mine to the sorting facilities • Transport of processed MICA from the sorting facility to the shipping port • Maritime export of MICA • Transport of empty bags for bagging MICA

→ Carbon footprint



1,726.77 metric tons of CO2 emitted in 2025, of which 99.33% is attributable to the transport of MICA from the mine to the point of export (scope)

→ Low-carbon transition plan

The reduction plan will focus primarily on the transportation of MICA from the mine to the port of export. It is based on the key factors that contribute to CO2 emissions :

FACTOR	Manageable by the company	Reduction Plan
Road Conditions	Unmanageable	Depends on conditions in Madagascar
Distance traveled	Manageable	Larger-capacity truck to reduce the number of trips
Quality of vehicle maintenance and fuel	Manageable	Implementation of a strict truck maintenance monitoring system Requirement to purchase fuel from an authorized dealer Provide the carrier with a 0% interest loan for the purchase of a newer vehicle with lower emissions.
Volume transported	Manageable	The company's strategy for this factor is to maintain or reduce the ratio of CO2 emissions per ton of mica transported, even if mica production increases, by : • increasing vehicle capacity to reduce the number of transport trips. • Using newer vehicle with lower emissions

The ratio of CO2 emissions per ton of mica transported for 2025-2026 is 18.42% ; the company's target for next fiscal year is to maintain this ratio of CO2 emissions relative to the volume of mica mined and not exceed 20%.

Dust emissions

In mica mining operations, the primary source of dust is the sorting process.

The calculation is based on the percentage of volatile particles present in the mica waste. This percentage is determined by sieving the mica waste and weighing the fine and coarse particles.

→ Assessment of dust emissions

Waste Volume (Metric Tons)	Volatile Particle Rate	Volume of Volatile Particles (metric tons)
11,978 metric tons	1.33%	159 metric tons

Based on a test conducted, the volume of volatile particles (dust) emitted during mica sorting is 1.33% of the volume of mica waste.

→ Remediation plan

Dust emissions cannot be reduced because MICA processing is a major source of dust. A remediation plan is therefore necessary to minimize the adverse effects on employees. This involves providing face masks and ensuring that work areas are well ventilated.





Water consumption

For MICA processing, water is used solely for employee hygiene and consumption. RIMCO has two types of water sources: well and public water fountain.

→ Assessment of water consumption

Water consumption is measured by the number of containers

SORTING SITE	Volume of Water Consumed (12 months)
ANTSIRABE	13,950 liters
AMBOASARY ATSIMO	50,800 liters

→ Improvement plan

Measurements are taken by the number of containers. For the 2026–2027 fiscal year, a water meter will be installed on the well to provide a more accurate measurement.

More precise measurements will allow for a more accurate assessment of consumption and, based on that assessment, the implementation of a system to reduce consumption if necessary.





3.
Social



Employee Diversity 12

The Living Wage Transition 13

Efficient Grievance Channels 16

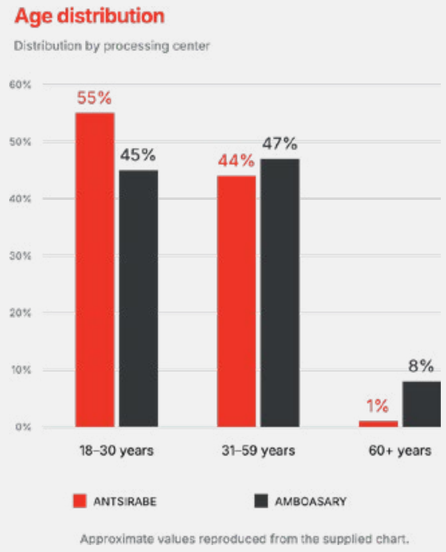
Safe Work for Well-Being and Better Earning 18

Employee diversity

In June 2026, RIMCO employs a total of **847 employees in both processing center of Antsirabe and Amboasary Atsimo.**

RIMCO's primary social commitment is to **reduce child labor in the MICA sector.**

The minimum age for employees at sorting sites is 18 years old, verified by presentation of a national ID card at the time of hiring. Below are statistics on **the age distribution per site,** where the minimum age is 18 and the majority of employees are between 31 and 59 years old.



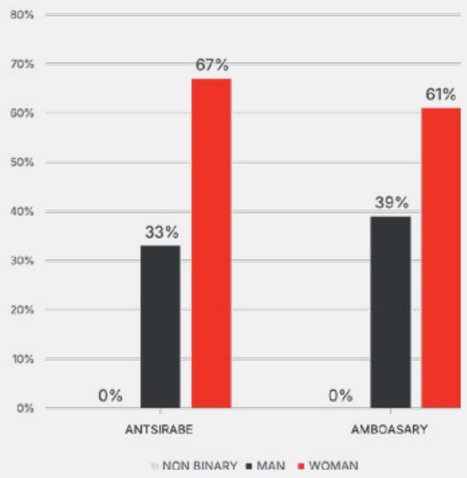




RIMCO's second social commitment is **gender equality** and employee freedom. Below is the **gender distribution, showing that women make up the majority of the workforce** at each site.

All of our employees—whether they are daily workers or permanent staff—have employment contracts and receive their wages based on payment records. This ensures that there is no forced labor at our sites and that every worker is aware of the working conditions to which they are subject.

GENDER DISTRIBUTION



IMPROVEMENT PLAN :

Based on these statistics, we note that RIMCO's 847 employees are predominantly women, aged 31 to 59. Therefore, for the 2026–2027 fiscal year, RIMCO plans to launch a program to support women's well-being at work.

Since 7% of employees are over 60 years old, RIMCO plans to develop a support plan for these older workers as well as for person with limited mobility to ensure their well-being at work and enable them to earn a sufficient wage.









The Living Wage Transition

Achieving a living income is a core pillar of responsible mining. Based on mica market prices and labor capacity, reaching this target requires a phased approach, beginning with legal wage compliance. While meeting legal wage standards is a mandatory obligation for RIMCO and our immediate focus, it remains challenging. To enable data-driven decisions, we actively monitor all wages and maintain payment archives for both miners and processing facility workers..

METHODOLOGY

Legal Wage Value (SME)

Pursuant to DECREE No. 2024-794, the **SME** has been set at **262,680 MGA gross** since March, 2024. An increase to **300,000 MGA gross** takes effect as of March1, 2026, pursuant to DECREE No. 2026-1352.

Depending on the employee's contract type, the net legal wage will be calculated based on the gross pay above, minus

- the synthetic tax for self-employed individuals if the contract is a service provider contract,
- and income tax on wages and similar income, as well as social security contributions, for employment contracts

Living Wage Value

Both processing center in Amboasary Atsimo and Antsirabe area are considered as an urban zone.

According to the 2025 report of ANKER RESEARCH INSTITUTE, the **net monthly living wage for such zone should be 590,121 MGA.**

Assessment Method

Compliance with legal wage for RIMCO employes are assessed based on :

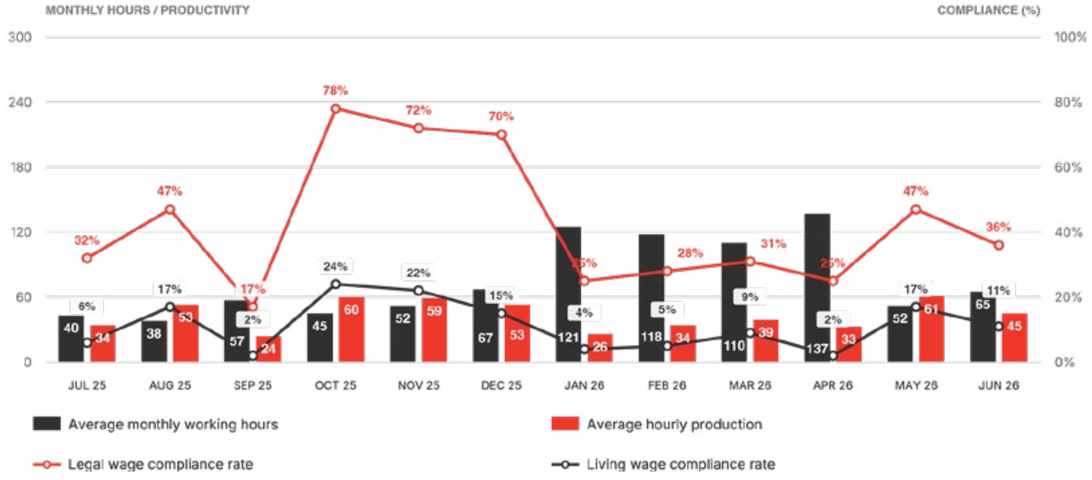
- Monthly salary for the **permanent** employees
- Hourly Wages for **daily workers** (MICA sorters) calculated based on their total monthly earnings, divided by their recorded attendance.

Hourly Legal Wage Reference is derived from the monthly benchmark divided by 173.33 hours. This figure represents the standard monthly working time as mandated by the Malagasy Labor Code.

ASSESSMENT RESULT FOR DAILY WORKERS

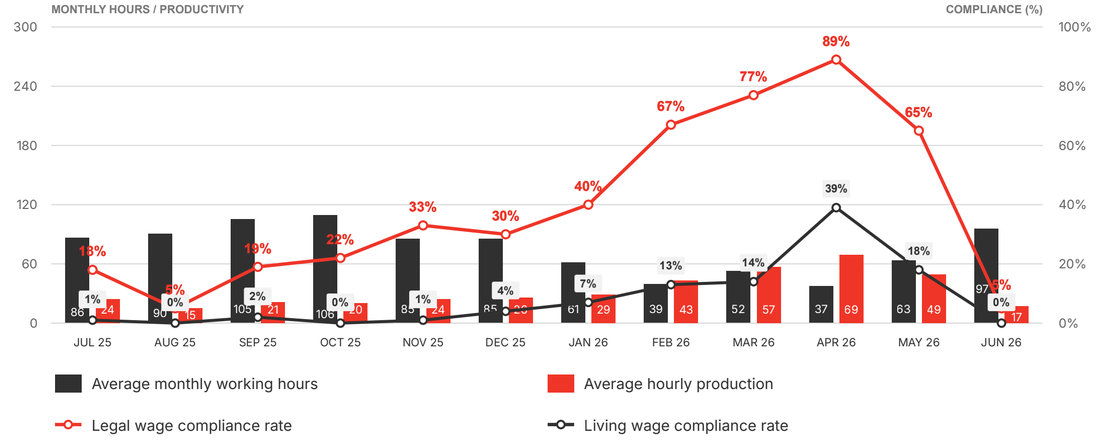
LEGAL & LIVING WAGE COMPLIANCE RATE

Daily workers — Amboasary Atsimo | July 2026 - June 2026



LEGAL & LIVING WAGE COMPLIANCE RATE

Daily workers — Antsirabe | July 2025 – June 2026



Key Drivers of Daily Workers' Earnings

→ **Weather & Infrastructure :** In Amboasary Atsimo, the lack of sheltered facilities causes rainy-season hourly output to collapse from 55 kg to 26 kg. In Antsirabe, covered facilities prevent output drops, but wet materials increase total time spent waiting for drying, diluting hourly production rates and earnings.

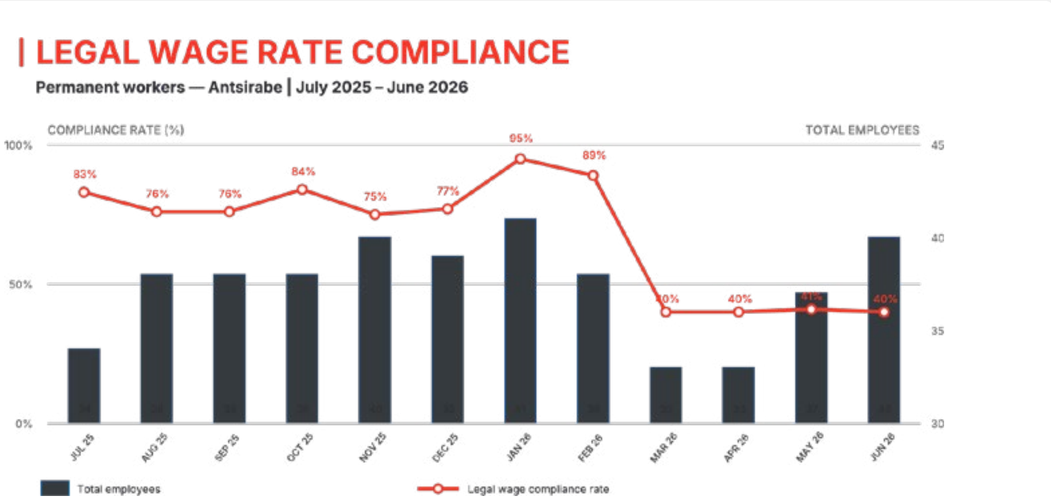
→ **Raw Material Supply :** Earnings scale directly with supply volume, peaking during Antsirabe's H1 2026 processing window and Amboasary's dry-season mining surge.

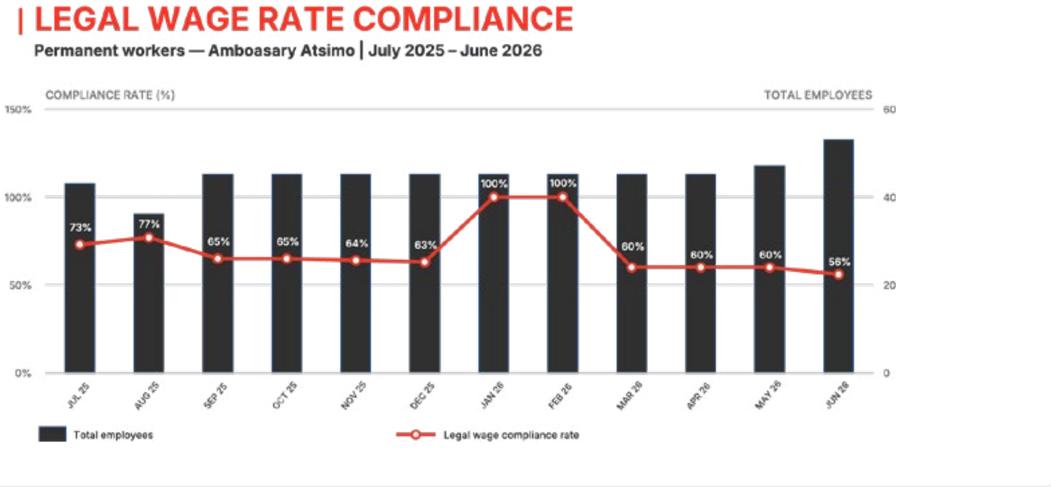
Impact on Legal Compliance & Living Wage Targets

→ **Legal Wage Compliance :** The March 2026 minimum legal wage hike reduced compliance across both sites—halving Amboasary Atsimo's rate from 78% (Oct 2025) to 36% (June 2026), while Antsirabe was limited by supply shortages. Concurrently, a ~10% margin squeeze from MGA appreciation against the USD since January 2026, combined with stagnant market prices, prevented RIMCO from raising piece rates.

→ **Living Wage Target Rates :** Living wage achievement varies significantly by season and supply—fluctuating between 24% (dry) and 4% (rainy) in Amboasary Atsimo, and between 39% (high supply) and 2% (low supply) in Antsirabe.

ASSESSMENT RESULT FOR PERMANENT EMPLOYEES





Legal & Living Wage Overview for Permanent employees

→ **Initial Compliance Surge :** RIMCO's January 2026 salary revisions successfully raised legal wage compliance to 95% in Antsirabe and 100% in Amboasary Atsimo through February.

→ **Minimum Wage & Margin Pressures :** The March 2026 decree increasing the legal minimum wage to 300,000 MGA eroded compliance; further salary adjustments were unfeasible due to margin squeeze from MGA appreciation against the USD[1].

→ **Living Wage Gap :** For FY 2025–2026, living wage achievement among permanent staff remained minimal—at just 2% in Amboasary Atsimo and 3% in Antsirabe.

WAGE ADJUSTMENT PLAN

Achieving legal wage compliance **requires addressing current labor and productivity limits**. To reach the legal wage threshold, **daily workers would need to achieve an hourly production capacity of 30 kg over 170 working hours** per month. The adjustment plan is therefore structured around four key priorities:

→ Encouraging employees to increase their working time beyond 74 hours per month.

→ Developing new techniques, machinery, and tools to optimize sorting capacity.

→ Upgrade storage and processing facilities while building raw material buffer stocks at processing centers to eliminate seasonal work stoppages.

→ Implementing a planned salary increase by January 2027.

For **permanent employees**, a phased adjustment is planned in order to reach 90% compliance with legal wage by January 2027.

Achieving a living wage through RIMCO's efforts alone remains unrealistic. **A united front across the supply chain—including downstream members—is necessary** to raise mica prices so that wages can be increased to reach living wage levels.

Nevertheless, we are exploring alternative solutions to increase the income of our workers and miners while awaiting market price adjustments above:

→ Securing low-interest cash-flow financing to replace our current financing solutions (which carry interest rates over 12%), allowing us to expand direct sales to manufacturing plants rather than traders and thereby increase our margins.

→ Developing new business units to boost production in other income-generating activities for our employees, thereby increasing their earnings from these alternative streams.

Above The measures proposed by RIMCO to meet the legal wage requirement will, however, help narrow the gap between the dry and the rainy season, thereby stabilizing living wage compliance rate of daily workers throughout the year.

Adjustment plan for permanent employes on January 2027 should allow to reach only 5% rate.

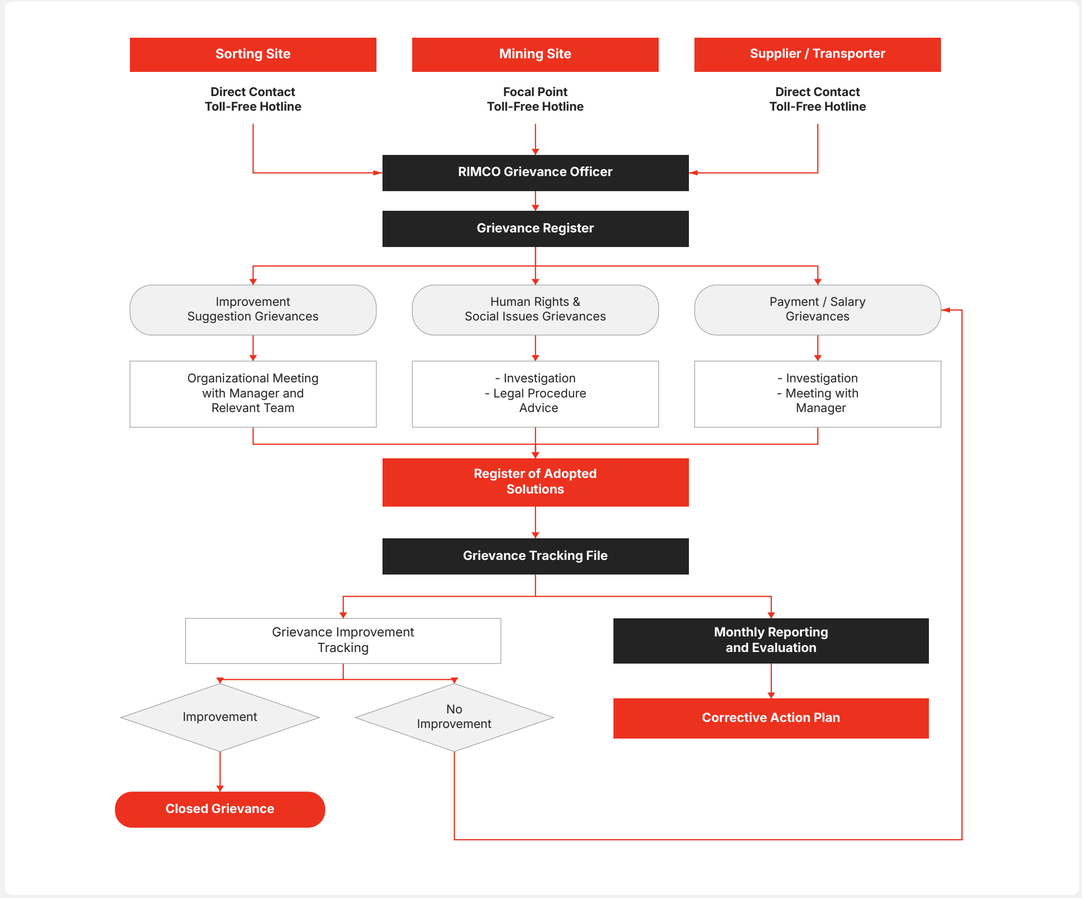
1 Please check the USD exchange rates from January 1, 2026, to May 31, 2026, on the Central Bank of Madagascar's official website

Efficient Grievance Channels

GRIEVANCE MECHANISM

Freedom of expression and association are among our core commitments at RIMCO. Establishing an effective grievance mechanism that ensures follow-up on the grief's resolution is the cornerstone that allows us to guarantee these rights to our employees. It also enables us to gather information that could improve the company's performance.









GRIEVANCE STATISTICS

ANTSIRABE SITE

	Type of Grievance	Operational	Social	Payment / Salary	Total
4%	**EXTERNAL**	1			1
100%	Unresolved	1			1
96%	**INTERNAL**	13	3	7	23
13%	Unresolved	1	1	1	3
61%	Resolute	8	2	4	14
26%	Partially resolved	4		2	6
		14	3	7	24

24 received grievance, 96% of which came from employees and 4% from external stakeholders.

Resolution rate : 61% for internal grievance and **100%** for external grievance

CONCLUSIONS

To date, **90%** of complaints are submitted **directly**, while 10% are submitted via the t**oll- free number :** The median resolution time is 30 days.

The resolution rate is **60%** for internal complaints and **57%** for external complaints.

AMBOASARY ATSIMO SITE

	Type of Grievance	Operational	Social	Payment / Salary	Total
19%	**EXTERNAL**	3		2	5
40%	Unresolved			2	2
60%	Resolute	3			3
81%	**INTERNAL**	13	3	5	21
14%	Unresolved		3		3
57%	Resolute	11		1	12
29%	Partially resolved	2		4	6
		16	3	7	26

26 received grievance, 81% of which came from employees and 19% from external stakeholders.

Resolution rate : 57% for internal grievance and **60%** for external grievance

ADJUSMENT PLAN

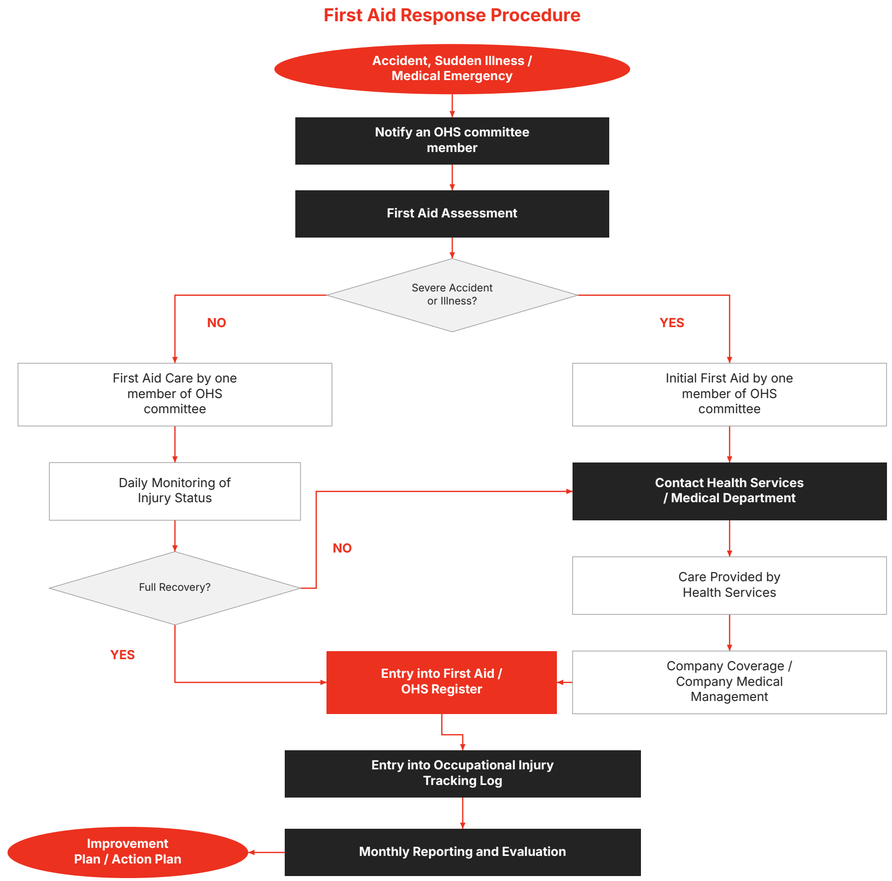
The direct communication channel is more convenient than the toll-free number.

To optimize the grievance resolution rate, the company will strengthen its weekly grievance monitoring.

Most of unresolved grievance involve wages, due to the company's financial constraints which do not allow for significant wage increases, as indicated in Wages adjustment plan.

Safe Work for Well-Being and Better Earning

FIRST AID PROCEDURE



ACCIDENTS STATISTICS

Type of Accident	AMBOASARY ATSIMO	ANTSIRABE
Fainting	1	2
Serious injury	1	2
Minor injury	9	35
Total accidents	11	39

CONCLUSION

RIMCO is targeting zero severe injuries and reducing minor injuries and health incidents every year.

To this end, the company organizes an annual OHS training workshop, several employee health and well-being awarenesses, and periodic training sessions for OHS committees. Focus will be on Amboasary Atsimo processing center as figures may indicate that incident are not being adequately reported by the OHS committee or by the workers.





4. Governance



Processing Center Compliance Progress 20

Pilot Mine Compliance Progress 21

Internal Policies Assessment 22

Upstream Supply Chain Due Diligence Engagement 23

Traceability system 24

Processing Center Compliance Progress

Our processing centers operate in progressive alignment with the Responsible Mica Initiative (RMI) Global Workplace Standard (GWS). Processes and facilities are tailored to meet the 419 criterias of the standard, which are structured into five core pillars:

- **Environmental Stewardship :** focus on proactive management of waste, water, and emissions to minimize our environmental footprint.
- **Health & Safety :** A «safety-first» culture that provides certified PPE, rigorous hazard controls, and robust emergency response protocols.
- **Fair Labor & Human Rights :** based on a strict zero-tolerance policy for child or forced labor, ensuring fair compensation and gender equality.
- **Ethics & Governance :** Transparent business practices underpinned by full legal compliance and effective grievance mechanisms.
- **Supply Chain Due Diligence :** Adhering to the OECD 5-Step Framework. This includes annual risk mapping of all upstream partners to identify and mitigate social risks throughout the value chain.

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Global Workplace standard GWS (pdf)

Compliance scoring and progress

According to Responsible Minerals Initiative (RMI) membership rules, an external audit is mandatory every year until a member achieves a compliance score above 90%, which grants a one-year audit exemption.

Following the SGS external audit of the Amboasary Atsimo processing center in November 2025, we completed a self-assessment of the Antsirabe processing center in December 2025. The results for both are outlined below :

Category	Amboasary Atsimo Compliance scoring based on Nov 25 Audit	Antsirabe Compliance Scoring based on Self-assessment in Dec 2025	Corrective Action Plan for scoring improvement
ENVIRONMENT	48%	43%	Implementation of management system and monitoring for : - Waste - Water consumption - Atmospheric emissions and carbon footprint
GOVERNANCE	64%	70%	ESG Report Issuance Formalization of internal Procedures and Policies such OHS, environment, CSR, Grievance mechanism and cultural heritage
HEALTH AND SAFETY	76%	63%	Update risk analysis Improve the OHS management system Implement PPE standards and usage Construct safety infrastructure
SOCIAL (human rights)	84%	86%	Monitor and evaluate internal policies and worker wages Build resting area and upgrade nursery facilities
DUE DILIGENCE	1%	1%	Support and engage our supply chain partner within the OECD 5-Step Framework, which includes the set-up of a management system, annual risk mapping of all of them to identify and mitigate social risks throughout the value chain, and report about it.
Final Result	**57.72%**	**55.70%**	

Based on our progress with the corrective action plan outlined above, we expect to achieve a score of approximately 80% in the upcoming audits scheduled for November 2026 in Amboasary Atsimo and February 2027 in Antsirabe.



Pilot mine compliance progress

Mica CRAFT Code is an international framework which ensures small-scale mining groups transition from informal practices to responsible, transparent trade through five strategic modules. The Craft Code was initially developed by the Alliance for Responsible Mining (ARM). RMI subsequently adapted it to the local context in Madagascar, resulting in the Mica Craft Code used today. **It grants a three-year transition period to progressively fulfill the 16 criteria required by the code. Mandatory audits are required only after this three-year period** ; however, an annual Mica Craft Report must be issued to monitor progress and maintain transparency for supply chain stakeholders.

According to the RMI Scheme, Mica Craft implementation must be led by an Artisanal and Small-Scale Mica Producer (AMP) structure comprising at least:

→ **Legalized Mining Group :** The pilot mine, which holds primary responsibility for on-the-ground Mica Craft implementation activities.

→ **Exporter :** RIMCO, which serves as the anchor point by providing technical and financial support to ensure all activities comply with the standard and are ready for audit.

At RIMCO, we aim to include the collector and transporter linked to each AMP to ensure complete due diligence across our upstream supply chain.

Scan to open website

MICA CRAFT

Compliance is assessed on 35 criterias grouped in 5 module

→ **Module 1 :** Management Systems : Establishing stakeholder engagement, clear leadership, internal policies, and grievance mechanisms to ensure accountability.

→ **Module 2 :** Legitimacy & Formalization : Ensuring all mining operations are legally registered or actively working toward full legal compliance.

→ **Module 3 :** Critical Human Rights : A zero-tolerance approach to the «Annex II» risks: strictly prohibiting child labor, forced labor, and conflict financing.

→ **Module 4 :** Ethical Business Practices : Actively mitigating risks related to bribery, illegal taxation, and money laundering to ensure financial integrity.

→ **Module 5 :** Continuous Improvement : Driving progressive gains in health and safety, women's rights, and environmental protection at the mine site.







Compliance scoring and progress

RIMCO is currently implementing the Mica Craft Code at 2 of the 57 mines from which we source mica material. Together, these two mines account for 10% of total production for 2025–2026. The pilot mines are :

→ **Morarano Atoby :** Located in the Ihorombe Region, this mine is part of the Antsirabe processing center supply chain. It receives technical support and PPE supplies from the NGO Micare to improve compliance scores. The mine currently has a 52% compliance score based on self-assessment, with its Mica Craft Report scheduled for release by March 2027.

→ **Evango :** Located in the Androy Region, this mine is part of the Amboasary Atsimo supply chain. Implementation began in April 2026, and its current compliance score stands at 42%. Evango represents the first mining site developed directly by RIMCO following our initial work at Morarano Atoby. Its Mica Craft Report is also expected in 2027.

For the upcoming fiscal year, RIMCO will strengthen responsible mining practices at both initial sites to boost their compliance scores. Subject to downstream supply chain demand, implementation will also expand to 3 additional mines in the Androy Region, targeting a total production coverage of approximately 25%.

Internal policy assessment

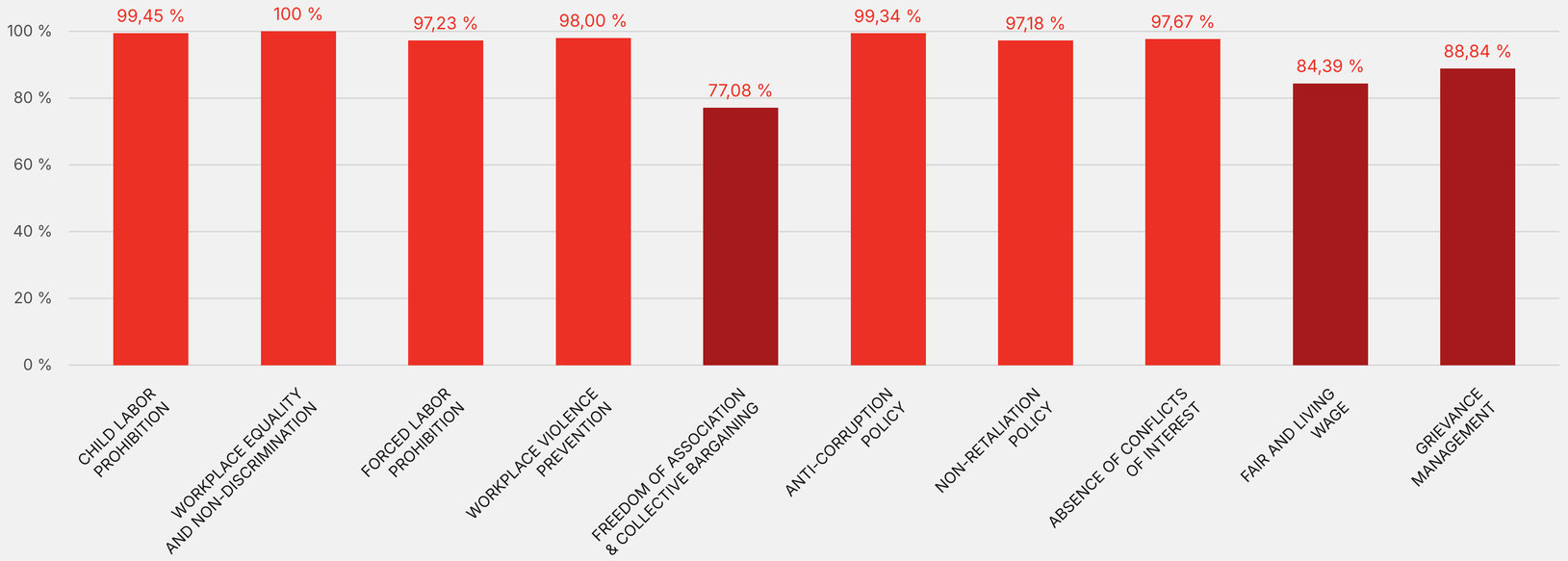
Based on our commitments (listed in the “About RIMCO”, we have defined and are implementing the 13 internal policies listed below.

01 | No use of child labour
02 | Respect for equality in the workplace
03 | Prohibition of forced labor and slavery
04 | Combating violence
05 | Freedom of association
06 | Combating corruption and bribery
07 | Protection for whistleblowers
08 | Absence of conflicts of interest
09 | Pay at least the legal minimum wage and work toward achieving a living wage
10 | Occupational Health and Safety (OHS)
11 | Respect for the environment
12 | Engage Positive Impact
13 | Respect for cultural heritage

In accordance with our compliance management system and in the spirit of continuous improvement, **the effectiveness of these policies and our employees’ understanding of them are assessed annually with the goal of improving governance**. For fiscal year 2025–2026, the survey was conducted at our Amboasary sorting facility, focusing on the top 10 policies and covering the 351 employees, representing 75% of the workforce.

Survey results & conclusions

EVALUATION OF THE IMPLEMENTATION OF COMPANY POLICIES



→ **Employee Representatives :** 23% of employees are currently unaware of the existence of employee representatives. Going forward, quarterly communications will be implemented to remind staff of their role and identity.

→ **Income Optimization :** Awareness initiatives are needed for sorters regarding ways to maximize their income, including working a full 8-hour shift to increase mica output and overall earnings. Concurrently, the company will provide better tools and machine to increase production capacity and actively lobby international stakeholders to raise mica market prices, enabling higher wage scales for employees.

→ **Grievance Mechanism :** Awareness and accessibility of the company’s grievance mechanism must be further strengthened across all operational sites.

Upstream supply chain due diligence engagement

According to the 2025 audit at the Amboasary Atsimo processing center, due diligence was the lowest-performing category, with a compliance score of just 1%. In response, the compliance team developed a comprehensive Due Diligence Management System tailored to upstream supply chain actors—primarily collectors and transporters.

The core framework of RIMCO's Due Diligence Management System consists of :

Mapping & Risk Assessment :

Trace raw material flows, evaluate supplier-specific risks against OECD Annex II standards, and validate risk matrices directly with suppliers.

Standards & Onboarding :

Establish a binding Supplier Code of Conduct and compliance KPIs, integrating these requirements into formal contracts following targeted supplier training.

Assessment & Remediation :

The RIMCO compliance team conducts continuous monitoring and annual assessments to address non-conformities through root-cause analysis, formalized Corrective Action Plans (CAPs), and capacity-building support.

Enforcement & Incentives :

→ **Pass (>50%) :** Reward compliant suppliers with strengthened commercial ties.

→ **Fail (≤50%) :** Mandate 6-month re-evaluations paired with a 10% progressive business reduction. Total disengagement is triggered after five consecutive failed evaluations.

→ **Transparency :** Share performance results with stakeholders to ensure accountability.



Participation in the due diligence system is currently voluntary. However, RIMCO provides ongoing support, capacity building, and performance rewards to steadily increase supplier engagement year over year.

Following the launch of supplier engagement workshops in February 2025, initial formal assessments are scheduled for January 2027. Current engagement metrics across sites are summarized below :

Indicator	Tranporter		Collector	
	ANTSIRABE	AMBOASARY	ANTSIRABE	AMBOASARY
Total Number	12	23	30	39
Engaged in due diligence	1	4	1	5
Share of total volume processed	3%	16%	12%	36%

Key Strategic Takeaways :

→ **Accelerate Antsirabe Onboarding** : Targeted outreach is urgently needed in Antsirabe, where participation remains critical at only one engaged transporter (3% volume) and one collector (12% volume).

→ **Focus on Retention & Capacity Building :** Next fiscal year's action plan will prioritize building loyalty and expanding capacity among existing partners—rather than contracting new actors—to drive higher due diligence participation rates.

→ **Target High-Priority Mining Sites :** Outreach will prioritize transporters and collectors tied to mines targeted for responsible mining or specifically requested by downstream buyers.

TRACEABILITY SYSTEM

RIMCO ensures full traceability by providing partners access to a digital, batch-based tracking system. This allows for transparent monitoring of mica flows—from the mining sites directly to container shipment thanks to below Key Features :

→ **Batch-by-Batch Processing :** Safeguarding origin integrity through strict segregation.

→ **Unique Batch Referencing :** Batch marking for end-to-end identification.

→ **Audit-Ready Archiving** : Secure digital documentation for seamless audit and reporting.

→ **Dedicated Customer Portal :** Real-time access to comprehensive shipment and origin data.





The data available for each stage of mica operations is detailed in the table below.

DATA	MINING	PROCESSING	EXPORT
Batch reference	✓	✓	
Origin details	✓	✓	
Legal Documentation	✓		
Workers and Miners Roster	✓	✓	
Production and Payout records	✓	✓	
Monthly wage monitoring and benchmark against Legal wage and living wage	✓	✓	
Total bag count per batch allocated to each shipping container.			✓
Container Tracking			✓
Commercial Documents			✓
Loading Photos			✓



Every bag shipped by RIMCO will include full traceability data, with the following temporary exceptions :

→ **Wage and Miner Data :** Currently provided only for pilot mines undergoing compliance implementation (Morarano Atoby and Evango).

→ **Mine Legal Documentation :** Available only for mines currently applying for AMEA or PREA licenses (11 mines at present).

These missing data points will be integrated as additional mines enter and progress through our compliance management system. As outlined in our pilot mine compliance progress, wage and miners data coverage is projected to increase from 10% to 25% of total mica volume in the next fiscal year, expanding to a total of 5 mines.

In addition, we aim to integrate the following features and data points into the portal :

> **Processing Center Legal Documentation :** Environmental permits, export authorizations, and compliance reports.
>
> **Mica Craft Reports** for mines actively undergoing standard compliance.
>
> **GPS geolocation :** GPS coordinates that allow you to instantly verify the mining site's location on a map

Further features may be developed based on downstream supply chain requirements.

5.

Positive impact



CSR Program Pillars 26

Achievements 2025–2026 27

Strategic CSR Outlook : FY 2026–2028 Priorities 28



CSR Program Pillars

Built on three core pillars, RIMCO's CSR program addresses critical livelihood and infrastructure needs across our supply chain to protect basic human rights. We drive this work through a commitment to shared value and community empowerment.

Childern's rights & eliminating child labor

- **Legal Identity :** Facilitating access to birth certification.
- **Early Childhood Care :** Providing childcare for children under 7.
- **Education :** Funding literacy programs, enrollment fees, qualified teachers, school supplies and building schools where needed.



Empowerment & living incomes target

- **Mica Revenue Growth :** Lobbying for fair mica pricing and investing in productivity tools.
- **Agricultural Livelihood Support :** Supporting agricultural projects to ensure a living income.
- **Financial Security :** Establishing community savings schemes for emergencies and long-term stability.



Infrastructure & care

- **Sustainable Utilities :** Providing reliable access to clean water and electricity to support essential needs and boost productivity.
- **Healthcare :** Supplying medical stocks, mobile clinics, and constructing health centers.
- **Environmental Stewardship :** Reforestation and green power use to mitigate project footprints.



Achievements 2025-2026

Achievement in Childern's rights & eliminating child labor

→ Evango School Construction

With funding from Glory Mica and CARCO Sweden, construction of a new school building in Evango was launched in February 2026, following two years of site selection, project planning, and stakeholder engagement. Inaugurated in October 2026, **the facility currently enrolls 141 students (20 preschoolers and 121 elementary** students, primarily in first grade) under the supervision of two teachers and the management of a local Parents' Association.

The grant fully covers school construction, classroom furniture, learning supplies, and the first year of teacher salaries. The project's primary objective is to eliminate child labor in the Evango mining area by providing accessible, quality education.

Moving forward, **RIMCO will oversee monitoring and ongoing evaluation in partnership with the Bekily CISCO** (District Education Office) to ensure:

> **Academic Quality :** Enhance educational standards to enable the first cohort of students to obtain their primary school completion certificates within five years.

> **Progressive Empowerment :** Support the Parents' Association in building financial and organizational capacity—specifically establishing local savings groups to fund school supplies and teacher salaries independently within five years.

→ Certificate of birth issuance for employees' children

Due to a lack of awareness and concerns over application costs, many parents do not register their children at birth. A birth certificate represents a child's fundamental right to identity; without it, access to essential human rights—including formal school enrollment—is severely restricted.

To address this barrier, RIMCO organized a mass civil registration drive in June 2026 in collaboration with the Fort-Dauphin Court and the Amboasary Atsimo Town Hall. **As a result, 165 children of employees at the Amboasary Atsimo** processing site officially received their birth certificates in October 2026. This initiative was paired with an awareness campaign educating parents on standard birth registration procedures immediately following a child's birth.



→ Education Support Program for Vulnerable Workers' Children

To assist employees facing severe financial hardship, RIMCO established an education support program designed to prevent child labor and ensure continuous schooling.

Currently, **three children of workers at the Antsirabe processing center receive full RIMCO scholarships covering school fees, supplies, and canteen meals**. To avoid school dropouts and prevent children from entering the workforce, the program operates on a structured five-year transition framework:

> **Parental Savings Requirement :** Participating parents must save a minimum of 3,000 MGA monthly in Year 1, increasing their savings annually.

> **Progressive Disengagement :** RIMCO reduces its financial sponsorship by 20% each year, gradually transferring financial responsibility to parents to achieve full financial independence by Year 5.





Achievement in Empowerment and living income target

Operational Support & Decarbonization: Morarano Atoby Solar Pumping Project

At a depth of approximately 20 meters, mining operations at the Morarano Atoby site reach the phreatic zone (water table). Without continuous pumping, the mine floods within three hours. Previously, miners relied on fuel-powered pumps funded out of their own pockets—an approach with two major drawbacks: frequent engine breakdowns that caused hours or days of operational downtime, and **high fuel costs that reduced miners' daily earnings by 10% to 20%.**

To resolve this issue, **RIMCO self-funded the installation of a 5 kWp solar power system** at Morarano Atoby in August 2025. Transitioning to green power yielded direct decarbonization and economic benefits:

> **Emissions Reduction & Decarbonization:** Replacing fuel-powered pumps with renewable solar energy eliminated localized fossil fuel combustion, lowering Scope 3 carbon emissions across upstream operations.

> **Cost Efficiency & Income Growth :** Removing the fuel cost burden significantly decreased miners' operational expenses and eliminated fuel-related equipment downtime.

As a direct **result of these cost savings,** operational continuity, and productivity gains, over **80% of workers at Morarano Atoby achieved a living wage in 2026.**



Strategic CSR Outlook : FY 2026–2028 Priorities

Over the next two fiscal years, RIMCO will expand its anti-child labor initiatives through targeted educational programs while advancing key initiatives across its core Corporate Social Responsibility (CSR) pillars.

Children's Rights & Anti-Child Labor Initiatives

→ **Education & Literacy Support :** Provide literacy programs and academic support for 300 children across mining sites and processing centers.

→ **Civil Registration :** Facilitate official birth certificate applications for 150 children in mining and processing center communities to secure their legal rights and enable school enrollment.

→ **Childcare & Early Childhood Infrastructure :** Upgrade childcare facilities at processing centers with dedicated, improved spaces for mothers and nursing infants, paired with structured early literacy programs run by specialized staff.

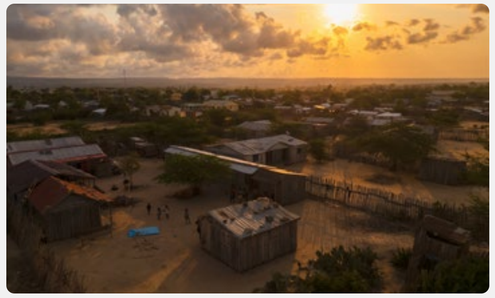


Community Empowerment & Living Income Targets

→ **Financial Inclusion & Savings Mobile App :** Launch a dedicated savings application and financial literacy training for employees and miners, enabling them to build emergency funds and finance healthcare, school fees, and supplies.

→ **Agribusiness Unit Feasibility Study :** Conduct market research and a feasibility assessment to identify high-potential crops grown by miners, optimizing production techniques for export to diversify and boost local incomes.

→ **Operational Modernization :** Invest in advanced machinery and tools for mining sites and processing centers to expand production capacity, lower operational overhead, and increase net earnings for workers.



Environmental Stewardship & Infrastructure Development

→ **Green Energy Transition :** Expand renewable energy infrastructure at mining sites (building on solar pumping initiatives) and support upstream logistics partners in transitioning to lower-emission, next-generation transport fleets to reduce Scope 3 carbon footprints.

→ **Water & Healthcare Access :** Partner with development organizations to secure grant funding for clean water access points and community healthcare facilities across rural mining hubs.





RIMCO

RED ISLAND MINING COMPANY

Visit our website

Lot IIR 188E Bis Ambohitrakely
Antananarivo 101 - Madagascar

contact@rimco.mg

+261 34 14 784 84