



SUSTAINABILITY AND GOOD GOVERNANCE

The Board of Directors (Board) oversees the development of our business strategy, risk management, and organizational objectives to improve long-term performance and enhance stakeholder value. Management, under the leadership of the CEO, oversees the execution and performance of the business and affairs of the company in accordance with the strategic plan and objectives approved by the Board.

Oversight and management of sustainability issues, and more particularly environmental, social and governance matters, (ESG) are an integral part of DPM's corporate governance practice. We believe that the integration of ESG into every level of our organisation is a primary determinant of success, and the modern way of obtaining social licence to operate.

GOVERNANCE STRUCTURE AND ACCOUNTABILITIES

DPM and its Board recognize the need for sound corporate governance to ensure that the company achieves its goals of enhancing shareholder and stakeholder value over the long-term by conducting its business activities in an effective, ethical and transparent manner. The roles and responsibilities of the Chair of the Board and the CEO of DPM are separate to allow for more effective oversight and to hold management accountable for their decisions.

While the Board has the ultimate responsibility for the company's strategy setting, the following four committees have been established to assist the Board in carrying out its mandate. They include:

- Audit Committee
- Corporate Governance & Nominating Committee
- Human Capital & Compensation Committee
- Sustainability Committee

For more details of DPM's overall governance structure and approach, including the responsibilities of

each Board committee, the Chair of the Board and the CEO, as well as further details on the company's governance and compliance practices generally, please refer to [our most recent Management Information Circular](#).

Oversight of the company's corporate governance practices, including business ethics and compliance, resides with the Board supported by the Corporate Governance and Nominating Committee. The Committee's mandate includes monitoring, reviewing and approving the company's corporate governance policies and practices among other responsibilities. Composed entirely of independent directors, the Committee meets quarterly, which also includes an in-camera session without management present.

At the Executive level, the Executive Vice-President Corporate Affairs and General Counsel reports directly to the President and Chief Executive Officer and is responsible for overseeing the Legal and Compliance, Human Resources and Business Optimization functions.

Oversight of sustainability matters resides with the Board through the purview of the Sustainability Committee. The Committee's mandate spans across key environmental and social issues with an eye toward managing risk while maximizing value in those areas for all stakeholders. Composed entirely of independent directors, the Sustainability Committee meets quarterly for management updates, which also includes an in-camera session without management present.

At the Executive level, the Senior Vice President (SVP), Sustainable Business Development reports directly to the President and Chief Executive Officer and is responsible for health and safety, sustainability and our enterprise risk management system (ERM). The Sustainability functions within DPM, both at the enterprise and operational levels, are responsible for monitoring societal, regulatory, and other relevant developments that could influence our company's policies and standards, which may

As a publicly traded, international mining company, DPM recognizes the importance of good corporate governance, ethical behaviour and compliance with applicable laws and regulations.

Similarly, transparency in our business practices and reporting is core to the company's integrity and is critical for continually earning the trust of all stakeholders and maintaining our social licence.

ultimately impact our ability to achieve our purpose and strategic objectives.

Our Balanced Score Card-Pay for performance

Our management system includes a Balanced Score Card (BSC) which links short-term incentive compensation to concrete and measurable annual objectives that align executives and employees on initiatives structured to achieve the company's strategic objectives. The high-level strategic objectives and outcomes are cascaded into targets at the operating level. Initiatives are linked to business strategy, including related risks, to ensure successful execution that engages the entire organization and drives accountability beyond the executive level.

Sustainability matters including environmental and social issues are included in the BSC processes at both the site and corporate level aligning with material impact and strategic priorities for that particular year.

OUR POLICIES AND STANDARDS

The company's environmental and social internal management systems and policy frameworks are informed by a broad array of external frameworks, including:

- United Nations Sustainable Development Goals
- United Nations General Principles on Business and Human Rights
- Organization for Economic Cooperation and Development Guideline Documents
- International Finance Corporation (IFC) performance standards on environmental and social sustainability
- European Bank for Reconstruction and Development (EBRD) performance standards
- Equator Principles
- Extractive Industries Transparency Initiative (EITI) (DPM has been a Supporting company since 2011),
- Global Reporting Initiative (GRI), Value Reporting Foundation and the Sustainability Accounting Standards Board (SASB) standards,
- The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and the Paris Agreement framework.

Specific industry-level frameworks that guide our policy and governance development include:

- International Council on Mining and Metals Principles

- Initiative for Responsible Mining Assurance Standards
- World Gold Council's Responsible Gold Mining Principles
- Mining Association of Canada's Towards Sustainable Mining
- London Bullion Market Association Responsible Sourcing Program.

Code of Business Conduct and Ethics

The Code of Business Conduct and Ethics ("the Code") is approved by the DPM Board and is a statement of the principles and commitments intended to direct and guide the conduct of the company, our Board members, employees, and third parties in all locations where we operate.

The Code covers a variety of topics essential to maintaining ethical business conduct and is supported by various policy documents, including our [Speak-Up Standard](#), [Anti-Bribery and Anti-Corruption Policy](#), [Corporate Responsibility Policy](#), [Human Rights Standard](#) and other documents, referenced in the Code.

Speak-Up Standard

We require our employees to report any unethical behaviour which they become aware of. Details of reportable violations, reporting channels and report handling processes can be found in the Code and, also, in our [Speak-Up Standard](#).

We are committed to providing protection from any form of retaliation, which could include, but is not limited to demotion, transfer, termination, or other threat or harm to reporters.

OUR APPROACH TO SUSTAINABILITY AND GOOD GOVERNANCE

Six Capitals

At DPM, the integration of governance and sustainability matters into our business model begins with how we think, act, and operate. The company's financial and non-financial capital resources are allocated in ways that support good governance, sustainability, and innovation. Our existing portfolio of assets and growth opportunities are optimized to deliver value to all of DPM's stakeholders.

The company's purpose is to "unlock resources and generate value to thrive and grow together". This

purpose is supported by a foundation of six core values that inform a set of interdependent and complementary strategic pillars and strategic objectives, one of which is to “Generate a net positive impact from our operations.” (“[Our Business Model](#)”)

In order to provide a more robust framework for assessing our net positive impact going forward, we have adopted the concept of the “Six Capitals”. This framework allows us to more efficiently codify, monitor and ultimately measure the impact of our operations and their corresponding value for stakeholders. It also facilitates how we as an organization allocate resources in order to optimize net positive impact. The six capitals are¹:

- Financial capital (ie. lower cost and greater availability of capital, etc.)
- Manufactured capital (ie. minerals produced and sold, infrastructure development, etc.)
- Intellectual capital (ie. intellectual property development through innovation, etc.)
- Natural capital (ie. improved ecosystem services, resilient habitats, etc.)
- Social and Relationship capital (ie. talent attraction and attention, resilient social licence, etc)
- Human Capital (ie. self actualization and self esteem, experience, creativity, etc.)

Although we are in the early stages of defining our approach using the six capitals, we have solidified our commitment to it by including “generating a net positive impact from our operations” as a strategic objective in our business strategy.

Risk Management

As a publicly traded, international mining company, DPM fully recognizes the importance of adopting best available practices in risk management.

Risk assessments, following DPM’s ERM framework, are carried out formally on an annual basis, and informally on a quarterly basis, led by risk owners and risk leads. Risk scanning focuses on political, economic, social, technological and environmental trends that may influence DPM’s business.

Corporate memberships to knowledge-based organisations ensure that the company’s ERM framework is continually informed by international best practice. Our risk management process is designed to support the achievement of our organisational and strategic objectives, to improve long-term performance, and to enhance stakeholder value.

Our risk assessment process involves:

- Identification and analysis of risks;
- Evaluation of risks with consideration for impact and likelihood, based on concrete criteria for their scoring. Risks are evaluated on an inherent risk basis, reflecting the effect of risk, without accounting for internal risk management, and on a residual risk basis, reflecting the effect of risk once internal controls and risk mitigation strategies are implemented;
- Quarterly review by management for changes in risks based on changes in internal and external environment as well as for relevancy and effectiveness of internal controls and risk mitigation actions;
- Annual review and validation by DPM’s senior leadership of top enterprise risks; and
- Regular reports received by the Board on key risks for the business as well as on internal controls and mitigation strategies applied to manage those risks.

For a detailed explanation of the risks applicable to the company and our business, see the Risk Factors in our latest [Annual Information Form](#).

Supply Chain Management

The Code is a statement of the key principles and expectations that guide our business. We expect all our third parties (i.e., anyone who does business with DPM) to adhere to principles consistent with those set out in our Code and aligned with DPM’s six core values. DPM also has a comprehensive risk-based third-party due diligence process, focused on managing bribery, corruption, reputational and sanction compliance risk. It supplements locally managed procurement procedures which consider the cost and quality of goods and services sought, but also the health, safety, and environmental policies of current and prospective suppliers. Contracts with suppliers include provisions requiring the suppliers to comply with local laws and regulations and applicable professional standards. We also ask certain third parties to contractually agree to comply with our Code and its supporting governance policies.

In 2019, DPM also started screening the smelters that buy and/or process our concentrates as well as the buyers of our sulphuric acid on their environmental, health, safety and social policies and performance. In addition, we are compliant with the EBRD Performance Requirements, and our internal management system is designed to drive compliance by our partners as well.

1. For an introduction into the concept of value creation through Six Capitals, see e.g. the guidelines of the International Integrated Reporting Council (IIRC): <https://integratedreporting.org>

Transparency and Reporting

DPM is committed to conducting its business in a transparent and accountable manner, as this is an essential element of earning and maintaining trust and ensuring our social licence to operate. We comply with applicable securities laws and Toronto Stock Exchange requirements for our public company reporting obligations.

In addition, we have been reporting on our non-financial performance since 2011. Since 2012, these reports have been externally assured by Bureau Veritas UK and prepared in compliance with the GRI, and beginning in 2021, the SASB standards.

