
2023 OECD STEP 5 DUE DILIGENCE REPORT

Responsible Production and Supply



Table of Contents

Company Information	4
Assurance Assessment Summary	4
Mineral Supply Chain Policy	5
Management System	5
Internal Systems of Control.....	8
Record Keeping System.....	10
Risk Identification.....	11
Payments Made to Governments	13
Alignment with Industry Frameworks and Organizations.....	14
Alignment with OECD Due Diligence Guidance for Minerals – 5-Step Framework for Upstream and Downstream Supply Chains	14
Alignment with the London Metal Exchange Responsible Sourcing Framework	15
Product Stewardship	15
Product Lifecycle Assessment	15
Next Steps for 2024	16
Data Tables – GRI and RMI Guidelines on Reporting on Responsible Mineral Sourcing	16
OECD Due Diligence Guidance for Responsible Supply Chains	16
OECD Step 1: Establish Strong Company Management Systems	16
OECD Step 2: Identify and Assess Risks in the Supply Chain.....	17
OECD Step 3: Design and Implement a Strategy to Respond to Identified Risks	18
OECD Step 4: Carry Out Independent Third-Party Audit of Smelter/Refiner’s Due Diligence Practices	18
OECD Step 5: Report Annually on Supply Chain Due Diligence	18
Forced or Compulsory Labour.....	19
Reporting on the Impacts of Mineral Sourcing.....	19

Commonly Used Terms

Acronym Used	Definition
RMI	Responsible Minerals Initiative
CRC or COREFCO	The Cobalt Refinery Company Inc.
JV	joint venture
RMAP	Responsible Minerals Assurance Process
U.S.	United States
OECD	Organization for Economic Cooperation and Development
LME	London Metals Exchange
CAHRAs	Conflict-Affected and High-Risk Areas
ICCI	International Cobalt Company Inc.
KYS	know-your-supplier
TSM	Towards Sustainable Mining
RBA	Responsible Business Alliance
E.U.	European Union
EITI	Extractive Industries Transparency Initiative
ESTMA	Extractive Sector Transparency Measures Act
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
NI	Nickel Institute
CI	Cobalt Institute
LCA	life cycle assessment

This report has been developed in consideration of the Responsible Minerals Initiative’s (RMI) [Responsible Minerals Assurance Process – Public Due Diligence Report Writing Guidance \(2018\)](#). Prescribed or suggested disclosures from that Guidance document have been indicated in [blue font](#) in this report for reader ease of reference.

Company Information

Company name: The producer is The Cobalt Refinery Company Inc. (COREFCO). The COREFCO refinery is part of the Moa Joint Venture (“Moa JV”) of which Sherritt International Corporation (“Sherritt”) and the General Nickel Company S.A. of Cuba are each exclusively 50% owners. For the purposes of demonstrating the responsible production and supply of minerals, the Moa JV and COREFCO rely on Sherritt, Moa JV and COREFCO-level policies, due diligence and management systems. Sherritt discloses this information on behalf of these entities.

Canada Revenue Agency Business Number: 13958 3942 RC0001

Producer location: COREFCO is located at 10101 – 114 Street, Fort Saskatchewan, Alberta, Canada. T8L 2T3.

Materials processed: COREFCO produces finished nickel and cobalt products

Time period covered by this report: 2023

Assurance Assessment Summary

Sherritt is a member of the RMI. The RMI has informed Sherritt that COREFCO cannot legally participate in the RMI’s [Responsible Minerals Assurance Process](#) (RMAP) because the RMI is incorporated in the United States (U.S.) and must abide by U.S. law and U.S. sanctions on Cuban entities. Subsequently, the RMI agreed that Sherritt and COREFCO would complete an Organization for Economic Cooperation and Development [Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#) (OECD Guidance)-aligned audit, using an RMI-approved auditor, in lieu of a RMAP assessment. This was deemed a suitable substitute as the OECD Guidance is the source of the criteria referenced in the RMI’s RMAP.

Date of last OECD-aligned assessment at COREFCO: June 23, 2023

Assessment period: 2022

Assessment firm: TDi Sustainability (an RMI approved auditing firm)

Link to most recent assessment summary report: The summary report is publicly available [here](#).

The assessment was conducted in accordance with the ISO 19001 (2011) Standard and confirmed that:

1. Sherritt and COREFCO’s management systems allow for the identification of OECD Red Flags;
2. There were no OECD red flags in Sherritt or COREFCO’s mineral supply chain for the Reporting Period 01/01/22 to 31/12/2022; and
3. All other questions, such as Section 3 of the [London Metals Exchange](#) (LME) Red Flag Assessment (Location of Mineral Origin and Transit Red Flag Evaluation) are complete, and that Sherritt and COREFCO publicly disclose this information as required.

In line with the conclusions of the assessment, the auditor recommended that the LME confirm Sherritt and COREFCO’s conformance with the LME responsible sourcing Track B compliance requirements.

Mineral Supply Chain Policy

Company policy: Sherritt's Responsible Production and Supply Policy is publicly available [here](#). It is consistent with the standards set forth in the OECD guidance.

The COREFCO refinery is governed by Sherritt's Responsible Production and Supply Policy. The policy outlines Sherritt, the Moa JV, and its subsidiaries commitments to human rights, environment, health and safety, transparency, and ethical mineral supply.

The Policy is supported by Sherritt's Raw Material Feed Supplier Code of Conduct (Supplier Code of Conduct), which articulates in a more detailed fashion the requirements and expectations of mineral feed suppliers to COREFCO in the areas of human rights, ethical business practices, occupational health and safety, environment, and Conflict-Affected and High-Risk Areas (CAHRAs). The Supplier Code of Conduct is publicly available [here](#).

The Supplier Code of Conduct is supported by a supplier declaration that collects information on supplier responsible production and supply policies and due diligence management systems. This document assists in the assessment of supplier policies and systems covering ownership, human rights, environment, occupational health and safety, business ethics, OECD Annex II risks, CAHRAs and red flags.

The Responsible Production and Supply Policy and the Supplier Code of Conduct are embedded in COREFCO's management system. Sherritt's [Environment, Health, Safety and Sustainability Policy](#) and [Human Rights Policy](#) articulate Sherritt's overarching commitments and expectations for our employees, contractors and suppliers in these areas.

Management System

Management Structure

i. Describe the senior management structure assigned to oversee due diligence including roles and responsibilities.

Sherritt and the Moa JV's governance structures are inclusive of COREFCO. Sherritt's Board of Directors (the "Board") has an independent chairperson and two committees (the Reserves, Operations and Capital Committee and the Audit Committee) that oversee matters with related to environmental, social and governance and responsible production and supply matters. The mandate of the Board's Committees can be found on Sherritt's [website](#).

The Moa JV has a similar Board structure and approach. Sherritt's Senior Vice President, Metals sits on the Moa JV Board Committees and is directly responsible for the mineral supply chain policy and due diligence management system.

The minerals produced by COREFCO are supplied through the International Cobalt Company Inc. (ICCI), a company which is also part of the Moa JV. ICCI is the sole raw material feed supplier to the COREFCO refinery, and it sources the majority of its minerals from Moa Nickel, a company which is also part of the Moa JV. Moa Nickel provides >95% of the mineral feed to COREFCO. In addition, a 100% subsidiary of Sherritt purchases third-party raw material feed on behalf of ICCI to supply to COREFCO. Third-party feeds typically represent <5% of the total mineral provided to COREFCO.

Sherritt and the Moa JV have chartered a steering committee to develop, action, and maintain a plan to drive alignment with recognized responsible sourcing initiatives, standards, and frameworks.

Mineral feed supplier due diligence is performed by the ICCI Raw Materials, By-products & Customer Service Manager.

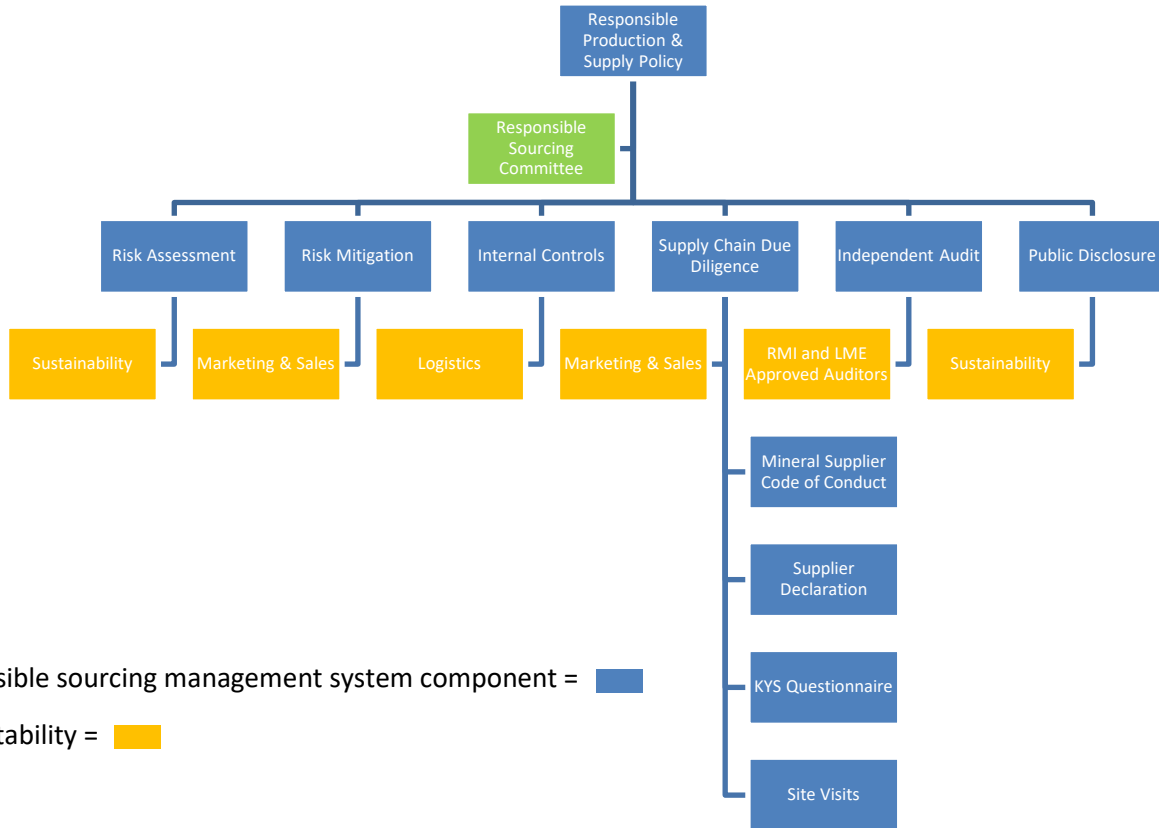


Figure 1. Responsible Sourcing Management System & Accountabilities

ii. Describe the relevant functional departments that may be affected by the findings of actual and/or potential risks identified in the supply chain and their roles in due diligence implementation.

The relevant functional departments that may be affected by the findings of actual and/or potential risks identified in the supply chain include marketing and sales, operations, logistics, and sustainability.

Table 1: Functional departments and their roles in due diligence implementation

Functional Department	Role in Due Diligence Implementation
Marketing and sales	<ul style="list-style-type: none"> • Liaise with customers as it relates to responsible sourcing queries • Perform know-your-supplier (KYS) due diligence activities • Supplier relationship development • Document management and record keeping • Management reporting • Supplier due diligence site assessments
Operations	<ul style="list-style-type: none"> • Follow company policies and management systems for the responsible production of minerals
Logistics	<ul style="list-style-type: none"> • Implement material control measures to ensure traceability and transparency • Document management and record keeping
Sustainability	<ul style="list-style-type: none"> • Provide guidance on policies and due diligence management systems • Complete CAHRA and red flag assessments • Assist with the identification, prioritization, and mitigation of risks • Grievance management • Coordinate public disclosures

iii. Training of relevant personnel with roles and responsibilities defined in the due diligence program.

A training needs analysis was conducted by the organization and a subsequent training plan was developed in the reporting period. The training plan covers the following areas: general awareness, material receipt, supply chain due diligence, and supplier awareness. Relevant personnel with roles and responsibilities defined in the due diligence program have received appropriate training.

In 2023, training was provided to the marketing and sales team and the COREFCO sustainability, supply chain management, and logistics representatives. Evidence of the training of relevant personnel and roles and responsibilities defined in the due diligence program is available upon request.

iv. Describe how actions and reporting have been maintained or improved from the previous year's activities.

This is the second year that Sherritt is publishing an OECD Step-5 report that conforms with the requirements of the RMI's public due diligence reporting guidelines and template. Actions and reporting have improved from previous years as follows:

- In conformance with OECD guidelines Sherritt updated its CAHRA assessment on behalf of COREFCO in 2023. This assessment did not identify any CAHRA sources in the supply chain. In 2023, an independent OECD-aligned audit validated Sherritt's assessment that COREFCO does not source from CAHRAs;
- As a member of the Mining Association of Canada, Sherritt and COREFCO are implementing the Towards Sustainable Mining (TSM) protocols, which are a series of management systems that cover key mining related risks. Sherritt's objective is for COREFCO to achieve a minimum of 'Level A' scoring in all protocols by 2024. At the time of writing the COREFCO refinery has achieved 'Level A' in all protocols, with the exception of one, and is on-track to meet the 2024 objective;
- COREFCO is also implementing ISO 45001 and ISO 14001 and at the time of writing has been recommended for certification by ISO registration auditors; and

- In 2023, a mineral supply chain risk assessment was completed based on the Responsible Business Alliance (RBA)/RMI's Risk Readiness Assessment for smelters and refiners. No significant risks were identified. Only minor administrative gaps were identified and are being actioned as part of the continuous improvement management system.

Internal Systems of Control

Describe the company's internal control systems over the mineral supply chain and explain how they operate and what data they have provided as part of due diligence efforts in the reporting period.

i. Describe at a high level the company's processes/procedures to control the origin of material.

Sherritt subsidiaries and the Moa JV continue to incorporate responsible production and supply requirements into the mineral supply chain and improve supply chain due diligence process.

COREFCO maintains internal control systems over the mineral supply chain through processes and procedures to identify and control the origin of material. Sherritt and Moa JV policies require the identification of risks in the mineral supply chain and risk-based mitigation through engagement and due diligence reviews with mineral feed suppliers. Supplier expectations and requirements are documented and enforced through agreements and signed supplier declarations. Supplier declarations are reviewed upon receipt and an internal material control system is in place. It allows for the reconciliation of material inputs and outputs through a mass balance approach. The 2021 OECD-aligned audit and 2023 independent LME red flag assessment validated that COREFCO has a strong internal material control system.

ii. Describe any engagement with suppliers to improve their due diligence performance. Describe any supplier improvement programs the company may deploy. This may include quantitative information such as the number or percentage of suppliers engaged.

In 2023, COREFCO sourced the majority (>95%) of its minerals from its own joint-venture mine. However, COREFCO also toll-refines a relatively small amount of minerals from a select group of third-party suppliers.

Engagement with suppliers to assess and improve their due diligence performance is conducted regularly. Engagement includes regular calls and meetings to review and discuss Sherritt's policy and Supplier Code of Conduct requirements as well as KYS questionnaires and supplier declarations. This is further described below in the section on KYS activities. Sherritt's approach to mineral feed supplier risk management is represented in Figure 2.



Figure 2. Supplier Risk Management

Below is a summary of the data the due diligence system has yielded in the 2023 reporting period:

Table 2: Due diligence system data 2022 and 2023

Metric	2023	2022
Number of mineral suppliers	4	3
% Completed KYS questionnaires	75%	67%
% Completed supplier due diligence declarations	100%	67%
% Mineral supply chain risk assessments completed	100%	100%
Quantity of CAHRA mineral sources	0	0
Quantity of red flags identified	0	0

iii. Reference the grievance mechanism(s) used by the company and explain how the information gathered from the mechanism(s) is integrated into the company’s due diligence process. Also describe the process for handling complaints through the mechanism if it is a company grievance mechanism.

Sherritt has a Whistle-blower Policy and [grievance mechanism](#) that allow for any person or entity anywhere in the value chain to submit a reportable concern anonymously and confidentially through the system maintained by Sherritt’s designated external service provider. Reportable concerns may be submitted by internal and external stakeholders anywhere in the value chain, including employees, contractors, directors, officers, suppliers, vendors and others.

Sherritt maintains these mechanisms to facilitate the receipt, retention and treatment of reportable concerns and grievances. The mechanisms are intended to cover allegations of any kind of unethical behaviour. Concerns related specifically to the COREFCO refinery can also be relayed directly to the site via a local phone number.

Sherritt's grievance mechanism is confidential, independent, easily accessible to all community members, allows for anonymity and does not create internal conflict of interest or risk of retribution. It does not preclude complainants from accessing other sources of remedy if they are dissatisfied with the outcome.

Sherritt and COREFCO senior management are responsible for the grievance management system. Any grievances received are assessed and defined based on a severity-classification framework. The mechanism includes the tracking, investigation and resolution of grievances. The purpose of the mechanism is to build trust-based relationships with stakeholders and maintain the Sherritt, Moa JV, and subsidiary social licence to operate. All subsidiary grievance mechanisms are aligned with Sherritt's standard. All Sherritt, Moa JV, and subsidiaries, including mineral production and supply and employee conduct.

The process to address and resolve grievances includes:

1. Formal capture and assessment by severity of all received grievances in a single, central location or database;
2. Confirmation to the complainant of receipt of the grievance;
3. Communication with the complainant regarding the status of the grievance;
4. Tracking and investigative processes for managing received grievances based on severity;
5. Identification of root causes and contributing factors, and corrective actions to remedy a grievance where Sherritt is found responsible for the impact, ensuring consistent remedy for similar grievances; and
6. Allowance for third-party investigations, if appropriate.

Sherritt's grievance standard includes:

1. Periodic assessment of the effectiveness of the process, taking into consideration both Sherritt's and stakeholders' perspectives; and
2. Routine reporting on the nature and resolution of grievances to site-level senior management.

In 2023 there were no grievances reported in the mineral supply chain.

Record Keeping System

i. Confirm that appropriate documentation is maintained per a record keeping system.

Appropriate documentation is maintained at COREFCO utilizing a formal document management and record-keeping system. The site's document and record management system conform to its ISO 9001 Quality Management System requirements and certification.

ii. Describe records retention time per document type.

Below is a list of key records and retention periods:

Table 3: Key records and their retention periods

Record Type	Retention Period (years)
Supplier declaration	5
KYS questionnaire	5
Mineral supplier shipment documentation, including: <ul style="list-style-type: none"> • Date of receipt • Type of material • Weight of material • Origin of the material • Certificate of analysis 	5

iii. Describe the process to ensure documents/records are properly used and are safely stored.

Processes are in place at COREFCO to ensure documents and records are properly used and are safely stored. The document and record management system conforms to ISO 9001 Quality Management System requirements and certification.

Risk Identification

Methodology

i. Summarize the procedure to define CAHRAs, including the resources used, criteria applied and the frequency for review.

Following relevant guidance, Sherritt has developed and implemented a procedure for CAHRA assessments. CAHRA assessments cover the minerals produced, transported, and mined by Sherritt, the Moa JV, COREFCO, and Moa JV subsidiaries as well as the small amounts of minerals purchased for refining from third-party sources.

For the last several years, Sherritt has completed CAHRA assessments on behalf of COREFCO, all of which to-date have determined that the minerals produced by COREFCO are not sourced from or transit through CAHRAs. Independent audits from 2021 to the present have reviewed Sherritt's CAHRA assessments and validated them.

The assessments are updated annually and any time a new mineral supplier is considered for mineral feed sourcing, transit, or operation including any new joint venture partnerships.

Sherritt has elected to use the third-party resources identified on the RMI website, the European Commission Recommendation (E.U.) 2018/1149 on non-binding guidelines for the identification of CAHRAs and other supply chain risks, and the LME Responsible Sourcing Handbook, such as:

- Heidelberg Conflict Barometer;
- Geneva Academy Rule of Law in Armed Conflicts;
- Global Peace Index;
- INFORM world map;
- Fund for Peace Fragile States Index;

- The RMI's Country Risk Assessment Tool;
- RMAP or E.U. CAHRA lists;
- The E.U. indicative, non-exhaustive list of CAHRAs under Regulation (E.U.) 2017/821; and
- TDI Sustainability CAHRA Index.

The general steps followed to complete a CAHRA assessment include:

1. Identification of the locations of mineral origin and transit, including third-party mineral feeds;
2. Identification of all mineral suppliers;
3. Utilization of the indices listed to assess the geographies of mineral origin and transit for conflict, other risks, and red flags;
4. Review of mineral supplier CAHRA assessments; and
5. Documentation of the assessment.

The procedure articulates which criteria or combination of criteria and thresholds would trigger a CAHRA determination. This has been established to ensure that the methodology is repeatable and applied consistently over time. The annual CAHRA determination is communicated internally to management. The procedure also defines requirements for the frequency of CAHRA assessment audits.

ii. Summarize the Know Your Supplier (KYS) process.

A formal and documented KYS process is implemented. KYS activities include but are not limited to completing the following on a regular basis:

1. Identifying all mineral feed suppliers;
2. Sending all suppliers a KYS package that includes the mineral feed policy, supplier code of conduct, questionnaire, and declaration;
3. Reviewing and documenting the supplier responses in the questionnaire;
4. Reviewing and documenting the supplier declaration response;
5. Holding calls and meetings with suppliers; and
6. Conducting risk-based supplier site visits.

The following information is collected and assessed from all mineral suppliers:

- Legal status;
- Beneficial ownership and/or ownership or other controlling interests in other entities;
- Banking information;
- Anti-money laundering information;
- Human rights, environmental, occupational health & safety, and business ethics policies and systems;
- Mineral type and point of origin, including the location of the mine from which the mineral is sourced;

- The methods of extraction; and
- CAHRA and red flag identification.

In 2022 a supplier due diligence field visit was completed at the Moa Nickel mine, the primary mineral supplier to COREFCO, to verify responses to the KYS questionnaire and supplier declaration, and to better understand key responsible production and supply policies and management systems. The audit confirmed that the site's responsible production and supply declarations were valid and that the site is conformant with Sherritt mineral supplier expectations. No significant deviations or risks were identified.

No material mineral supply chain risks were identified and as such no supplier due diligence field visits were completed in 2023.

iii. Summarize the scope of the risk assessment, in particular describe which risks you consider material to the supply chain and why they are considered material. These must include reference to the OECD Annex II risks.

The scope of the risk assessment includes the following:

- Mineral type and point of origin, including the location of the mine;
- Geography including known mineral resources and production levels;
- The methods of extraction, including artisanal and small-scale mining;
- CAHRA and red flag identification;
- Supplier legal status and beneficial ownership and/or ownership or other controlling interests in other entities;
- Country corruption and transparency; and
- OECD Annex II risks, including but not limited to human rights abuses, forced labour, child labour, support for non-state armed group or security forces, bribery, money laundering, and fraudulent misrepresentation of origin.

In addition to these, in 2023 a mineral supply chain risk assessment was completed based on the RBA/RMI's Risk Readiness Assessment for smelters and refiners. The scope of the risk assessment included 29 issue areas covering environmental, labour and working conditions, community, and business and human rights aspects of mining and refining operations. No significant material mineral supply chain risks were identified.

iv. Note if any risks were actually identified (note: it is not necessary to disclose the specific risks, incidents or supply chain actors but rather what general information such as the risk area they related to, e.g., human rights abuses; support for non-state armed group or security forces; bribery and fraudulent misrepresentation of origin, etc. General information could also refer to the country/geography risks.

No risks or incidents were identified in the reporting period.

Payments Made to Governments

Public disclosures on payments made to governments in line with the Extractive Industries Transparency Initiative (EITI) criteria are made by Sherritt on behalf of the producer COREFCO and the Moa JV. Sherritt is incorporated in Canada and is a publicly listed company on the Toronto Stock Exchange. Canada is an EITI supporting country and extractive companies in Canada are required to produce Extractive Sector Transparency Measures Act (ESTMA) reports which disclose information on payments made to governments in line with EITI criteria and principles. Sherritt's ESTMA reports, which cover COREFCO, are publicly available [here](#).

Alignment with Industry Frameworks and Organizations

Alignment with OECD Due Diligence Guidance for Minerals – 5-Step Framework for Upstream and Downstream Supply Chains

Sherritt and the Moa JV are broadly aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs and the OECD 5-Step Framework, which is the recognized industry standard for responsible supply chains. Sherritt and the Moa JV conform with 100% of the applicable sub-requirements. Table 1 outlines the details of Sherritt’s and the Moa JV’s conformance with the sub-requirements of the OECD 5-Step Framework.

Table 4: Sherritt and Moa JV conformance with OECD 5-Step Framework

Step	Requirements	Sherritt & Moa JV Conformance	Comments
1. Establish strong company management systems	Adopt a policy for responsible mineral supply chains	Yes	Expectations incorporated into agreement packages
	Communicate policy to suppliers and incorporate due diligence expectations into contracts	Yes	
	Establish traceability or chain of custody system over mineral supply chain	Yes	
2. Identify risks in the supply chain	Identify and verify traceability or chain of custody information (e.g., mine of origin, trade routes, suppliers)	Yes	CAHRA and red flag assessments completed. No CAHRA or red flags identified.
	For red flag locations, suppliers or circumstances, undertake on-the-ground assessments to identify risks of contributing to conflict or serious abuses	Yes	
3. Manage risks	Report identified risks to senior management and fix internal systems	Yes	No serious impacts identified
	Disengage from suppliers associated with the most serious impacts	Not applicable	
	Mitigate risk; monitor and track progress	Yes	
4. Audit of smelter/refiner due diligence practices	Smelters/refiners should participate in industry programs to have their due diligence practices audited against an auditing standard aligned with OECD Guidance	Yes	2021 OECD-aligned audit
	Prepare all documentation for audit (e.g., chain of custody or traceability documentation, risk assessment and management documentation for red-flagged sources)	Yes	2022-2023 LME-aligned red flag assessment audit
	Allow auditors to access company documentation and records	Yes	
	Facilitate auditor access to sample of suppliers as appropriate	Yes	
	Publish summary audit report with audit conclusions	Yes	
5. Publicly report on due diligence	Annually describe all due diligence efforts (steps 1 to 4 – e.g., risk assessment and mitigation) with due regard for business confidentiality and other competitive or security concerns	Yes	
	Smelters should publish a summary of their independent audit report	Yes	
	Make report publicly available, in offices and/or on company website	Yes	

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs and the OECD 5-Step Framework are the basis for the responsible sourcing frameworks for nickel and cobalt such as those articulated by the LME, Copper Mark's [Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc](#), and the RMI's RMAP.

Alignment with the London Metal Exchange Responsible Sourcing Framework

In 2023, Sherritt's conformance with the LME's Track B responsible sourcing requirements was validated by an independent LME-approved auditor and the LME. Sherritt is also on track to comply with ISO 45001 and ISO 14001 certification requirements at COREFCO by the end of 2023.

Product Stewardship

Sherritt's product stewardship efforts have expanded in recent years to meet growing regulatory requirements for both nickel and cobalt. Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations have defined chemical management programs for refined metals in the European Union since 2006. The organization has gone from holding one REACH registration for the E.U. to adding two additional REACH registrations, for the United Kingdom and Korea, with more on the horizon, including India and Taiwan. Every jurisdictional registration has its own requirements for classification and labelling.

Sherritt products are assessed on their whole product lifecycle and include customer assessments, legal jurisdiction reviews, logistics and form of transportation, hazardous materials and emergency response, contracts and financial rate of return. Maintaining compliance with all product regulatory requirements in relevant markets involves assessing the hazards of the products of mining according to the United Nations Globally Harmonized System of Classification and Labelling of Chemicals, or equivalent relevant regulatory systems, and communicating through safety data sheets and labelling as appropriate.

In 2023, Sherritt maintained active engagement with the Nickel Institute (NI) and the Cobalt Institute (CI), of which Sherritt has been a member of since 2016. Sherritt contributes to the environmental and health hazard research for both nickel and cobalt to ensure that our classifications remain relevant and accurate. Sherritt is currently acting on various task forces – including but not limited to the NI Health and Environment Public Policy working group; the NI Polar Risk Assessment group; the CI Government Affairs Committees, Chemical Management Committee, and Sustainability Committee; and the CI Consortia Occupational Exposure Limit Task Force – and is represented on both organizations' boards of directors, with previous leadership roles on both board executive committees.

Sherritt continued funding of the NI and the CI to advance the ecological and toxicological science associated with its products, which helps develop appropriate regulations that are protective of human and environmental health.

Product Lifecycle Assessment

In 2021, Sherritt completed an internal summary report based on the Nickel Institute's 2020 Life Cycle Assessment (LCA) Report and established a task force for executing the recommendations.

In 2022, Sherritt participated in the Cobalt LCA led by the CI and in 2023 Sherritt participated in the Nickel LCA led by the NI.

LCAs are standardized assessments of the inputs, outputs, and environmental impacts of mineral products. They are useful in benchmarking impacts against industry averages and identifying opportunities to improve environmental performance throughout the value chain and to promote the responsible use of our products.

Next Steps for 2024

- Update the CAHRA and red flag assessments;
- Complete the annual LME-aligned independent audit of the red flag assessment;
- Prepare and disclose an updated OECD Step 5 report;
- Continue to implement Sherritt and Moa JV policies and management systems, such as Sherritt’s Sustainability Framework and TSM which mitigate identified risks; and
- Continue to require risk-based supplier due diligence in the mineral supply chain.

Data Tables – GRI and RMI Guidelines on Reporting on Responsible Mineral Sourcing

The following tables are intended to conform with the Global Reporting Initiative (GRI) and RMI Guidelines on Reporting on Responsible Mineral Sourcing. Sherritt’s work in this area also supports [United Nations Sustainable Development Goal 12, Responsible Consumption and Production](#). Data provided in these tables is focused on activities associated with mineral feed suppliers and is not inclusive of all Sherritt’s supply chain activities.

Disclosure Components	Sherritt 2021–2023
Reporting on Stakeholder Engagement	
GRI 102-40, 102-42, 102-43, 102-44	Sherritt data related to these indicators can be found in the GRI/SASB ¹ Index
Reporting in accordance with the materiality principle, identified topics and impacts	
GRI 102-46, 102-47	Sherritt data related to these indicators can be found in the GRI/SASB Index

¹ [Sustainability Accounting Standards Board](#)

OECD Due Diligence Guidance for Responsible Supply Chains

OECD Step 1: Establish Strong Company Management Systems

Disclosure Components	2023	2022	2021
Mineral Supply Chain policy	Yes	Yes	Yes
Mineral Supply Chain Policy is publicly available	Yes	Yes	Yes
Mineral feed supplier code of conduct	Yes	Yes	Yes
Implementation of due diligence for mineral supply chain	Yes	Yes	Yes
Surveys of relevant suppliers	Yes	Yes	Yes
Review of due diligence information received from suppliers against the company’s expectations	Yes	Yes	Yes
Due diligence process includes correction action management	Yes	Yes	Yes
Require mineral suppliers to exercise due diligence over the mineral supply chain in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains	Yes	Yes	Yes
Require mineral supplier due diligence practices to cover, at a minimum, all risks in the OECD Due Diligence Guidance for Responsible Supply Chains Annex II Model Policy, as well as the worst forms of child labour	Yes	Yes	Yes
The company provides a grievance mechanism	Yes	Yes	Yes

Note: A subsidiary mineral supply chain policy was in place 2020–2021

OECD Step 2: Identify and Assess Risks in the Supply Chain

Disclosure Components	2023	2022	2021
What percentage of relevant suppliers have provided a response to your supply chain survey?	100%	67%	25%
Do any of the smelters in your supply chain source minerals from a conflict-affected or high-risk area?	No	No	No
Have you identified all of the smelters supplying cobalt to your supply chain?	Yes	Yes	Yes
Have you assessed whether the smelters/refiners in your supply chain have carried out all steps of due diligence?	No	No	No
Have you supported, including through participation in industry-driven programs, joint spot checks and/or audits at the smelter's/refiner's facilities?	Yes	Yes	Yes
Have you identified the presence of Annex II risks in the supply chain?	No	No	No
Number or percentage of suppliers implementing OECD Due Diligence Guidance	Not available	Not available	Not available
Percentage of suppliers with a Risk Readiness Assessment completed	Not available	Not available	Not available

Disclosure Components	2023	2022	2021
Percentage of new suppliers that were screened using environmental criteria	100%	100%	100%

Disclosure Components	2023	2022	2021
a. Number of suppliers assessed for environmental impacts	4	2	1
b. Number of suppliers identified as having significant actual and potential negative environmental impacts	0	0	0
c. Significant actual and potential negative environmental impacts identified in the supply chain	0	0	0
d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	0	0	0
e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why	0	0	0

OECD Step 3: Design and Implement a Strategy to Respond to Identified Risks

Disclosure Components	2023	2022	2021
Do you review due diligence information received from your supplier against your company's expectations? (e.g., third-party audit, documentation review only, internal audit)	Yes	Yes	Yes
Does your review process include corrective action management?	Yes	Yes	Yes
What are the established procedures or guidelines that determine the response to findings of human rights/child labour violations?	The supplier code of conduct outlines an engagement and risk-based approach	The supplier code of conduct outlines an engagement and risk-based approach	The supplier code of conduct outlines an engagement and risk-based approach
Was designated senior management briefed on the gathered information and the actual and potential risks identified in the supply chain risk assessment?	Yes	Yes	Yes

OECD Step 4: Carry Out Independent Third-Party Audit of Smelter/Refiner's Due Diligence Practices

Disclosure Components	2023	2022	2021
Percentage of smelters that have been validated by an independent third-party audit program	Not planned for 2023	Not planned for 2022	100%
Percentage of smelters that are active in an independent third-party audit program but are not yet conformant	100% ¹	100% ¹	100% ¹
Percentage of smelters that are not participating in an independent third-party audit program	0	0	0

¹ There is no legal path for the COREFCO smelter to be deemed conformant by the RMI. The RMI has indicated to Sherritt that COREFCO cannot legally participate in the RMI's Responsible Minerals Assurance Process (RMAP) because the RMI is incorporated in the U.S. and must abide by U.S. law and sanctions on Cuban entities. Sherritt and COREFCO continue to pursue OECD-aligned independent third-party audits and assurance.

OECD Step 5: Report Annually on Supply Chain Due Diligence

Disclosure Components	2023	2022	2021
Do you publish audit reports with due regard taken of business confidentiality and other competitive concerns?	Yes	Yes	No
Do you publish an annual report on due diligence for responsible supply chains of minerals from conflict-affected or high-risk areas?	Yes	Yes	Yes
Do you report on risks identified in the supply chain and how those risks are mitigated?	Yes	Yes	Yes

Forced or Compulsory Labour

Disclosure Components	2023	2022	2021
Operations and suppliers at significant risk for incidents of forced or compulsory labour	0	0	0
Presence of worst forms of child labour	None	None	None

Disclosure Components	2023	2022	2021
a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour, either in terms of:	0	0	0
i. type of operation (such as manufacturing plant) and supplier; or	0	0	0
ii. countries or geographic areas with operations and suppliers considered at risk	0	0	0
b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labour	Mineral supplier due diligence	Mineral supplier due diligence	Mineral supplier due diligence

Reporting on the Impacts of Mineral Sourcing

Disclosure Components	2023	2022	2021
Incidents of bribery and fraudulent misrepresentation of origin of minerals (by entities in the supply chain like smelters or refiners), monetary impact	0	0	0
Incidents of money laundering, monetary impact	0	0	0
Occurrences of sexual violence	0	0	0
Incidents of torture, cruel, inhuman or degrading treatment	0	0	0
Occurrences of war crimes, crimes against humanity, genocide	0	0	0
Direct or indirect support to non-state armed groups	0	0	0
Number of incidents/types of child labour (focus on worst forms of child labour) occurring in mining areas	0	0	0
Number and types of incidents (armed groups, criminal activity)	0	0	0
Number of deaths from mining accidents	2	0	0

Disclosure Components	2023	2022	2021
a. Total number of identified incidents of violations involving the rights of Indigenous Peoples during the reporting period	0	0	0
b. Status of the incidents and actions taken with reference to the following:	Not applicable	Not applicable	Not applicable
i. Incident reviewed by the organization	Not applicable	Not applicable	Not applicable
ii. Remediation plans being implemented	Not applicable	Not applicable	Not applicable
iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes	Not applicable	Not applicable	Not applicable
iv. Incident no longer subject to action	Not applicable	Not applicable	Not applicable

Disclosure Components	2023	2022	2021
a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations	0	0	0
b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations	0	0	0