

Our Sustainability Commitments and Performance

We meet or exceed the standards where we operate and continuously improve performance.





“We have worked to build a strong foundation for the future, launching our new-zero greenhouse gas emission target in 2020 to help us to further drive long-term value.”

– Leon Binedell, President and CEO

I am pleased to introduce Sherritt’s 2020 Sustainability Report, which covers our performance and activities for an unprecedented year during which we saw significant changes around the world due to the global COVID-19 pandemic and many other societal challenges.

The rapid spread of the COVID-19 virus and the changes it brought to our daily lives significantly impacted individuals, families, and companies. I am proud of the rapid and flexible response implemented by Sherritt, to adapt our business and protect and support our employees and local communities. The health and safety of our employees and host communities has always been our top priority. I am proud at how we protected the health of employees by pivoting to essential work at our operations and offices, improving flexible work policies, and expanding mental health offerings during the COVID-19 lockdowns. We did all this while maintaining safe and steady production.

Among the many challenges, we have worked to build a strong foundation for the future, launching our net-zero greenhouse gas emission target in 2020 to help us to further drive long-term value and make a positive contribution to society. We also set some near-term targets as milestones towards the longer term goals. We started implementing renewable energy initiatives and started to identify further opportunities to decarbonize our operations and develop innovative technologies that enable the mining and oil industries to reduce their carbon footprint and environmental impact.

We have developed a climate plan that includes risk and opportunity assessments, adaptation measures, measures to reduce greenhouse gas emissions, and innovation elements. I am also pleased to announce that in 2020 we achieved an overall decrease of 12% in Scope 1 GHG emissions compared to 2019, mainly due to a 24% decrease in emissions at our Oil & Gas and Power operations.

In keeping with our climate commitments, in 2020 we partnered with Cowater, Global Affairs Canada and the Government of Cuba to co-fund a multi-year project to install renewable energy solar panels while empowering women’s leadership and participation in Cuba’s renewable energy sector. Overall in 2020 we generated more than CAD\$500 million in economic benefits for host communities and countries.

We are a world leader in the responsible production and supply of nickel and cobalt for today’s needs and the low-carbon future. In 2020 we completed a baseline independent Organisation for Economic Co-operation and Development (OECD)-aligned audit of our responsible production and supply policies and due diligence management systems. This resulting action plan will only strengthen our ability to demonstrate to customers, investors, and other stakeholders that our minerals are ethically produced. Year-over-year we also improved conformance with the OECD 5-Step Framework for Responsible Supply Chains.

Our stakeholders are increasingly requesting companies to align their disclosures to various Environment, Social, and Governance (ESG) disclosure frameworks, and we have launched efforts to align our sustainability disclosures with increasingly recognized frameworks such as Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), and the CDP.

Although Sherritt did not receive a Church of England tailings disclosure request, this is the second year we disclose information on our tailings management facilities that aligns with the Church of England recommendations.

I am very pleased with the traction that our diversity and inclusion initiatives have gained. We have implemented a number of events, campaigns, training sessions, and employee resource groups to help us achieve our goals of increasing women in the workforce to 36% by 2030. We condemn any form of racism or discrimination, and as a result, we were pleased to sign the BlackNorth pledge in 2020. This Pledge acknowledges the existence of anti-Black systemic racism and commits the organization to the removal of anti-Black systemic barriers negatively affecting the lives of Black Canadians.

I look forward to working with the Board of Directors and management to continue to drive our business forward.

Leon Binedell (signed)

President and Chief Executive Officer
Sherritt International Corporation

Our 2020 Sustainability Report – which covers the period between January 1 and December 31, 2020 – describes Sherritt’s sustainability approach and performance for the year. This report was prepared in accordance with the Global Reporting Initiative’s Standards (Core option) and other applicable frameworks where indicated. As required by GRI, Sherritt has notified GRI of the use of the standards and made it aware of the publication of this report.

Supplying a Sustainable Future



Sherritt's products have important roles to play in a sustainable future. Our products and technologies contribute to global decarbonisation and the circular economy. Minerals such as nickel and cobalt are used in low-carbon and carbon neutral technologies that are more metal intensive than fossil fuel technologies. Our Technologies Division continues to innovate to solve some of the current challenges of the mining industry in a sustainable fashion.



At Sherritt, innovation has been in our DNA for some time. Our [Technologies Division](#) is working hard to find solutions to a number of industry needs, such as how to:

- Improve the purity of metals;
- Reduce greenhouse gas emissions;
- Extend the life of mines;
- Reduce tailings;
- Increase the recovery of high-value metals;
- Reduce operating costs; and
- Reduce capital investments for mining projects.

These are significant challenges that the mining industry has been grappling with for years, and the Technologies Division has already developed a number of innovative solutions. Some examples:

1. Treatment of High-Arsenic Copper

One of the most advanced projects that our Technologies Division is working on relates to improving metals extraction and, in particular, finding an effective way to treat arsenic that is commonly found in copper concentrates produced by mines around the world.

Arsenic is a poisonous element requiring costly treatment and handling. The current processing methods are not only expensive, rendering many copper mines uneconomic, but they also produce tailings and carbon emissions.

The solution developed by our Technologies Division delivers a number of benefits. Most notably, our process:

- Makes the arsenic inert or not reactive;
- Produces no carbon emissions;
- Extends the life of aging copper mines;
- Reduces the treatment charges that copper miners have to pay smelters; and
- Increases the value of copper concentrates.

With demand for copper slated to grow by almost 30% over the next 10 years as the electrification trend intensifies, the opportunity for Sherritt's solution is significant.

2. Bitumen Upgrading

Another innovative solution developed by our Technologies Division relates to bitumen upgrading. The Technologies group has developed a new process to move from partial upgrading to full upgrading.

Bitumen is a heavy crude oil with limited uses. Its processing requires pre-treatment, the addition of diluent, and post-delivery processing. Our process represents a considerable breakthrough for the oil and gas industry, as it significantly improves the economics of bitumen delivery. Currently, the bitumen industry spends \$13 billion on diluent, which acts as a cutting agent to make the bitumen flow more easily. The use of diluent results in a loss of up to one-third of pipeline capacity.

Benefits of Sherritt's full upgrading process:

- Reduces carbon emissions and slag waste
- Uses more efficient and smaller reactors
- Increases pipeline capacity and eliminates diluent cost
- Increases value of oil in pipeline

In simple terms, it now means that oil producers can transport bitumen to downstream markets more economically and without any use of diluent. Just as important, our process reduces carbon emissions and reduces slag or coking waste.

Our next step is to launch a demonstration trial with a bitumen partner.

We are also investigating exciting green technologies such as green hydrogen. Stay tuned for more information.

ENSURING THE SAFETY AND HEALTH OF OUR EMPLOYEES AND COMMUNITIES

FOSTERING A DIVERSE AND INCLUSIVE WORKFORCE

INTERACTING WITH A WIDE RANGE OF STAKEHOLDERS

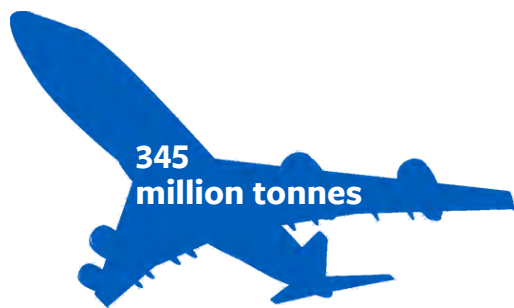
RESPECTING HUMAN RIGHTS

ENSURING THE SURVIVAL OF A VIABLE BUSINESS

PROTECTING THE ENVIRONMENT

PROVIDING BENEFITS TO LOCAL COMMUNITIES

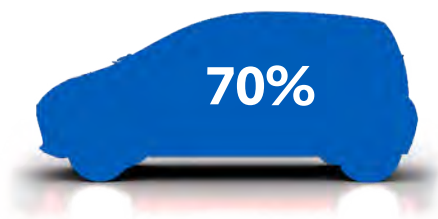
ESTABLISHING RESPECTFUL AND PRODUCTIVE RELATIONSHIPS WITH ALL LEVELS OF GOVERNMENT



345 million tonnes of CO₂ emissions could be eliminated due to increased fuel efficiency in aviation as the result of improving aerodynamics and engine design, using nickel-containing parts.



The average life of nickel-containing products is in the range of 25–35 years, and for some applications such as roofs and cladding this can go up to 100 years. Nickel-containing materials and products are necessary for sustainability.



More than 70% of the world's supply of nickel is unsuitable for battery production; however, 100% of Sherritt's Class 1 nickel briquettes and cobalt is suitable for batteries, including hybrid and electric vehicles.



NEWS

SHERRITT UPDATES AND PUBLISHES SUSTAINABILITY TARGETS AND A CLIMATE PLAN

Sherritt has had sustainability goals for several years. The establishment of organizational targets and external reporting of progress against those targets is critical to improving sustainability performance.

In 2020, Sherritt conducted several cross-functional workshops to develop and validate targets for its sustainability goals. This was complemented by external benchmarking and analysis. As a result, Sherritt is pleased to announce a suite of aspirational and interim targets that will continue to stimulate excellence and innovation.

The most notable target is: **Achieve net zero greenhouse gas (GHG) emissions by 2050.**

Some other highlights from the targets include:

- Goal 1: Management Systems
 - All operations independently verified to have achieved Level A of the [Mining Association of Canada's Towards Sustainable Mining \(TSM\)](#) framework by 2024
 - Achieve [ISO 45001 \(occupational health and safety management systems\)](#) and [ISO 14001 \(environmental management systems\)](#) certification at the Fort Site by 2023
 - Achieve ISO 45001 and ISO 14001 certification at Moa Nickel by 2025
- Goal 2: Health and Safety
 - Zero fatalities year-on-year
 - Total Recordable Incident Frequency Rate (TRIFR), Lost Time Incident Frequency Rate (LTIFR), and All Injury Frequency Rate (AIFR) below our three-year average
- Goal 3: Environmental Management
 - Reduce overall GHG emissions intensity by 10% by 2030
 - Meet 15% of our overall energy needs through renewable sources by 2030

- Goal 4: Community Benefits
 - Zero fatalities involving members of the community
 - Align 100% of our community investments with local priorities by 2024

- Goal 5: Diversity and Inclusion
 - Increase women on the board and executive team to at least 30% by 2022
 - Increase women in the workforce to 36% by 2030

- Goal 6: Responsible Sourcing
 - Comply with the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals](#) from Conflict-Affected and High-Risk Areas by 2024
 - Comply with [London Metal Exchange \(LME\) responsible sourcing requirements](#) by 2024

Recognizing that we have a role to play in addressing the global climate challenge, we held workshops and conducted external benchmarking in 2020 in order to facilitate the development of a climate plan. The result is a climate plan that positions the company well for the future and aligns with the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) and several other recognized frameworks. The plan includes climate risk and opportunity assessments, adaptation measures to respond to a changing climate, mitigation measures to reduce our carbon footprint, innovation measures to position Sherritt's technologies and products well for the future, and communication and disclosure steps.

For more information, please see the [Five-Year Sustainability Goals and Targets](#) section and Sherritt's [2020 Climate Report](#).



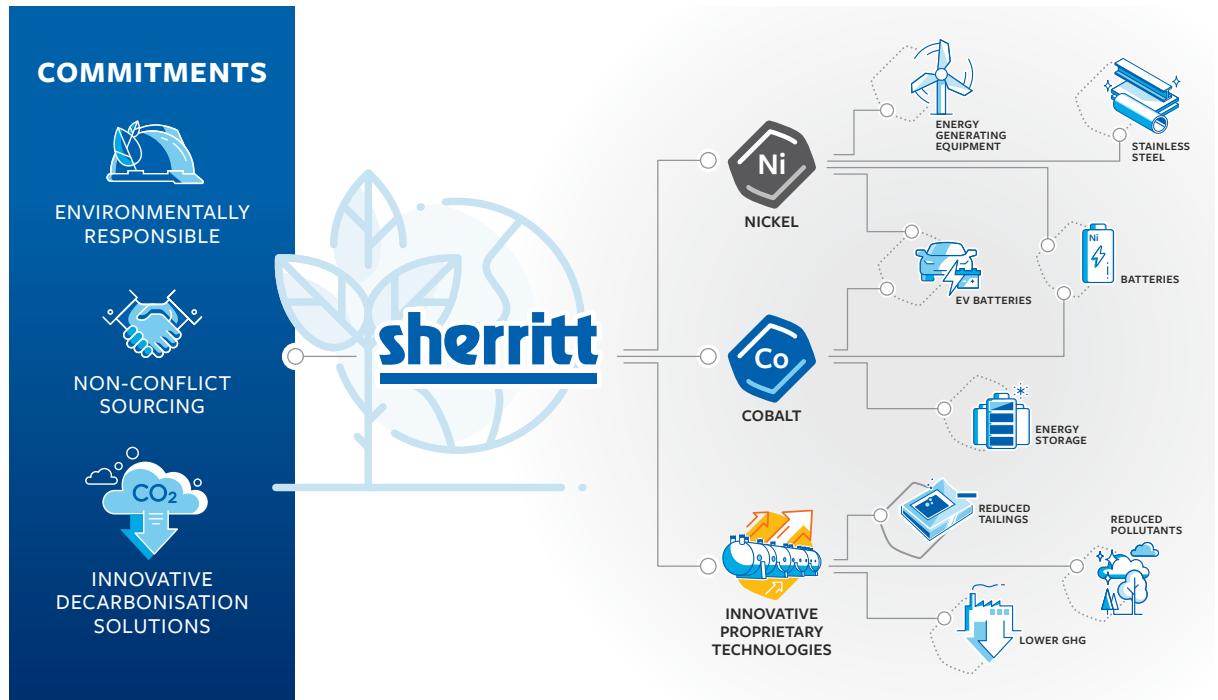
NEWS

INNOVATING FOR A LOW-CARBON FUTURE AND CIRCULAR ECONOMY

Sherritt continuously looks for opportunities to further develop and improve its current metals refining operating practice and technology, such as through leveraging artificial intelligence. We also keep an eye on the future and actively develop and evaluate new technology options to improve our use of resources, reduce our environmental footprint, and lower costs. For example, our Next Generation Laterite program includes a comprehensive evaluation of process avenues to address future nickel demand.

Our key technology platform for high-temperature, high-pressure processing has also led to the identification of a number of proprietary process routes for complex copper concentrates, where atmospheric emissions, process residue and environmental stability are key industry concerns. These new technologies have **negligible atmospheric emissions, excellent process residue and environmental stability**, and also provide further features that are attractive in specific applications.

To learn more, please read this [case study](#).





NEWS

PRODUCT STEWARDSHIP: RESPONDING TO REGULATORY REQUIREMENTS

Our product stewardship efforts have expanded in recent years to meet growing regulatory pressures on 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 regulatory landscape is an ever-changing, fast-growing arena with market requirements becoming more stringent. Global markets are increasingly turning towards REACH-equivalent programs. In the past three years, our organization has expanded from one REACH registration in the European Union to two additional REACH registrations in the U.K. and Korea, with more on the horizon, including India and Taiwan. Every program has its own requirements for classification and labelling; retaining access to these markets is key to our longevity and growth.

Sherritt's products are assessed on their whole product life cycle and include customer assessments, legal 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 Hazard Classification and Labelling of Chemicals](#), or equivalent relevant regulatory systems, and communicating through safety data sheets and labelling as appropriate.

In 2020, major engagements related to product stewardship included engagement with the [Nickel Institute \(NI\)](#) and the [Cobalt Institute \(CI\)](#), of which Sherritt has been a member 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 and is represented on the boards of directors for both organizations. Sherritt has contributed to many REACH and scientific studies, including upcoming participation in a sampler comparison project from Safeworks British Columbia.

Other major achievements for 2020 included improving our nickel steel-grade product purity specification, publishing online versions of our specification sheets, performing a risk-benefit analysis of eliminating wooden pallets from some of our shipments, initiating a routine sampling campaign for radioactivity, piloting a crush and screen operation to improve our by-products, and double stacking our by-products to improve shipping efficiency. Continual improvement to satisfy our customers' requests and anticipate their needs is Sherritt's highest priority.

PRODUCT LIFE CYCLE ASSESSMENT

Sherritt participated in the 2014 Cobalt Life Cycle Assessment (LCA) led by the Cobalt Institute, and the 2017 Nickel LCA led by the Nickel Institute, and is currently participating in the 2020 Cobalt LCA study led by the Cobalt Institute. Sherritt is also in the process of reviewing the 2017 Nickel LCA dataset to improve environmental performance throughout the value chain and promote the responsible use of our products. This includes research to support the energy-efficient and environmentally sustainable production of our products.



NEWS

EMPOWERING WOMEN IN CUBA'S RENEWABLE ENERGY SECTOR

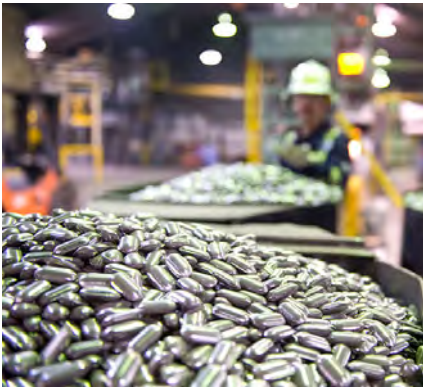
Sherritt is a proud co-funder, along with Global Affairs Canada and the Government of Cuba, of Empowering Women's Leadership and Participation in the Renewable Energy Sector in Cuba (FORMER – Cuba), a multi-year community benefits project being implemented by Cowater International in partnership with Union Eléctrica, the official Cuban counterpart.

FORMER aims to enhance the social and economic well-being of women and vulnerable communities through the use of renewable energy in Cuba.

Specifically, this project aims to:

1. Increase the productivity of women in Holguin through the utilization of climate-resilient renewable energy technologies;
2. Increase the participation of women in the renewable energy educational sector; and
3. Develop a more robust, inclusive and gender-responsive renewable energy sector in Cuba.

To learn more about this project and partnership, please read this [case study](#).



SHERRITT IS COMMITTED TO IMPLEMENTING BEST PRACTICE POLICIES AND SUPPLY CHAIN DUE DILIGENCE TO GUARANTEE THE RESPONSIBLE PRODUCTION AND SUPPLY OF MINERALS.

NEWS

SHERRITT DOES NOT PRODUCE OR SUPPLY MINERALS FROM CONFLICT-AFFECTED OR HIGH-RISK AREAS

As an upstream member company of the [Responsible Minerals Initiative \(RMI\)](#) since July 2020, and as a mineral producer through our 50%-owned refinery in Fort Saskatchewan, Alberta, Canada, Sherritt continues to work diligently to align with various responsible sourcing standards for both nickel and cobalt production.

In 2020, Sherritt completed a conflict-affected and high-risk areas (CAHRA) assessment based on OECD guidance, which concluded that Sherritt, its subsidiaries, and the Moa Joint Venture (JV) do not source from, produce in, or transit through CAHRAs. This assessment was independently validated.

Sherritt engaged TDI Sustainability, an RMI-approved auditing firm, to perform an independent baseline audit using an audit protocol aligned with the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

More information can be found in the [2020 Responsible Production and Supply Report](#).



NEWS

SHERRITT COMMITS TO ENSURING THAT 36% OF EMPLOYEES ARE FEMALE BY 2030

Diversity and inclusion have emerged as critical issues across society, and they are particularly relevant to the natural resources sector, given the historically low proportion of women and people of differing backgrounds and abilities in our industry. We know that we will become a stronger, more innovative and resilient company as we continue to attract a spectrum of people of different cultural backgrounds, genders, ages and life experiences to our company.

We have begun a multi-year effort to increase our understanding of related challenges and opportunities, improve diversity literacy internally, align business processes and structures to be more inclusive, develop and implement a metrics framework, and ultimately improve performance in this area.

Sherritt is committed to improving its diversity and inclusion (D&I), and in 2020 the company continued to work on building a foundation for its drive towards a more inclusive, diverse and respectful workplace. In January 2020, Sherritt launched a diversity survey to better understand the current level of diversity within its workforce, to build a foundation of data, and to help drive the conversations and actions across the business.

Sherritt is also a member of Catalyst's [30% Club Canada](#) to achieve better gender balance at the board and executive management levels. We continue to work towards our goal of ensuring that 36% of employees identify as women by 2030.

In relation to our commitment to improve D&I, in 2020 Sherritt signed the BlackNorth Initiative Pledge, committed to the removal of anti-Black systemic barriers negatively affecting the lives of Black Canadians.

Our Approach



Our approach to running a sustainable mining and energy business is grounded in a deep commitment to our guiding principles, as outlined in [Our Purpose](#) and [Our Promises](#).



IN THIS SECTION

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[GOVERNANCE](#)

[OUR ORGANIZATIONAL STRUCTURE](#)

[SUSTAINABILITY FRAMEWORK](#)

[MATERIALITY](#)

[SUSTAINABILITY GOALS](#)

Our Purpose

To be a low-cost nickel producer that creates sustainable prosperity for employees, investors and communities.

Our Promises

The principles that we incorporate into our everyday decision-making at both the corporate and operational levels include:

- Integrity
- Agility
- Safety and sustainability
- Continuous learning and innovation
- Shared prosperity

To learn more about our operations, please see the [About Sherritt](#) section.

OUR COMMITMENT TO SUSTAINABILITY

Mining and energy companies use a range of terms to describe their approaches to:

- Ensuring the safety and health of their employees and communities;
- Protecting the environment;
- Interacting with a wide range of stakeholders;
- Providing benefits to local communities;
- Respecting human rights;
- Responsible production and supply;
- Establishing respectful and productive relationships with all levels of government;
- Good governance and assurance; and
- Ensuring a long-term viable business.

At Sherritt, “sustainability” and “environmental, social, and governance (ESG)” cover these interrelated and increasingly important aspects of our business.

We are committed to providing a safe and rewarding workplace, operating ethically, demonstrating environmental responsibility, engaging stakeholders and benefitting communities. We will meet or exceed the standards where we operate and continuously improve performance.

This commitment underpins our aspiration to be a recognized industry leader in sustainability management and performance.

To access our Human Rights Policy, [click here](#); and for our Environment, Health, Safety and Sustainability (EHS&S) Policy, [click here](#).



GOVERNANCE

Sherritt has an independent chairperson, and three sub-committees to support the Board of Directors (the Board) with respect to environmental, social and governance (ESG) matters: the Audit Committee, the Human Resources Committee, and the Environment, Health, Safety and Sustainability (EHS&S) Committee.

Our Board of Directors has delegated responsibility for sustainability-related matters to its EHS&S Committee. The Committee's mandate is to oversee, monitor and review sustainability policies, management systems, programs and performance.

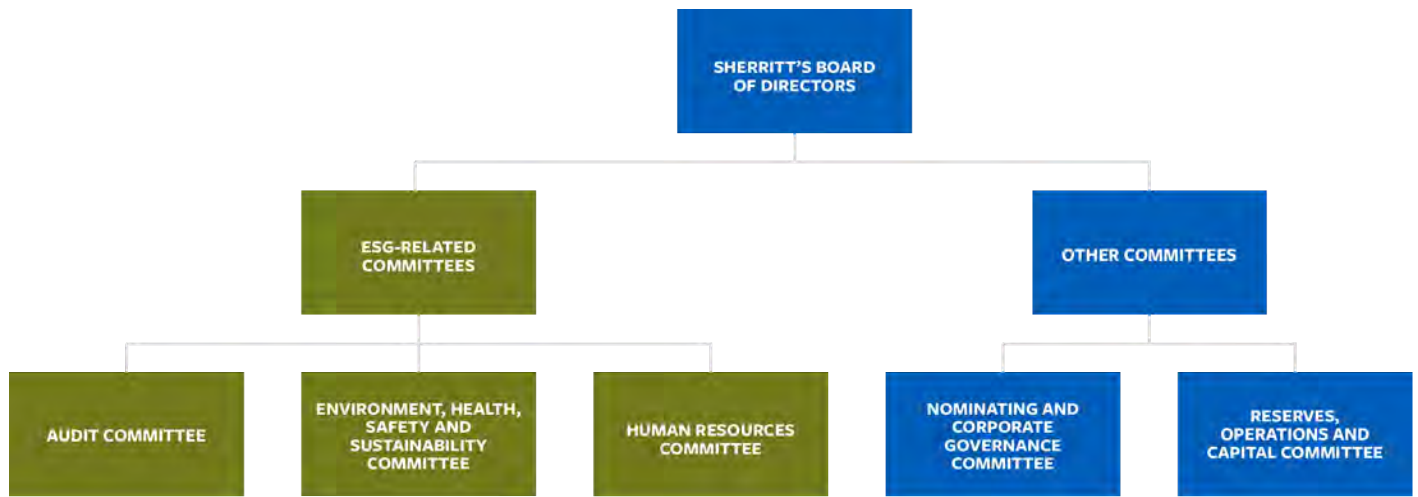
This committee meets at least four times per year, visits our operating sites (physically, or when not so permitted, virtually), and receives information from corporate and divisional management on a quarterly basis, and more often when required. The committee chairperson reports to the Board on significant issues. Refer to this [link](#) to review the full mandate of the EHS&S Committee.

EHS&S oversight is included within the respective board and executive mandates of the joint ventures that Sherritt is involved in. There are dedicated environment, health and safety committees at the board level for the Moa Joint Venture, and experienced Sherritt executives serve on these committees. At Energas, EHS&S matters are reviewed by the Board, which includes directors from Sherritt's senior management team. In 2021, changes to the committee structures have been approved by the Board to consolidate several committees, and more clearly include review of ESG and EHS&S matters.

Corporate accountability for oversight of the Sustainability Framework is the responsibility of an executive officer, the Chief Operating Officer (COO). Reporting to the COO, the Director, EHS&S implements governance and assurance measures, recommends strategy and standards, and oversees performance and reporting. The COO works closely with the management teams at all divisions and joint venture operations to ensure that business plans are aligned with the corporate strategic plans, to ensure compliance with local laws and conformance with company standards and to ensure that a continually improving approach to EHS&S is in place across our locations. Each division is led by a senior executive who reports to the COO. These individuals are accountable for all operational matters at their respective operating sites, including sustainability. At Sherritt, everyone has some accountability for safety and sustainability.

Additional information on Sherritt's governance and financial performance can be found in the Management Information Circular (MIC), which is published yearly along with the Annual Financial Report and the Annual Information Form (AIF). These, along with other related documents, are publicly available on SEDAR (see [Sherritt's company profile](#)) and in the [Investor Relations section](#) on Sherritt's website.

For detailed information on the role of the Board of Directors, as well as on the board committees, compensation, expectations, directors' composition and background, and other related information, please see Sherritt's [2021 Management Information Circular](#).



BOARD GENDER DIVERSITY

Male 71%

Female 29%*

* Compared to a mining industry average of 16% female directors, per Osler's 2020 Report on [Diversity Disclosure Practices – Diversity and leadership at Canadian public companies](#).

OUR ORGANIZATIONAL STRUCTURE

MOA JOINT VENTURE AND FORT SITE

Sherritt has a 50/50 partnership with General Nickel Company S.A. (GNC) of Cuba (the Moa Joint Venture). In addition, Sherritt has a wholly owned fertilizer business, sulphuric acid, utilities and storage, and administrative facilities in Fort Saskatchewan, Alberta, Canada (Fort Site) that provide additional sources of income.

The Moa Joint Venture is a vertically integrated nickel and cobalt mining, processing, refining and marketing joint venture between subsidiaries of Sherritt and GNC, a Cuban company. The operations of the Moa Joint Venture are carried on through three companies:

- Moa Nickel S.A. (Moa Nickel) – owns and operates the mining and processing facility in Moa, Cuba;
- The Cobalt Refinery Company Inc. (CRC or COREFCO) – owns and operates the metals refinery in Fort Saskatchewan, Alberta; and
- International Cobalt Company Inc. (ICCI) – acquires mixed sulphides from Moa Nickel and other third-party feeds, contracts with CRC for the refining of such purchased materials, and then markets the finished nickel and cobalt; located in Nassau, Bahamas.

The Moa Joint Venture operates in Moa, Cuba, and Fort Saskatchewan, Canada. Within the report, the operations in Moa will be referred to as “Moa Nickel” and the operations in Fort Saskatchewan will be referred to as “COREFCO”. On occasion, information is aggregated for COREFCO and the Fort Site due to co-location; where this is done, the term “Fort Site” will be used, although these are distinct legal entities.

The Moa Joint Venture mines, processes and refines nickel and cobalt for sale worldwide (except in the United States).

OIL & GAS

Sherritt’s Oil & Gas Division (100% ownership) explores for and produces oil and gas primarily from reservoirs located offshore, but in close proximity to the coastline along the north coast of Cuba.

POWER

Sherritt holds a one-third interest in Energas S.A. (Energas), a Cuban joint venture corporation established to operate facilities for the processing of raw natural gas and the generation of electricity for sale and delivery to the Cuban national electrical grid system.

The remaining two-thirds interest in Energas is held equally by two Cuban government agencies: Unión Eléctrica (UNE) and Unión Cubapetróleo (CUPET).

Within the report, the Oil & Gas operations will be referred to as “Oil & Gas” and the Power operations will be referred to as “Energas”. On occasion, information is aggregated for both Oil & Gas and Energas due to a common management structure; where this is done, “OGP” (Oil, Gas & Power) will be used.

TECHNOLOGIES

Sherritt's Technologies group (Technologies) provides technical support, process optimization and technology development services to the Moa Joint Venture and Fort Site operations and identifies opportunities for the Corporation to commercialize its research and development for natural resource-based industries. Technologies has a particular focus on making next generation lateritic ore mining more economically viable and more sustainable and on the hydrometallurgical recovery of non-ferrous metals.

A more detailed overview of our business and corporate structure can be found in our [2020 Annual Information Form](#).

SUSTAINABILITY FRAMEWORK

We uphold [our commitment to sustainability](#) through our Sustainability Framework, which provides a focused and practical approach to addressing material sustainability issues, risks and opportunities, and to managing performance. The framework consists of an overall core commitment and a series of issue-specific commitments, which fall under the four pillars of our framework: Providing a Safe and Rewarding Workplace; Operating Ethically; Demonstrating Environmental Responsibility; and Engaging Stakeholders and Benefitting Communities. Our commitments are supported by an integrated management system that sets company-wide standards for planning, implementation, measurement, reporting and assurance of sustainability efforts.

PROVIDING A SAFE AND REWARDING WORKPLACE

HEALTH AND SAFETY

We are committed to providing a safe workplace. Our ultimate goal is zero harm. Zero harm means zero fatalities, no injuries and no work-related illnesses among employees and contractors.

PUBLIC SAFETY

Maintain public safety around our sites through risk management, active communication and ongoing community engagement.

SITE SECURITY

Safeguard our people, assets, reputation and the environment while respecting the rights of the public.

EMPLOYEE RELATIONS

Provide a rewarding and inclusive workplace that engages and develops a diverse workforce, compensates workers competitively, supports talent development, and offers employees exposure to world-class operations, projects, processes and people.

OPERATING ETHICALLY

RESPONSIBLE PRODUCTION AND SUPPLY

Extract and produce minerals that meet our stakeholders' environmental, social and governance expectations.

HUMAN RIGHTS

Operate our business in a way that respects human rights as set forth in the Universal Declaration of Human Rights.

BUSINESS CONDUCT

Foster a culture and environment that require and support ethical conduct.

DEMONSTRATING ENVIRONMENTAL RESPONSIBILITY

TAILINGS MANAGEMENT

Design and operate tailings management facilities – throughout the mine life cycle – to meet or exceed applicable regulatory and company standards.

BIODIVERSITY AND LAND

Achieve no net loss, and preferably a net gain, of biodiversity for greenfield projects and significant expansions of current operations; and practise progressive reclamation as part of normal operations at all mines, working with local jurisdictions.

WATER

Manage water responsibly by optimizing water use, addressing water-related risks to future operational viability and growth, and engaging communities on the use of, and impacts to, shared water resources.

WASTE

Monitor and track mining waste and solid waste production at each site. Manage waste responsibly by optimizing and reducing waste production while following proper classification, handling, disposal and storage requirements.

ENERGY AND CLIMATE CHANGE

Monitor and track energy use and greenhouse gas emissions at each site and identify opportunities to reduce impacts; and understand and mitigate the potential impacts of climate change on our assets.

ENVIRONMENTAL LIABILITIES, CLOSURE AND RECLAMATION

Provide adequate financial resources and comply with regulatory requirements to address the closure of our properties once operations are complete.

ENGAGING STAKEHOLDERS AND BENEFITTING COMMUNITIES

STAKEHOLDER ENGAGEMENT

Engage stakeholders early on and throughout the asset life cycle; and build relationships based on mutual trust, respect and transparency.

COMMUNITY DEVELOPMENT

Contribute to a lasting improvement in quality of life in the communities where we operate.

MANAGEMENT SYSTEMS

Sherritt takes an enterprise-wide approach to managing sustainability, which includes an integrated system with a series of sustainability standards. Given the differences between the operating environments in Canada and Cuba, the divisions have some flexibility in the way they implement these standards at their operating sites.

Specific requirements in the standards reflect our experience, our risk profile and industry best practice.



As members of the [Mining Association of Canada \(MAC\)](#), we are implementing the requirements of the [Towards Sustainable Mining \(TSM\) protocols](#).



As a member of the [Voluntary Principles on Security and Human Rights \(VPSHRs\)](#) Initiative, we are working to apply the Principles at our operating sites.



Our approach to crisis management is further informed by the [Incident Command System \(ICS\)](#).

TOWARDS SUSTAINABLE MINING

Sherritt is a member of the Mining Association of Canada and, as such, is committed to implementing the TSM program – a series of sustainability management protocols – at its Canadian operations. As Sherritt is committed to leadership in sustainability and continuous improvement, the company plans to implement relevant protocols of TSM at all divisions and to target Level A conformance.

The first year of public, facility-level reporting for Sherritt will be in 2021 for the 2020 reporting year. An external TSM verification assessment took place at Sherritt's Fort Site in early 2021. The verification assessment validated the Fort Site's self-assessment scores.

We are currently carrying out a multi-year plan to enhance and implement the following corporate standards for sustainability management:

Standards under implementation by the sites

- Anti-Corruption
- Biodiversity and Land Management
- Community Investment
- Crisis Management System
- Fatality Prevention
- Grievance Management
- Health and Safety
- Mine Closure
- Security and Human Rights
- Significant Potential Incident Reporting
- Stakeholder Engagement
- Tailings Management
- Water Management

Standards under development by Corporate

- Air Management
- Waste Management
- Climate Change

“Towards Sustainable Mining is a key reference for our environmental and social management systems. The TSM protocols are increasingly recognized as industry leading practices around the world and are accepted by various responsible sourcing frameworks. We are working hard to fully implement and embed our TSM-based management systems. This effort will enable us to meet or exceed society’s expectations that mineral producers do zero harm and provide a net benefit in the communities in which they operate.”

– Steve Wood, EVP and COO

MATERIALITY

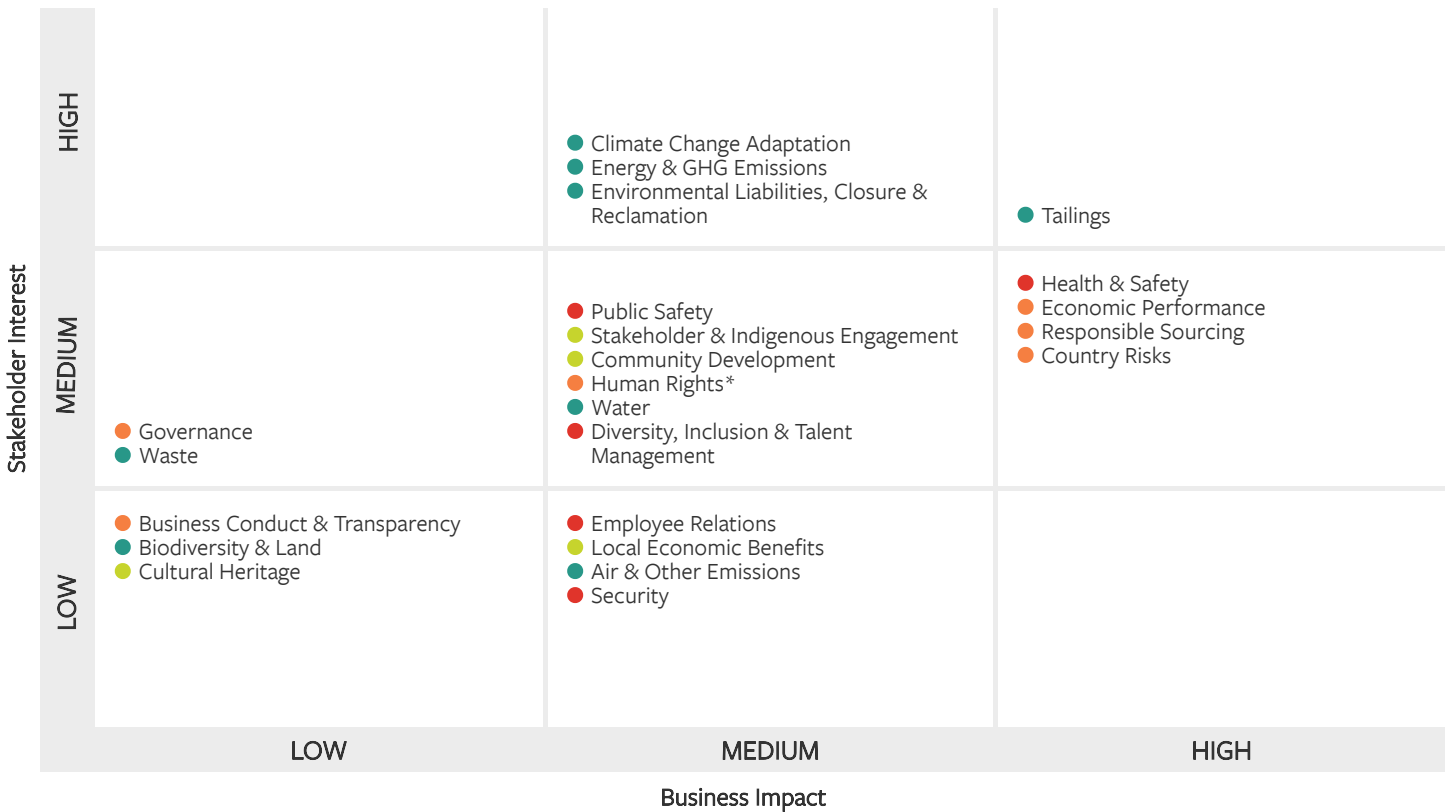
Our materiality assessment involved identifying the sustainability issues of greatest interest to Sherritt's stakeholders and those that could have the greatest impact on our business. We defined a list of key sustainability topics, conducted surveys and desktop research, and then ranked stakeholder interest and evaluated business impacts on the environment and society. We validated the assessment results with Sherritt's senior management, operational management team, and sustainability personnel.

Those aspects with the highest combined rating of stakeholder interest and expected business impacts on the environment and society are considered "material" for Sherritt, and are addressed through our Sustainability Framework and management system.

Sherritt updated its materiality assessment in 2020 to reflect changes in its operations. As a result, some sustainability topics that were heavily influenced by the inclusion of Ambatovy in previous years have shifted.

The following graph maps our material issues against the four pillars of our Sustainability Framework and details the boundary of impact for each material issue.

Commentary on a broader set of material issues and risk factors that affect Sherritt – including U.S. sanctions on Cuba – can be found in our [2020 Annual Information Form](#).



* The Cuban government and Sherritt both understand and value the protection and respect of human rights and the inherent importance (i.e., materiality) of this issue. Canada and Cuba are not identified as high-risk jurisdictions for human rights violations pertaining to operating companies.

SUSTAINABILITY GOALS

FIVE-YEAR SUSTAINABILITY GOALS

In 2018, Sherritt launched a suite of five-year sustainability goals. These strategic goals include our external commitments and focus on areas that advance and protect our interests and those of our stakeholders. These goals help to shape priorities, long-range planning, and investments in sustainable development across all of Sherritt's operations. During 2020, we focused on benchmarking assessment, workshops, and the setting of divisional and company-wide targets. Read more about our newly set targets in this [link](#).

Sherritt established a series of five-year sustainability goals that:

- Align the enterprise by focusing on those sustainability priorities shared across Sherritt's business;
- Address existing and emerging industry-wide issues and societal concerns;
- Clearly link Our Purpose and Our Promises, strategic priorities and the Sustainability Framework;
- Drive improved performance across the business;
- Demonstrate our commitment to sustainability excellence; and
- Align with the Sustainable Development Goals (SDGs).

Our sustainability goals are as follows:



1. Achieve Level A requirements in Towards Sustainable Mining (TSM) protocols across all operations.



2. Strengthen our safety culture, behaviour and performance.



3. Improve environmental management.



4. Create community benefit footprints that support local priorities and the SDGs.



5. Improve diversity at all levels throughout the company.



6. Be recognized as a “preferred supplier” of responsibly produced products.

For more information on our goals and performance against our newly set targets, see the [Performance](#) section.

Providing a Safe and Rewarding Workplace

Sherritt's operations are built on a zero harm health and safety culture. We aim to minimize operational risks to our workforce and nearby communities, and engage with these important stakeholders regularly on matters of safety, security and emergency response. Employee engagement and development remain priorities in ensuring we attract and retain the people critical to our business and its success. We believe that this is best achieved by fostering an inclusive, respectful and diverse workplace.



IN THIS SECTION

HEALTH AND SAFETY

PUBLIC SAFETY

SITE SECURITY

EMPLOYEE RELATIONS

2020 Highlights

Sherritt implemented a number of additional **health and safety measures** designed to protect employees, contractors, suppliers and other stakeholders at its operations from COVID-19.

The company improved **flexible work policies** and expanded **mental health offerings** during the COVID-19 lock downs.

Operations focused their visible felt leadership safety interactions on **COVID-19 controls and behaviours**.

The Total Recordable Incident Frequency Rate (**TRIFR**) was **0.22**, the Lost Time Incident Frequency Rate (**LTIFR**) was **0.12**, and the All Injury Frequency Rate (**AIFR**) was **1.44** per 200,000 work hours, respectively.

Over a three-year period, the trend with respect to safety rates remains positive with a **TRIFR decrease of 49%** and an **LTIFR decrease of 63%**. This level of performance continues to be peer leading.

The OGP Division in Cuba recorded **zero lost time incidents (LTIs)** for the fifth consecutive year since 2016, achieving more than **3.9 million** work hours without an incident.

Sherritt was able to maintain safe and full production despite the COVID-19 pandemic by utilizing an essential workforce as permitted by local public health measures. There were **no layoffs or suspensions of operations** due to the pandemic.

There were **no security incidents** involving allegations or claims of human rights abuses at any of Sherritt's operations.





Jafari Francis, Manager of Financial Planning and Analysis, Corporate

EMPLOYEE

JAFARI FRANCIS

MANAGER OF FINANCIAL PLANNING AND ANALYSIS, CORPORATE

Jafari has been with Sherritt for six years and has held progressive roles in Financial Reporting and Accounting Policy and is currently the Manager of Financial Planning and Analysis (FP&A). Jafari possesses a Bachelor of Commerce degree from the University of Toronto and a Chartered Professional Accountant (CPA, CA) designation.

Additionally, throughout his time at Sherritt, Jafari has actively volunteered for a number of committees and initiatives, going above and beyond his core accountabilities. Some of these initiatives include: Toronto Office Social Committee (2015 to 2020), 90th Anniversary Committee (2017), Toronto Diversity and Inclusion (D&I) Committee (2018 to 2020), Wellness Weekly (2020), and most currently on the Global D&I Committee (2021 to present).

Jafari says that his primary motivation in volunteering for initiatives and serving on committees is the genuine belief that this work is not only valuable, but vital to the success of the organization and the well-being of its employees.

The Wellness Weekly initiative was created in 2020 as part of Sherritt's many responses to the COVID-19 pandemic. A small team was put together to develop and implement a weekly communication focused on providing employees with resources to maintain both their mental and physical health. Jafari recognized that COVID-19 created an unprecedented level of stress and anxiety for employees across the organization and realized that his passion for physical wellness could be leveraged to assist, and so he created videos demonstrating various exercises to be included in this communication.

In Jafari's words: "Like many of our peers in the mining industry, mental health and D&I culture are areas where we have room to improve. I think we've demonstrated a firm commitment from the top down that we're willing to set meaningful goals and work towards them to ensure we're always making these vital improvements. Overall, I'm encouraged by how far we've come and am looking forward to going much, much further."

One of Jafari's primary motivators to volunteer is the strong desire to continue to help Sherritt become a place where its employees always feel like they can be their authentic selves at work. Through the various D&I and mental health focused initiatives that have been implemented throughout his time at Sherritt, Jafari has seen and felt a shift in office culture from one where an employee might hesitate to speak up, to one where they can be open about their thoughts and feelings regardless of how they're feeling on a given day.

“Jafari has put great effort and commitment towards the health and wellness of our employees and diversity and inclusion. His commitment, passion, authenticity, and determination to drive positive cultural change is admirable and engaging. We are truly lucky to have Jafari as part of our organization and look forward to him continuing to be an effective change agent.”

– Yasmin Gabriel, Chief Financial Officer

HEALTH AND SAFETY

MANAGEMENT APPROACH

The basis of our enterprise-wide health and safety program includes life safety rules, fatality prevention standards, visible felt leadership and management systems. Over a number of years, we have also worked to establish enterprise-wide standards aligned with international best practice. We update these standards regularly as part of our commitment to continuous improvement, operational excellence and a stronger safety culture.

Life safety rules are in place to minimize the risk of fatalities by identifying and communicating critical safety rules. These rules were established at all operations and continue to be applied through training and orientation, awareness campaigns and disciplinary measures.

A set of eight fatality prevention standards was developed to systematically eliminate fatal risks arising from common hazards. These include Light Vehicles, Heavy Mobile Equipment, Working at Heights, Hazardous Materials and Confined Spaces, among others. These standards are at various stages of implementation across our operations. This phased approach to implementation is due to the unique challenges of each site.

Our visible felt leadership program is intended to drive leaders at all levels of the organization to be visible in the operations modelling safe behaviours and constructively interacting with the workforce to find the ways in which work can be performed more safely. The workforce should feel each leader's personal commitment to health and safety and view the leader as a safety coach.

In terms of management systems, we are pursuing a three-pronged approach to address critical mining risks through TSM, align with international best practice through ISO 45001 (occupational health and safety) and ISO 14001 (environmental management) standards, and address risks associated with hazardous materials and pressurized vessels through the implementation of process safety management standards.

We track a series of leading indicators designed to increase safe behaviours, improve performance and strengthen safety culture. These indicators include visible felt leadership interactions, proactive health and safety communications, workplace inspections and training. We also have a significant potential incident standard in place which requires tracking and specific management actions for any workplace incident that, under slightly different circumstances, could have resulted in a fatality.

At the corporate level, assurance on our health and safety programs is conducted through regular executive reviews, peer comparisons, internal audits and independent assessments.

COVID-19 VIRUS RESPONSE

The COVID-19 pandemic that started in early 2020 created unprecedented challenges for society and our business. From the onset of the pandemic, Sherritt focused on implementing measures to ensure the health, safety and wellness of our employees and the communities where we operate.

In early 2020, Sherritt activated an Executive Steering Committee to manage and oversee the company's response to the COVID-19 outbreak. Additionally, working groups were established to implement site and divisional plans and controls.

Upon the declaration of a COVID-19 pandemic, Sherritt implemented a number of protocols and protective measures at our sites to prevent the further transmission of COVID-19 to our employees and surrounding communities. The actions taken included but were not limited to the following:

- Maintained alignment with Canadian and local public health guidance and the Cuban civil defence pandemic crisis plan;

- Restricted site access to employees supporting essential business operations;
- Enhanced screening at all site entry points;
- Implemented physical distancing measures and increased frequency of deep cleaning and sanitization of surfaces;
- Closed all offices, except for essential tasks, and pivoted to flexible and remote working plans for employees;
- Cancelled all non-essential travel;
- Rescheduled maintenance activities to reduce the number of personnel on site;
- Maintained frequent and transparent communications with employees through town halls, bulletins, newsletters, surveys, leadership blogs and audio messages;
- Implemented measures to support employee physical and mental health, including the expansion of mental health benefits for employees;
- Updated various policies – for example, the flexible work policy and leave policies – to ensure that they remained relevant and applicable to the evolving scenarios;
- Completed a COVID-19 crisis response review so that crisis plans could be improved or developed; and
- Developed and maintained graduated pandemic response plans and business continuity plans.

Sherritt worked closely with national and local health authorities and the Mining Association of Canada to align plans and actions. We continue to monitor and regularly assess risks and take measures to ensure the health and safety of our employees in line with local and national public health guidance.

Across the company, reimbursements were made available for home office equipment purchases. At the Fort Site, hand sanitizing solution was purchased from a local distillery, thus providing some economic support to a local small business. For further information on managing COVID-19 at the Fort Site, see this [case study](#).

The protocols implemented at both OGP and the Moa Nickel Site have been aligned with Cuban civil defence guidelines. At different stages of the pandemic, vulnerable personnel from the sites were sent home as a precaution to protect their health, and management supported the families of employees in isolation with care packages of essential items. These activities, along with other measures, were implemented in compliance with Cuban government restrictions and infectious disease protocols.

Sherritt implemented a number of additional health and safety measures and work processes designed to protect employees, suppliers and other stakeholders at its operations in response to the spread of COVID-19. As a result of the additional measures, there was minimal impact to nickel, cobalt, power and oil production in 2020. The additional measures will remain in effect through the duration of the pandemic.

For more information on the effects of COVID-19 on our operations, finances and more, please see the [2020 Financial Results Report](#).

PERFORMANCE

Health and Safety Management Systems

At the Fort Site, an ISO 45001 Occupational Health and Safety Management pre-assessment (readiness) audit was conducted to help identify gaps and action items. The site also continued to implement the TSM Safety and Health Protocol, achieving a self-assessed minimum Level A in all elements. The update of a number of health and safety-related policies and standards was conducted to continually improve the Fort Site's Health and Safety Management System (MS). Additionally, the Fort Site assigned responsible health and safety advisors to specific areas to focus on delivering the Health and Safety MS through field support, in an effort to increase stakeholder engagement and improve safety culture on site. The Fort Site also developed and began implementation of a training program on the Fundamentals of Safety Leadership and celebrated and recognized safe behaviour site-wide.

Implementation of ISO 45001 was delayed at OGP due to COVID-19 restrictions in 2020. Nonetheless, existing procedures and protocols were improved and training courses on safe work procedures and practices were provided to enhance skills and awareness.

At the Moa Nickel Site, progress with ISO 45001 Occupational Health and Safety management system implementation was delayed by COVID-19 restrictions. The site continued to implement the TSM Safety and Health Protocol, achieving a self-assessed minimum Level B in all elements. In addition, the site continued the implementation of actions focused on improving hazard identification and eliminating unsafe conditions within operating plants.

Fatalities

In 2020, Sherritt divisions did not experience any work-related or community fatalities.

All sites continued to implement Sherritt's fatality prevention standards (FPS) with a focus on heavy and light vehicle upgrades, improved controls on hazardous materials, and improved machine guarding. We continue to focus on building a strong safety culture, including removing or reducing fatal risks at the sites and eliminating unsafe behaviours. Our target in 2021 is to achieve an interdependent safety culture for our employees and contractors and zero harm for our community members in the areas in which we operate, while following public health guidelines to manage COVID-19 and protecting the health and safety of our employees and communities where we operate.

Fatality prevention standard implementation will continue during 2021, with actions such as machine safeguarding improvements, working-at-heights facility and equipment upgrades, the installation of driver and trip monitoring technology in light vehicles, and the deployment of fatigue management measures for heavy mobile equipment operators, among other priorities.

Lost Time and Recordable Incidents

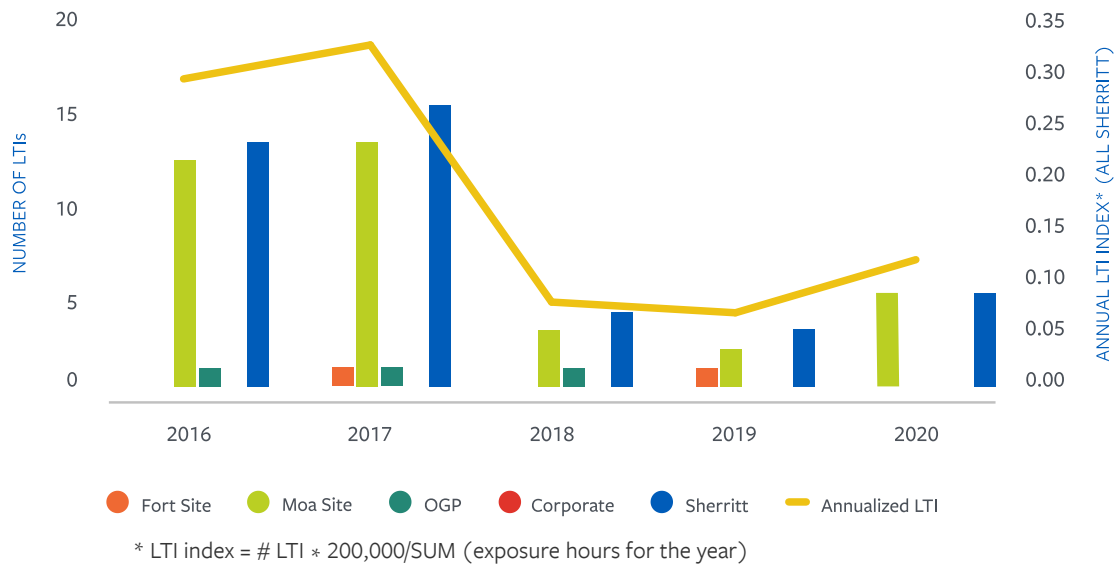
During the year, Sherritt reported five lost time incidents (LTIs), which are recorded when a worker misses at least one shift following a workplace incident, and nine recordable incidents (TRIs), which include incidents resulting in lost time, restricted work, medical treatment beyond first aid, loss of consciousness, or death, across the company. The decrease in TRIs is a considerable improvement from our 2019 performance. It is down from 20 in 2019 to 9 in 2020, despite a slight increase in LTIs, from three in 2019 to five in 2020. This decrease is attributable to the decline in hand injuries in 2020 compared to 2019. Year-over-year across the enterprise, TRIFR decreased by 42% and LTIFR increased by 71%.

All Injury Frequency Rate (AIFR)

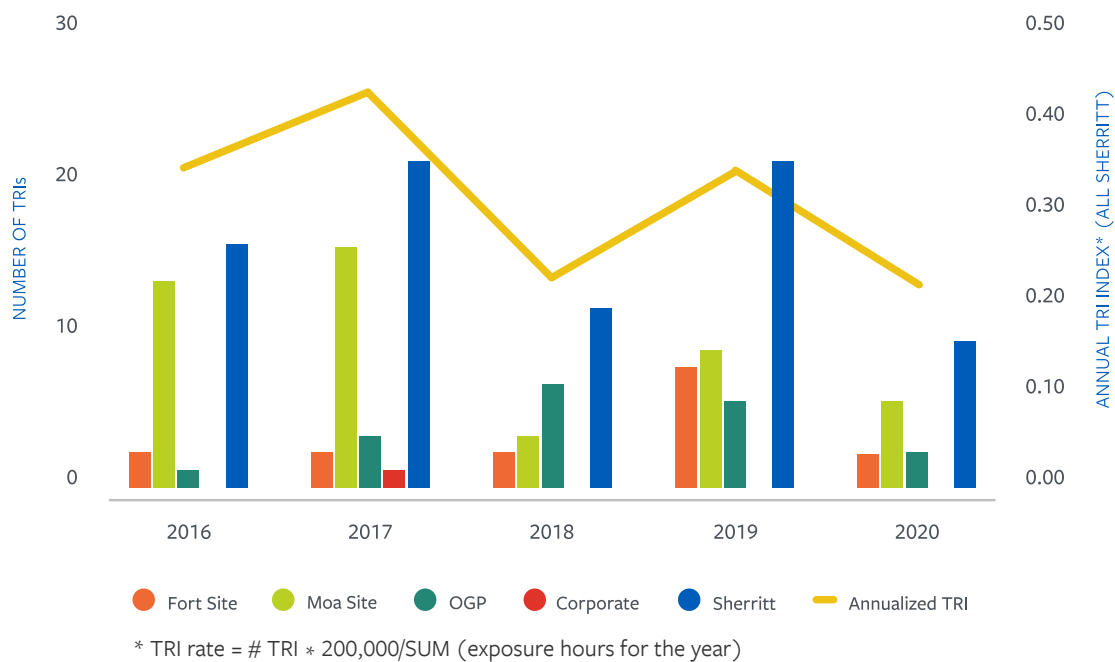
Sherritt began to measure an AIFR metric in 2018 in an effort to look at a broader lagging indicator measure. The AIFR measures first aid cases, recordable and lost time injuries as well as fatalities. Sherritt's AIFR has steadily improved since 2018 and year over year it improved by 42%.

Our overall safety performance in 2020 continued to be peer leading, with an LTIFR (total number of lost time incidents per 200,000 work hours) of 0.12 (compared to 0.07 in 2019) and a TRIFR (total number of recordable injuries per 200,000 work hours) of 0.22 (compared to 0.33 in 2019). This comparison was made using publicly available data from the small to medium-sized natural resource companies peer set. A small portion of these peers calculate their frequency rates per one million work hours. Although this level of performance is peer leading, management remains committed to addressing fatal risks and unsafe behaviours indicated by our key performance indicators.

Lost Time Incident (LTI) Index



Total Recordable Incident (TRI) Index



Significant Potential Incidents

Sherritt records significant potential incidents (SPIs) – defined as actual or near-hit incidents that, under different circumstances, could have reasonably resulted in at least one fatality – in conformance with our standard. There were 18 SPIs reported in 2020, which represents an increase from nine SPIs reported in 2019. The SPIs were investigated to identify the cause(s) of each incident, and actions to prevent recurrence were identified and implemented. The most common types of SPIs in 2020 continued to be related to heavy mobile equipment, process releases, and light vehicles. As a result, we are focusing on efforts to identify, strengthen and implement further critical controls in these areas at all of our operating sites.



The people who do the work usually know how best to solve the problems they encounter every day. OE simply enables it.

CASE STUDY

OPERATIONAL EXCELLENCE

Operational Excellence (OE) is a business improvement process focused on team-based problem-solving and process improvement. OE leads to meaningful business transformations, including safer, more efficient workplaces. The program emphasizes leadership development, coaching and improvement routines designed to sustain progress and create a stronger culture of continuous improvement. Sherritt has improved visual management and the layout of work areas, management routines and displays to support communications, and weekly alignment on priorities and longer-term business plans.

The Moa Joint Venture's OE program in Canada and Cuba has expanded to include a Lean Belt component that complements other OE processes. The Lean Belt program focuses on developing easy-to-use continuous improvement tools and putting those tools in the hands of employees. Examples of such tools include 6S (safety, sort, store, shine, standardize and sustain) techniques, process improvements (cycle time reduction) and visually managed daily huddle boards called Info Centres.

Employees can be trained and certified at different levels (white belt, green belt and black belt). Training of employees has been slowed due to COVID-19, with targeted virtual training being deployed to support specific improvement initiatives. With the move to a mix of on-site and remote work, the Info Centres have been made virtual (online), ensuring the entire organization remains engaged and aligned on organizational goals.

Through the Green Belt program, each leader developed a process improvement, and many of these have shown immediate benefits through improved time management, workflows, safety practices and inventory efficiencies. In 2020, further work was done to align the improvement initiatives with organizational priorities. In order to do this, the Fort Site took on tracking the Overall Equipment Efficiency (OEE) for each plant. The OEE calculation multiplies the Availability percentage by the Utilization percentage by the Quality percentage. The metric has allowed the organization to focus in particular on the Availability and Utilization opportunities in each plant. The metrics are displayed on the Info Centres across the organization, which allows anyone to see at a glance how we are performing. The data behind the calculation is evaluated using the Pareto principle where roughly 80% of the lost production opportunities come from 20% of the opportunities for improvement. With this realigned approach, key pieces of equipment and processes are being improved or redefined in order to have the greatest possible impact on production.

OE projects will continue to be advanced as part of the company's objective to create a safer, more efficient workplace.



The task of improving the safety culture of the company never ends.

CASE STUDY

SAFETY CULTURE

Sherritt's strategic objective is to build an interdependent safety culture eliminate fatal risks. In 2015, Sherritt commissioned independent external assessments of the safety culture at each operating site.

The assessments provided valuable insights into factors that contribute to the safety culture at each site: personal commitments to safety, mutual respect among employees, organizational pride and history, accountability for safety at the line-management level, constructive leadership interactions in the field, and control of critical risks. A key learning was that leaders are critical to establishing the culture and behavioural expectations for safety.

In 2020, all sites continued to refine their safety culture action plans and visible felt leadership programs to move towards an interdependent safety culture. Updates included the setting of ambitious targets for leaders to be present in work areas more often, in order to role-model safety behaviours, improve the quality of interactions, and use the data garnered from the interactions to make improvements. The action plans also focused on addressing significant potential incidents, strengthening life safety rules and improving the use of hazard assessment tools.

Leadership interactions and communications have assisted in reinforcing the need for performing safe work and adhering to the life safety rules. In 2020, disciplinary measures related to the life safety rules were applied on two occasions.

The COVID-19 pandemic also introduced an opportunity for the visible felt leadership approach to address COVID-19 controls and behaviours. However, due to COVID-19 travel and site access restrictions, the independent safety culture assessments planned for 2020 were postponed until 2021.



The implementation of internationally recognized management systems will help to continually improve health and safety performance.

CASE STUDY

H&S MANAGEMENT SYSTEMS

As a complement to our work on safety culture, all sites are working to implement internationally recognized health and safety management systems, such as the Towards Sustainable Mining Safety and Health Protocol and ISO 45001. The management systems will provide a framework to improve health and safety, reduce workplace risks and enhance health and well-being at work, enabling the organization to proactively improve its H&S performance. They will build on existing ISO 9001 quality management systems at several sites.

In 2020, the COVID-19 pandemic negatively impacted implementation at many sites. Despite the challenges, each site continued to build internal awareness and capabilities through training, update gap analyses and action plans, and charter implementation teams. In early 2021, the Fort Site completed an external TSM verification audit that validated its self-assessed scores. The Fort Site is the first Sherritt operation to pass through this milestone, and it is an important first step towards the disclosure of TSM performance on the Mining Association of Canada's website.



The Fort Site purchased hand sanitizer from a local distillery, supporting this local business during the early stages of the pandemic.

CASE STUDY

MANAGING COVID-19 AT THE FORT SITE

When the COVID-19 pandemic began in March 2020, the Fort Site established a working group that developed a graduated pandemic response plan and business continuity plans. The first protocols and actions taken were to ensure the health, safety and wellness of our employees, contractors and communities where we operate.

Early on, the Fort Site prioritized moving over 200 team members to remote working and reduced on-site staff to minimal levels. Additional measures were implemented, such as physical distancing, increased contract cleaning and sanitization of offices and common areas, and requiring the use of non-medical masks and face shields.

Additionally, the Fort Site provided a Pre-Access Site Screening (PASS) trailer to screen visitors, contractors and employees before entering the site. The PASS trailer also served as a reminder to everyone on site of the need to come to work healthy. This initiative was set up internally using our Health Services and Security groups.

The Fort Site also decided to reschedule maintenance activities to reduce the number of personnel on site. Due to the measures and protocols implemented, no COVID-19 cases were recorded on site or spread on site during the March shutdown. Overall, a total of 14 employees (both on site and working from home) contracted COVID-19 during 2020; all employees have recovered.

An external public health audit was conducted at the Fort Site. An initial focus on the showers, change rooms, and control rooms later expanded to a thorough review of all facilities with a focus on signage, seating arrangements, barriers and access to sanitization products, among other items.

A unique initiative that was conducted at the Fort Site was the purchase of hand sanitizer from a local distillery during the early stages of the pandemic. Although lack of availability of commercial products was the primary driver for seeking alternative solutions, the Fort Site chose to buy from the distillery to support a local business. The distillery was able to keep producing its products when many other businesses were forced to shut down.

PUBLIC SAFETY

MANAGEMENT APPROACH

We strive to ensure that our activities and business practices avoid unintended or adverse effects on the public. We follow the regulations of our operating jurisdictions, strive to meet the expectations of nearby communities, and regularly engage and collaborate with local stakeholders on health and safety-related risk awareness and emergency preparedness. Through engagement, we work to understand public concerns and safety risks, evaluate steps we can take to reduce risk, help clarify misunderstandings and dispel misinformation, and, where appropriate, collaborate with communities on initiatives that make all of us safer.

To minimize the risks of a catastrophic event impacting a local community, the company embarked on a multi-year program to implement process safety management systems at all sites. These systems ensure that major hazards are identified and controlled, changes are appropriately managed, process and equipment integrity programs are in place, operating procedures are in place, and there is adequate communication and training, among many other elements. Our Cuba joint venture operations are aligning with Cuba's Resolution 148 for major hazard installations, and the Fort Site is aligning with the Canadian CSA Z767-17 process safety management standard. In early 2021, a consultant was selected at the Fort Site who will assist with implementation.

Another important way we mitigate potential impacts to both communities and our business is through effective emergency preparedness and response planning. At our operating sites, we develop plans that are grounded in scenario/risk assessments to protect the public, the environment and infrastructure in the event of a significant incident. We also implement actions to limit the severity of impacts, should an incident occur.

In Canada, Sherritt is responsible for leading emergency response efforts at its sites, while in Cuba we support our joint venture partners and the government authorities who take the lead in responding to operational emergencies. This [case study](#) has more information on the Cuban approach. Whenever possible, we coordinate closely with emergency responders in both preparedness and response activities, and we regularly conduct joint training exercises.

Sherritt's enterprise-wide Crisis Management Standard is informed by Canadian and international practices, including the Mining Association of Canada's Towards Sustainable Mining (TSM) [Crisis Management and Communications Planning Protocol](#) and the [Incident Command System's \(ICS\)](#) management approach.

PERFORMANCE

Emergency Response Planning and Training

All operating sites have up-to-date emergency response plans and business continuity plans in place, and all sites conducted some form of crisis/emergency preparedness training in 2020. The sites regularly review emergency response plans and hold training exercises annually (at a minimum) to ensure plans are up to date and response teams are prepared. In 2020, all sites prepared or updated pandemic response plans.

At the Fort Site, a complete evaluation of all aspects of the Incident Management Team and supporting documentation is in progress. The intent is to develop a more robust and efficient emergency management system that focuses on enhanced training opportunities and streamlining response management processes to be all-inclusive.

The Fort Site subscribes to the Incident Command System (ICS) management framework for emergencies and is carrying out a multi-year plan to train and conduct field exercises for the local response team. Additionally, the Fort Site partners with the [Northeast Region Community Awareness Emergency Response \(NRCAER\)](#), a mutual aid emergency response group, to share

best practices, reinforce mutual aid provisions, and engage with the public and local industry partners to raise awareness of community safety risks.

In Cuba, multiple training exercises occurred in 2020 at the Moa Nickel Site, as well as at the OGP facilities. In 2020, OGP reviewed and updated the Emergency Hurricane Procedures and the Disaster Reduction Plans.

The Corporate office prepared a credible threat and risk analysis to validate that plans were in place for relevant vulnerabilities. In addition, we are currently in the process of introducing the TSM protocol for Crisis Management and Communications Planning across all divisions.

Post-Incident Community Support

Cuba, as an island nation, is prone to seasonal storm activity. Refer to this [case study](#) for more information on how Sherritt has supported local communities in Cuba during past storm events.

Stakeholder Awareness and Collaboration

Our operating sites continue to engage with local communities on risk awareness and emergency response.

The Fort Site participated in key multi-stakeholder forums related to crisis and emergency preparedness. Past initiatives with NRCAER and municipal jurisdictions remain a high priority to further build engagement opportunities towards collective safety for all NRCAER partner organizations. We actively participate as NRCAER Emergency Response Team Members and Management Team members in this mutual aid organization.

Due to strict COVID-19 restrictions, Fire Prevention Week activities had to be cancelled, but engagement with the local community and surrounding industrial partners was facilitated through partnerships with NRCAER, and direct contact with local officials. This allowed for broader information distribution to the region as a whole.

SITE SECURITY

MANAGEMENT APPROACH

We are committed to safeguarding employees, assets, our reputation and the environment while respecting the rights of the public. We have an enterprise-wide policy that outlines our principles for creating a safe and secure business, including:

- Conducting regular security and human rights risk assessments;
- Entering into agreements with private security service providers;
- Entering into agreements with public security forces;
- Reporting and investigating security-related incidents;
- Applying appropriate use of force;
- Apprehending and transferring suspects to public custody.

Our operating sites employ full-time and contract security personnel. We believe that competence and training are the most important elements of effective security management, and we evaluate all personnel carefully before selecting them for security detail. To ensure our interactions with the public are respectful, we provide values- and expectations-based training, including security and human rights training, to our security personnel.

Sherritt's Security and Human Rights Standard includes standardized tools for conducting site-level gap analyses. The standard is part of Sherritt's broader Sustainability Framework Implementation Plan for designing and implementing company-wide minimum standards across sustainability-related functions, including security.

The Fort Site has implemented many of the Voluntary Principles on Security and Human Rights (VPSHRs) requirements. Application in Cuba will take more time and a phased approach, including familiarizing our joint venture partners and the Cuban government with the VPSHRs before determining how best to move forward. MAC member companies that rely upon private or public security forces have committed to implementing a human rights and security approach consistent with the VPSHRs and based on a determination of risk at the mining facilities they control. Furthermore, MAC members with international mining operations report on their implementation annually in MAC's [TSM Progress Report](#).

Management continues to work on pursuing alignment with the VPSHRs in Cuba with the Empresa de Servicios Especializados de Protección, S.A. (SEPSA). SEPSA is the state-run security service provider that provides security at our joint venture operations. Due to COVID-19 restrictions, Sherritt could not further discussions and socialization of the VPSHRs with its Cuban partners.

PERFORMANCE

Security Incidents and Human Rights

In 2020, there were 25 security incidents, compared to 27 in 2019, with the majority of these incidents relating to minor thefts at OGP. Our operations in Cuba and Canada did not record any significant security incidents involving allegations or claims of human rights abuse in 2020.

In 2020, as part of our responsible sourcing efforts, we reviewed relevant indices that assess conflict and security risks and confirmed that Cuba was at low risk of violent conflict.

At the Fort Site, Sherritt security officers continued working closely with a third-party security service provider through training sessions delivered online. These courses included Active Shooter and Raising Threat Awareness as part of the VPSHR site training requirements. The site trained 100% of its security personnel on the Voluntary Principles. However, only 20% of

private security contractors and emergency services personnel received training in 2020 due to COVID-19 restrictions, staff turnover, limited in-person training opportunities, and limitations with instructor availability.

Sherritt reaffirmed contractual agreements between the Fort Site and the security provider to ensure compliance with all corporate requirements. Sherritt's Fort Site continues to maintain a security licence in the province of Alberta. Engagement with the RCMP Emergency Response Team Commanding Officer has taken place for collaboration on active shooter and other site security threats that may involve RCMP resources. Communication and engagement will continue towards future operational refinement and preparedness for the Fort Site.

The Fort Site continues to remain compliant with the requirements of the VPSHRs and with UNICEF's Child Rights and Security Checklist. While Canada remains a low-risk jurisdiction for human rights infractions, Sherritt believes the Fort Site has clearly benefitted from the application of the VPSHRs in this context.

For more information on our work on the VPSHRs, please visit [Sherritt's 2020 Annual Update Report to the Voluntary Principles Initiative](#).



The Fort Site has incorporated VPSHR-related requirements into its security provider agreements.

CASE STUDY

IMPLEMENTING THE VOLUNTARY PRINCIPLES INITIATIVE

Sherritt began to implement the Voluntary Principles on Security and Human Rights (the Voluntary Principles or the VPSHRs) in 2009 at its Ambatovy operation in Madagascar. In 2013, Sherritt became interested in joining the Voluntary Principles Initiative and carried out a series of independent, external risk assessments on security and human rights at Ambatovy, at the OGP operations in Cuba, and at the Moa Joint Venture nickel operations in Fort Saskatchewan, Alberta, and in Moa, Cuba. Following these assessments, Sherritt began developing a comprehensive management system to assist its operations in the identification and mitigation of human rights and security-related risks, in alignment with the expectations of the Voluntary Principles. Sherritt formally applied to, and was accepted to join, the Voluntary Principles Initiative in 2014. Sherritt also played a key role in developing and implementing the VPSHR-aligned Child Rights and Security Checklist and Handbook in 2017 and 2018, in a process co-led by UNICEF Canada and Global Affairs Canada.

Sherritt's focus for Voluntary Principles implementation will continue to be on Canada and Cuba, with the majority of the focus being on potential implementation in Cuba. Sherritt believes that Cuba's state security provider, with which Sherritt's joint ventures have had a relationship for over 20 years, already has good alignment with the requirements of the VPSHRs, and that the standard will provide an opportunity to demonstrate that position.

In Canada, Sherritt recognizes that security and human rights-related risks are relatively low and good governance practices are relatively mature; therefore, few additional measures need to be put in place to ensure compliance with the Voluntary Principles. For details, visit Sherritt's [2018 Annual Report to the Voluntary Principles Initiative](#), and subsequent annual updates. We continue to undertake training at the Fort Site and to work in collaboration with the RCMP.

Application of the Voluntary Principles at the company's operations in Cuba requires a longer-term approach to familiarize Sherritt's joint venture partners – which are state-owned enterprises – and other government stakeholders with the VPSHRs. Due to COVID-19 restrictions, Sherritt could not further discussions and socialization of the VPSHRs with its Cuban partners in 2020.

In 2020, Sherritt continued promoting awareness of the VPSHRs by participating in VPSHR-related meetings and reviews with member companies and governments. At the site level, Sherritt security officers continued to communicate the importance of complying with the Voluntary Principles to our security personnel and private security contractors.

Additionally, in 2020 Sherritt obtained an independent OECD-aligned assessment of its responsible sourcing policies and due diligence management systems,

including its policies and standards on security and human rights. The assessment did not identify any gaps with Sherritt's Human Rights Policy or security management systems.

For more information on our work on the VPSHRs, please visit [Sherritt's 2020 Annual Update Report](#).

EMPLOYEE RELATIONS

MANAGEMENT APPROACH

Our business cannot operate and thrive without a dedicated, experienced and engaged workforce. We are committed to listening to and understanding the needs and challenges of our employees; taking action to improve the workplace and employee experience; and supporting employees in reaching their potential. For the purpose of this report, employee relations include employee engagement, talent development, labour rights, and workplace diversity and inclusion.

Effective and regular two-way communication with employees is the foundation of our employee relations programs. Senior managers in the Corporate office and divisions are accountable for implementing plans to address the key needs of our workforce. In previous years, Sherritt conducted an employee survey to evaluate engagement across the business. We continue to explore new approaches for gathering employee feedback on a more frequent basis and will report on our renewed approach in a future Sustainability Report.

Ensuring the right programs are in place to support employee development at all levels is crucial for Sherritt's long-term success and succession planning. We provide a range of technical, management and leadership training in Canada and Cuba. Whenever possible, we leverage opportunities to bring different groups together to build cross-organizational networks and strengthen our shared values and culture.

Our compensation programs are aligned with [Our Purpose and Our Promises](#), fostering a company-wide culture of accountability and pay-for-performance compensation. All salaried employees are eligible for an annual performance-based short-term incentive award expressed as a percentage of their base salary.

Across our company, we have both unionized and non-unionized workforces. We recognize and encourage the right to engage in free association and collective bargaining. As with all of our relationships, we strive for productive and mutually beneficial outcomes in our discussions with employees and organized labour representatives. When labour grievances do occur, we investigate and work to reach an acceptable solution for all parties concerned. In certain cases, we may opt for third-party arbitration. Once grievances have been resolved, the management team evaluates the issues raised and determines if any process improvements should be made.

We have a workplace discrimination and harassment and violence free workplace policy applicable to all Sherritt directors, officers and employees worldwide, including Sherritt's subsidiaries and affiliated companies. There are also additional policies on human rights, business ethics, and diversity and inclusion that meet legal requirements and reflect best practices. We are committed to continuous improvement in these areas, with a growing focus on diversity and inclusion.

In Cuba, Sherritt and its joint ventures are required by law to hire all national workers through an employment agency. Incidents of discrimination are handled by this state employment agency. The employment agency involves Sherritt and/or its joint venture partners in discrimination cases, as appropriate. Such involvement has occurred in previous years; however, in 2020 there were no incidents that required the involvement of Sherritt and/or its joint venture partners.

PERFORMANCE

Employee Engagement

In 2020, Sherritt introduced a new approach to measuring and taking action to improve employee engagement. In prior years, Sherritt performed biannual surveys and action planning. In 2020, Sherritt launched more frequent engagement pulse surveys, which are a series of quarterly surveys to gain input from all Sherritt team members on an ongoing basis. Feedback collected from these surveys provides valuable input and direction for appropriate action plans to improve engagement and enhance the

employee experience. The pulse surveys also allow for ongoing measurement of the impact of action plans. We are encouraged by the increased levels of participation in the surveys.

Another key approach to employee engagement and collecting feedback is through formal leader-one-on-one discussions that are regularly held with management across the company. These discussions are intended to gain a deeper understanding of how people are really doing, get feedback and insights to help build stronger trust, improve communication and team performance, and further support our leadership development efforts. Management continues to encourage active employee participation in employee resource groups (ERGs). There are several thriving ERGs, most notably those related to female representation and leadership development.

For the last few years, Sherritt has joined over 450 companies participating in [Not Myself Today](#), a national mental health awareness campaign. Sherritt's workplace mental health campaign included a series of employee workshops delivered by our Employee and Family Assistance Program (EFAP) provider, Morneau Shepell.

As part of the COVID-19 response, several employee surveys were launched to assess how employees were responding to the challenges of essential work or remote work. These were followed up with the development of action plans to address some of the most pressing needs, such as communications, mental health and flexible work, among others.

Organized Labour, Grievances and Strike Action

At the Fort Site, unionized employees are represented by [Unifor Local 530A](#). Sherritt and Unifor have had an effective partnership for more than 65 years without a labour interruption. In 2020, a new ratified collective agreement was signed for the term April 1, 2020 to March 31, 2022. A summary of changes within the collective agreement was reviewed with leaders of unionized employees. Leadership Fundamentals Training has been deployed to support deeper knowledge and understanding of working within a unionized workforce, including key articles and changes within the current collective agreement.

The Fort Site received 20 grievances in 2020 relating to labour practices, an increase from 18 in 2019. A total of 20 grievances were resolved during the calendar year, including 14 that were filed in previous years. Those that were not resolved are being managed in accordance with the procedures set out in the Collective Agreement. The Fort Site follows the process described in the Collective Agreement and the Labour Relations Act of Alberta to resolve all labour relations grievances.

In Cuba, all organized labour considerations are mandated by the Cuban state, and many of the systems and tools that are common in other jurisdictions, including collective bargaining, are not employed there. As such, factoring in the Fort Site, Sherritt's employee base is approximately 40% unionized.

In the Oil & Gas Division, a new agreement is under negotiation between Sherritt and Petroempleo, the agency that provides contract labour to the petroleum industry in Cuba.

There were no work stoppages as a result of labour unrest in 2020.

Workplace Diversity and Inclusion

With the goal of improving diversity at all levels of the company and ensuring a culture of inclusion, Sherritt launched a five-year diversity and inclusion (D&I) global framework in 2019. The company is making a concerted effort to cultivate and foster an inclusive, respectful and diverse workplace to ensure all employees have a positive experience and to effectively support attraction and retention.

Although the initial focus of our D&I strategy was on gender, the events of 2020 surrounding the death of George Floyd and the issue of systemic racism have highlighted the need for us to re-evaluate our strategy to ensure we are acknowledging and addressing any systemic issues that impede our desire to be an inclusive and diverse workplace.

In 2020, Sherritt successfully completed 85% of the objectives set out in year 1 of the five-year framework, which were focused on building the foundation for our drive towards a more inclusive, diverse and respectful workplace. Additionally, Sherritt was able to get started on other initiatives that were originally planned for years 2 to 5 of the framework, achieving overall progress on 29% of the five-year framework.

The Sherritt Board oversees the deployment of the D&I strategy. Accountabilities for delivering on the framework rest with the senior leadership team and are executed through the Global D&I Steering Committee and the D&I committees at each location.

Currently, Sherritt's workforce is 19% female, showing a slight increase from 2019. At our Canadian locations (Fort Saskatchewan, Calgary and Toronto), our workforce is 20% female. In Cuba, the main workforce is contracted by the state and Sherritt is not involved in hiring decisions. The management team of the Cuban side of the Moa Nickel Site is currently 40% women. Although Sherritt does not have oversight in hiring, we are benefitting from Cuba's strong record in gender diversity.

Although our overall gender diversity percentage aligns with the mining sector average of 16%, we remain committed to building a highly inclusive culture in order to attract and retain a diverse workforce.

Sherritt started an ongoing revision of human resources (HR) processes, policies and procedures to better support the attraction, retention and promotion of women in the organization. In 2020, an audit of gender-inclusive signage, facilities, and personal protective equipment (PPE) was completed, and actions are ongoing. For example, women's PPE was sourced at the Fort Site and is now available.

In 2020, the Fort Site employees established leadHERS, Sherritt's first employee resource group (ERG). The mission of leadHERS is to cultivate an inclusive environment that supports and encourages women through opportunity, collaboration and advocacy. Refer to this [case study](#) for more information on the leadHERS ERG.

Sherritt has joined both the [30% Club Canada](#), whose goal is to ensure that at least 30% of board seats in the country are held by women by 2022, and Catalyst Canada. As a signatory of the Catalyst Accord 2022, Sherritt pledges to help increase the average percentage of women on boards and women in executive positions in corporate Canada to 30% or more by 2022. At the end of 2020, Sherritt's Board was composed of 29% female directors, compared to an industry average for mining of 16% female directors, per [Osler's 2020 Report on Diversity Disclosure Practices](#).

As part of our commitment to diversity and inclusion, Sherritt signed the [BlackNorth Initiative Pledge](#) in 2020. The Pledge acknowledges the existence of anti-Black systemic racism and aims to end anti-Black systemic racism. The Pledge was launched in July 2020 and, to date, over 450 organizations of all sizes, industries and mandates have signed it, taking a strong stand in the pursuit of equity, fairness, social justice and systemic change. Sherritt is working directly with the BlackNorth Initiative executive team to identify opportunities for Sherritt to participate in efforts to end anti-Black systemic racism.

	Canada ¹			Cuba ²			Other ³			Total		
	Male	Female	Unknown	Male	Female	Unknown	Male	Female	Unknown	Male	Female	Unknown
Permanent	634	159	0	2,236	214	0	4	12	0	2,874	385	0
Temporary ⁴	2	4	22	0	0	0	2	0	0	4	4	22
Full-time	625	155	0	2,236	214	0	4	12	0	2,865	381	0
Part-time	9	4	0	0	0	0	0	0	0	9	4	0

¹ Includes employees from the Fort Site, Commercial and Technologies, Calgary OGP and the Corporate office.

² Includes employees from the office in Havana, Sherritt and GNC employees at the Moa Nickel Site, as well as employees of the entities that make up the OGP businesses (including Energas).

³ "Other" includes our Bahamian marketing office, which services the Moa Joint Venture, and OGP Spain.

⁴ Temporary employees include consultants and positions currently filled by contractors.

Employee Diversity

2020	Canada ¹	Cuba ²
Employee average age	46	53
Women in workforce (%) ³	20%	9%
Women in management (%)	18%	<1%

Note: Sherritt does not currently define or track employee ethnicities and therefore has not included these metrics.

¹ Includes employees from the Fort Site and the Corporate office.

² Includes employees from the Moa Nickel and OGP sites.

³ Includes Sherritt employees, consultants and Cuban local national employees.

In 2018, Sherritt's Fort Site engaged in a research study to "improve workplace culture in Alberta science, engineering, trades and technology companies by decreasing implicit bias and stereotypical threat", facilitated by the [Canadian Centre for Women in Science, Engineering, Trades and Technology \(WinSETT\)](#). This work continued through 2020, with Sherritt's Fort Site being one of three industry partners participating in this research. The program involves the assessment of workplace culture and a review of formal policies with the intention that the results will help Sherritt with its diversity and inclusion strategy and the industry more broadly. The project is funded by the Status of Women Canada – Western Region with in-kind contributions from participating companies and not-for-profit organizations.

During 2020, six incidents of discrimination were reported by employees at the Fort Site, compared to zero reported in 2019. The cases reported in 2020 represent files investigated internally or externally that resulted in confirmed discrimination (inclusive of harassment and bullying). All files have been resolved with the exception of one that is currently going through the grievance procedure. This is something Sherritt takes extremely seriously. Each incident has been thoroughly investigated and addressed with follow-up action, including training and, if necessary, termination of offenders. It is Sherritt's goal to create a diverse and inclusive workplace where issues are readily reported and appropriately addressed with zero tolerance.

The Fort Site updated its Harassment and Violence Free Workplace Policy in 2020. In 2021, the Fort Site will be including the Unifor Union in the training content review, as well as developing a joint communication with Unifor regarding an Inclusive and Respectful Workplace. The Fort Site is developing a plan to determine the frequency for conducting the Inclusive and Respectful Workplace training and to increase the frequency for review and sign-off of the Harassment and Violence Free Workplace Policy beyond "at hire" for all employees.

Respect in the Workplace training has been provided to all OGP employees and contractors. In 2020, there were no incidents that required the involvement of Sherritt and/or its joint venture partners.

“Sherritt’s support and commitment to signing the BlackNorth Pledge when it was released in 2020, along with now over 450 Canadian companies, has been critical to addressing anti-Black systemic barriers negatively affecting the lives of Black Canadians. Additionally, Sherritt was a Bronze Sponsor of the BlackNorth Talks Series aimed at celebrating Black History Month and educating attendees on the systemic challenges faced by Black Canadians, thus further supporting the promotion of this initiative. Support from organizations like Sherritt will ensure that the BlackNorth Initiative continues gaining momentum, acknowledging the existence of racial inequalities and achieving real tangible actions towards more equitable opportunities for Black Canadians and other people of colour.”

– Dahabo Ahmed-Omer, Executive Director, BlackNorth Initiative



CASE STUDY

COMMITTED TO PAY EQUITY AND PROMOTION

Sherritt's leadership feels strongly that we will be a higher-performing organization if we become more inclusive and more diverse. Over the last two years, we have reviewed and updated policies and procedures, job descriptions, compensation programs and hiring practices – all through a diversity and inclusion lens. We know that these people practices are the foundation of our longer-term strategy and action plan.

Understanding that studies have found, time and again, that women in the workforce are paid on average less than their male counterparts across much of the world, we perform an annual internal assessment of our own pay equity situation for Sherritt employees. We were pleased to find that, in alignment with our promise to employees, pay for positions of the same value was equitable between women and men. However, our data continues to show that we have disproportionately fewer women in higher-level positions than men. We continue to focus on understanding the underlying reasons and with our D&I framework in place, we expect to continue to improve our representation of women in senior levels of the organization.

To achieve our 2022 goal of having a board and an executive team composed of at least 30% women, we are focused on identifying and developing strong female leaders. We are committed to transparently reporting our progress as solutions are implemented and results tracked.

“Our compensation structure and organization design principles continue to sustain equitable pay among genders. Our efforts are focused on continuing to identify opportunities to have more diverse representation in leadership across this organization. This includes reviewing our approach to talent recruitment and succession planning. In 2020, we introduced diverse recruitment panels to ensure we had diversity in decisions on recruiting talent, and we continue to look for opportunities for individuals to progress their careers as leaders in areas of the business that may be outside of their historical experience.”

– Chad Ross, Director, HR and Chair, Global D&I Committee



Training women to operate heavy machinery is a unique initiative in the mining sector in Cuba.

CASE STUDY

WOMEN-ONLY HEAVY EQUIPMENT TRAINING PROGRAM

The Moa Nickel Site leads by example in employing female excavator operators for mining activities, in particular as backhoe excavator operators. The site continues to explore how to hire more women to assist in other positions at the mine, but COVID-19 limited this process during 2020.

Through its women-only training program, Sherritt's partner, GNC, has trained and hired 12 female excavator operators, and one of them has worked at the plant since 1984.

This is the first program of its kind in Cuba, and we are extremely proud of those involved with moving this initiative forward. It is programs like this that develop a robust pipeline of qualified female workers for jobs that were traditionally reserved for men, creating diverse employment options for women who earn an in-demand qualification.



leadHERS' mission is to “cultivate an inclusive environment that supports and encourages women through opportunity, collaboration and advocacy”.

CASE STUDY

leadHERS – SHERRITT'S FIRST EMPLOYEE RESOURCE GROUP

In late 2019, women working at Sherritt's Fort Site and Technologies Division were invited to discuss and identify issues commonly faced by women at Sherritt. Some of the common themes uncovered were the need for more training, mentorship and support.

The culture at the site was lacking in diversity and inclusion of women, and it became apparent to the women hosts and to Sherritt that there was an interest from women and a need within the Fort Site to create a women's employee resource group (ERG). Within months of that initial meeting, members met and created Sherritt's first ERG and elected leadHERS' first leadership team in early 2020.

Goals and Mission

leadHERS' mission is to “cultivate an inclusive environment that supports and encourages women through opportunity, collaboration and advocacy”. The team developed a strategy based on four pillars – Inclusivity, Opportunity, Advocacy and Collaboration – and aims to work with both the employees and the organization to promote gender equity for women and those who identify as women.

Obstacles Encountered

leadHERS' leadership team officially met for the first time in early March 2020 on International Women's Day. However, one week later the COVID-19 restrictions were implemented, pushing the team and much of the organization to work remotely from home. While building the ERG had its own challenges, the pandemic led to the most significant obstacle: connecting and engaging with Sherritt's employees. The team has been successful in countering this through virtual programming and content with part of the workforce. One obstacle that has been especially difficult is their inability to connect actively with the Fort Site's hourly workforce, which is mostly on-site and not easily accessible through virtual means. leadHERS plans to counteract this through focused events in the summer of 2021 and with on-site targeted visits when restrictions allow.

Lending Hands Along the Way

Sherritt has been very supportive of leadHERS, approving a budget that has helped the team to overcome the “virtual challenge” and host high-quality events. The Fort Site leaders have been generous in providing a forum to launch leadHERS to their workforce, allowing the team to connect directly with as many employees as possible.

The Executive Sponsor, Patrick Etokudo (General Manager, Operations Services) and the other members of the Fort Site senior leadership team have been strong

allies, helping to promote leadHERS' mission and overcome obstacles that the team has encountered. Both the Global and Metals D&I steering committees have also been key collaborators in the ERG's launch.

What is Sherritt doing to achieve a more inclusive workforce?

Sherritt is committed to increasing the proportion of women among the total workforce to 36% by 2030 and is working toward that objective by making the site more inclusive through facilities and PPE reviews, revision of Sherritt policies, review of recruitment practices and a renewed focus on the retention of women. While there are more opportunities for improvement, Sherritt is visibly committed to changing the mix and is progressing toward this goal in a guided and strategic manner.

How has this initiative been received by peers?

Our first year was mainly spent on starting a conversation on gender equity. We launched the ERG at the Fort Site through a series of virtual meetings to introduce ourselves and to ensure that our group and programming are informative, inspiring, professional and energized. We have also opened up the conversation on gender and gender issues in the workforce, which had never been openly discussed. Simply by virtue of starting the dialogue, we have received incredible support at our location and throughout Sherritt, which was evident in our most recent International Women's Day event where leadHERS hosted a panel discussion that saw over 200 virtual attendees.

While there continues to be opportunities to educate and inform our employees on the challenges women face, we are seeing increased curiosity and awareness by the employees, such as shifting language, sharing information on women's equality and visible steps to counter unconscious biases. As we delve into 2021, we will focus on collaboration by building alliances with many stakeholders to ensure alignment on goals and objectives, and continue to engage and progress.

How have things changed at Sherritt due to COVID-19?

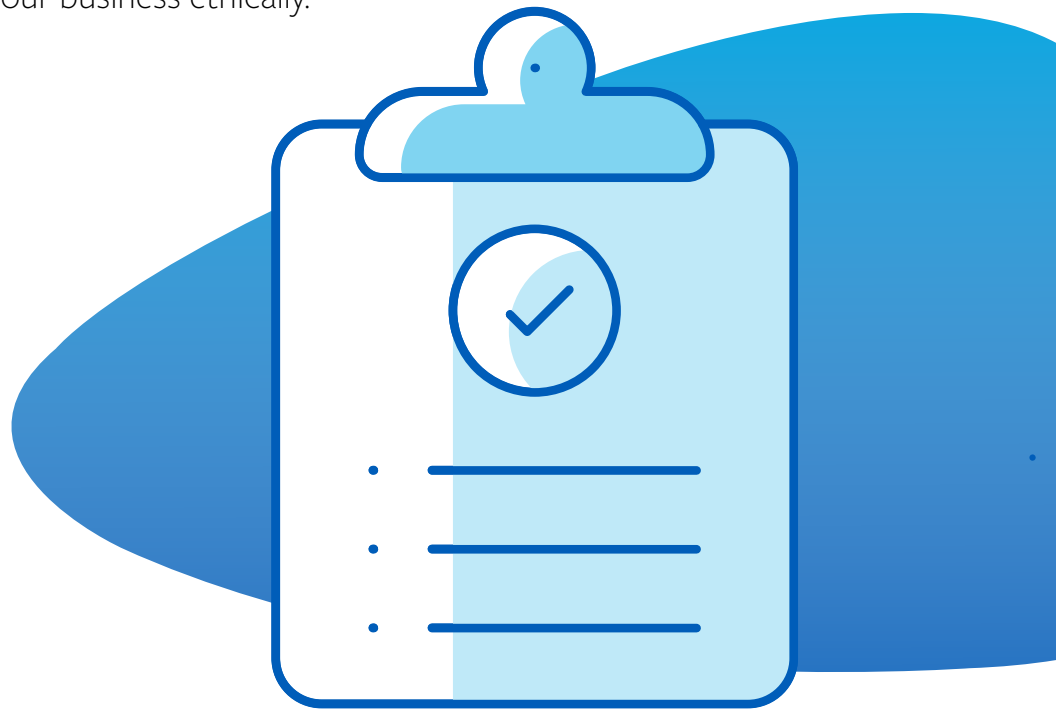
The pandemic saw a large percentage of our workforce working remotely. This has become a catalyst for the organization to start talking about flexible work and work-life balance, and has increased awareness of the strain of mental health on our workforce. Studies have shown that women, regardless of employment status, bear much of the responsibility to care for the household. The pandemic has definitely put a strain on our employees, especially working mothers, and we are seeing these effects through our membership. However, it has also provided opportunity for discussion between men and women on these challenges. Sherritt has also been working with its leaders to create a supportive work environment to alleviate the effects on our employees, such as opening forums for discussion, and making support and resources available, including on mental health.

“leadHERS has focused on diversity and inclusion of women, and has come such a long way in a short period of time. It is a pivotal pillar in Sherritt’s drive towards gender equity in the workplace. The accomplishments of leadHERS in developing a vision, program design and communications strategy for engaging with the workforce – members, allies and non-members alike – has increased awareness of disproportionate gender representation, fostering a desirable work environment for all by focusing on areas of opportunity, collaboration and advocacy that supports and encourages women. The support of the company and its leadership has been instrumental in this success, and will pave the way for future ERGs.”

– Patrick Etokudo, General Manager, Operations Services, Fort Site

Operating Ethically

As a public company, our overarching responsibility is to operate profitably and take advantage of opportunities to grow our business. This allows us to keep our commitments to our shareholders, employees, contractors, host-country governments and communities. To ensure that we protect our business and reputation, we commit to conducting all activities with integrity and the highest standards of responsible conduct. This includes avoiding actual and perceived conflicts of interest, having zero tolerance for corruption of any form, and respecting the rights of all people with whom we interact. We do this by rigorously implementing our policies and by ensuring we have the systems in place to conduct our business ethically.



IN THIS SECTION

RESPONSIBLE PRODUCTION AND SUPPLY

HUMAN RIGHTS

BUSINESS CONDUCT

2020 Highlights

Recorded, investigated and closed four reportable concerns submitted related to business conduct.

Completed an independent **OECD-aligned audit** of subsidiary and Moa Joint Venture responsible sourcing policies and due diligence management systems.

Developed a **Sherritt Supplier Code of Conduct**.

As part of our commitment to responsible production and supply, we worked with subsidiary management to develop a **subsidiary Supplier Code of Conduct**, subsidiary Grievance Standard, and other subsidiary supply chain due diligence documents.

Improved conformance with the **OECD 5-Step Framework** and with the **Cobalt Industry Responsible Assessment Framework (CIRAF)**.





Carlee Bekker, Head of Product Stewardship, Marketing

EMPLOYEE

CARLEE BEKKER

HEAD OF PRODUCT STEWARDSHIP, MARKETING

Carlee Bekker has been with Sherritt for nine and a half years. She has worked in many roles within the organization, starting in the analytical lab, then moving to the Ambatovy project, and following that she worked in the plant as a refinery technician. Currently, Carlee is the Head of Product Stewardship with responsibilities including life cycle assessment (LCA) projects and the responsible sourcing feed audit program. Carlee holds a BSc in Chemistry and is currently working on a Leadership and Management diploma from the University of Athabasca.

Why do you consider responsible sourcing an important concept?

Consumers and investors are becoming increasingly mindful of the ethics and sustainability of a product and are more likely to question practices and to invest in more socially sustainable goods and services. We as people and as an organization have a responsibility to incorporate social, environmental and ethical operations in our business. To me, it is important to work for an organization that invests in social programs in countries like Cuba, to not only ensure job creation but invest in the people as well.

Why is the concept of product stewardship important for Sherritt?

The product stewardship position at Sherritt ensures regulatory compliance for all products marketed externally by Sherritt joint ventures in order to maintain market access in key jurisdictions. Although seemingly innocuous, without compliance we would be unable to sell our products. Product stewardship is important because it brings together all of the regulatory duties into one area so that we are aware of changes and can adapt accordingly to threats and opportunities. These duties enable us to register our product in desired markets. With my background in chemistry and my experience at other sites, I feel I can bring a strong and reasoned voice to the Cobalt and Nickel Institutes and to ensure Sherritt's high standards are met.

What is your view on Sherritt's journey in regard to responsible sourcing?

Sherritt has been taking large strides towards ensuring responsible sourcing and sustainability requirements are met. There are numerous changes that we have made in the last few years to work towards meeting the OECD guidelines for procurement of third-party feed materials and improving our life cycle assessments for our products. Currently, we are evaluating our LCA dataset to find opportunities to improve our global warming potential – some of these projects include electric fleet vehicles and solar panels. I am so delighted to be a part of the modernization of our approach to being a responsible miner, and I'm confident that I can effect real change that will improve our industry.

How have things changed at Sherritt due to COVID-19?

As part of the “New Normal” team, I have seen the efforts that the organization is taking to ensure that production remains on track and that their employees are safe. Most of the support services, like myself, have made a successful shift to working remotely with minimal disruptions to the workflow. Sherritt has really allowed employees to be flexible with their work hours, which has been wonderful for me, being a mom of three.

“Carlee contributes regularly to Sherritt’s product stewardship efforts, ensuring that Sherritt products conform to chemical regulations wherever they are shipped. Building on her experiences as an internal auditor for our ISO quality system and her experiences tracking and calculating the mass balance for refinery feeds, Carlee is well positioned to help Sherritt create a robust feed supplier audit system to support our efforts in reassuring our customers that our material feeds are responsibly sourced. Carlee’s work ethic is excellent, and she was recently chosen to participate in an external mining mentoring program.”

– Tina Litzinger, Former Vice President, Marketing

RESPONSIBLE PRODUCTION AND SUPPLY

Society and markets are increasingly demanding responsibly and ethically produced goods. Downstream customers of Sherritt are, in turn, increasingly requesting policies and management systems and supply chain due diligence to ensure responsible mineral production and supply.

Sherritt is committed to extracting and producing minerals that meet its stakeholders' social, ethical, environmental and human rights expectations and to advancing that commitment with its joint venture partners and their suppliers and customers.

MANAGEMENT APPROACH

Sherritt's responsible sourcing strategy considers the sourcing, production and supply of minerals. Our [Human Rights Policy](#) and [Environment, Health, Safety and Sustainability Policy](#) identify our commitments and expectations. We work collaboratively with our partners, experts, industry consortia, peers and customers to fully understand the properties and potential impacts of our products throughout their supply chains and life cycles.

We continue to make progress against plans to ensure we have the appropriate policies and due diligence management systems in place to address the requirements of the [Organisation for Economic Co-operation and Development \(OECD\) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#). Sherritt remains engaged with the [Mining Association of Canada](#), the [Responsible Minerals Initiative](#), the [London Metal Exchange](#), the [Nickel Institute](#) and the [Cobalt Institute](#) in order to align with recognized responsible sourcing initiatives, standards and frameworks. Sherritt advocates for the adoption of all of these requirements by its partners, subsidiaries and joint venture organizations.

Sherritt has a robust management system in place to manage environmental and social risks and to meet or exceed performance targets.

The figure below shows Sherritt's responsible production and supply due diligence approach:



GOVERNANCE

Sherritt's Board of Directors (the Board) has an independent chairperson, and three sub-committees that provide support with respect to environmental, social and governance (ESG) and responsible production and supply matters: the Audit Committee, the Human Resources Committee and the Environment, Health, Safety and Sustainability (EHS&S) Committee. The EHS&S Committee assists Sherritt's Board in its oversight of ESG issues by providing direction and by monitoring and reviewing the Corporation's performance related to responsible production and supply, among other areas. The mandate of the EHS&S Committee can be found on the Corporation's website.

The Moa Joint Venture (JV) has a Board of Directors that provides oversight of its responsible sourcing performance. Members of Sherritt's executive team represent Sherritt on the Moa JV Board. The Moa JV has chartered a task force to develop, action and maintain a plan to drive alignment with recognized responsible sourcing initiatives, standards and frameworks.

As part of a baseline assurance process, the JV task force commissioned a baseline independent OECD-aligned audit of its responsible production and supply policies and due diligence management systems. The scope of the audit covered the Cobalt Refinery Company (COREFCO) in Fort Saskatchewan, Alberta, as the choke point in the mineral supply chain.

PERFORMANCE

2020 and recent highlights:

- Updated the **Conflict-Affected and High-Risk Areas (CAHRA)** assessment of the Moa JV feed supplies, which concluded that the JV does not source from, operate in, or transit through any conflict-affected or high-risk areas;
- Completed an **independent OECD-aligned audit** of subsidiary and Moa JV responsible sourcing policies and due diligence management systems;
- Updated the **Mineral Feed Policy**, which establishes Moa JV commitments to responsible feed sourcing that are aligned with OECD requirements and industry best practice;
- Developed a **Supplier Code of Conduct**, which identifies expectations of subsidiaries and suppliers to the Moa JV in order to provide responsibly sourced minerals and to implement policies and management systems that are aligned with OECD requirements and with good industry practice;
- Developed a subsidiary **Supplier Declaration** document that requires suppliers to declare their commitments to the Code of Conduct and identify risks in their supply chain;
- Developed a subsidiary **Grievance Standard** to ensure that grievances that may occur across the mineral supply chain will be addressed anonymously and appropriately;
- Completed an independent **Towards Sustainable Mining (TSM) verification audit** at the COREFCO refinery that validated the refinery's implementation of policies and management systems that align with TSM (conducted in early 2021);
- Remained an active upstream member of the **Responsible Minerals Initiative**, the **Cobalt Institute**, and the **Nickel Institute**;
- Improved conformance with the **OECD 5-Step Framework** from 9/16 requirements to 11/16 requirements; and
- Improved conformance with the **Cobalt Institute's Cobalt Industry Responsible Assessment Framework (CIRAF)**.

The Moa JV participates in regular due diligence assessments against customer responsible sourcing requirements.

For more information on our responsible sourcing alignment with international standards, plans and performance, please see our 2020 Responsible Production and Supply Report [here](#).



Sherritt's technological innovation positions the company well for the future economy and demands of society.

CASE STUDY

INNOVATING FOR A LOW-CARBON FUTURE AND CIRCULAR ECONOMY

Nickel is a key component of future technologies that demand high-strength alloys and a pivot from hydrocarbons to electrical energy systems. The availability of such large quantities of nickel in the future can only be assured by the processing of laterite ores. Nickel extraction from lateritic ores follows two distinct routes – hydrometallurgical and pyrometallurgical – each route with distinctly different environmental and cost footprints. Of these two routes, the hydrometallurgical high-pressure acid leach (HPAL) process, in which technology Sherritt is a recognized leader, is most cost effective for supplying nickel and cobalt in a form and purity that integrate readily into the electric battery value chain. Sherritt is also a well-known industrial pioneer in using hydrogen gas to recover metal powders from process solutions.

Sherritt continuously looks for opportunities to further develop and improve its current HPAL and metals refining operating practice and technology, such as through leveraging artificial intelligence in process control. However, building on our key technology platforms, we also keep an eye on the future and actively develop and evaluate new technology options to increase resource utilization, decrease our environmental impacts and lower costs. In the area of nickel laterite processing, our Next Generation Laterite program is a comprehensive evaluation of process avenues to address future nickel demand.

Our key technology platform of high-temperature, high-pressure processing has also led to the identification of a number of proprietary process routes for complex copper concentrates, where atmospheric emissions, process residue and environmental stability are key industry concerns. These process technologies have **negligible atmospheric emissions, excellent process residue and environmental stability**, and also provide further features that are attractive in specific applications.

Nickel derived from the HPAL process is more sustainable than nickel derived from the smelting/refining of nickel pig iron (NPI). Competitor plans to supply the electric vehicle industry with nickel derived from NPI runs contrary to recent calls from the battery industry for “greener” nickel production, as both its carbon footprint and its potential for sulphur dioxide emissions are high. Carbon dioxide emissions from the proposed process are estimated to be higher than average nickel production and as much as three times higher than nickel produced from the HPAL process.

From the Technologies Division in Fort Saskatchewan, Sherritt actively networks with experts and service and technology partners worldwide to complement its in-house technology development. Over the past year, Technologies has initiated a well-received virtual webinar program, [Bits & Bytes](#), that brings people together around topics of general industry interest, such as equality, inclusiveness and innovation.

HUMAN RIGHTS

MANAGEMENT APPROACH

The [United Nations Guiding Principles on Business and Human Rights](#) outlines the roles for state and business actors in the protection and respect of human rights. It also identifies “access to remedy” for anyone with a human rights complaint as a critical element for business to maintain its social licence.

Although human rights issues do not currently represent a top risk at Sherritt, they are an inherent risk to all mining and energy production sites. To manage this risk, we are aligning with international best practices and expectations regarding human rights. We developed an enterprise-wide policy that commits to uphold the [Universal Declaration of Human Rights](#), along with other international principles.

Through a robust management system, Sherritt is committed to addressing environmental, social and governance (ESG) risks and opportunities, including human rights and, in particular, the rights of children. Sherritt has zero tolerance for the use of child or forced labour in its supply chains.

At Sherritt, remedies for complaints, up to and including potential human rights violations, are provided through the grievance mechanisms in place at the site level. Grievance mechanisms are processes to receive, acknowledge, investigate and respond to community complaints. These are valuable early-warning systems that can resolve sources of friction between stakeholders and companies, and can, over time, build trust. We have incorporated best-practice guidance from a number of sources into our Grievance Mechanism Standard to ensure it is both practical and credible.

At the Fort Site, we have a long-established informal process for responding to complaints from external parties and are in the process of finalizing the implementation of Sherritt’s Grievance Mechanism Standard. In Cuba, there is a state-run system where citizens can file complaints against an entity, organization or enterprise whose activities they feel are adversely affecting their well-being. Commissions are established to investigate grievances and develop action plans to address them. Sherritt’s management team, or that of its Cuban partners, participates in the process to address any grievances related to the company’s operations.

Our [Human Rights Policy](#) also articulates our commitment to the [Convention on the Rights of the Child](#). Violation of children’s rights is a low risk in Canada and Cuba; however, it is an issue Sherritt takes extremely seriously and a risk that is carefully managed no matter the operating location.

Through a Conflict-Affected and High-Risk Area (CAHRA) assessment, Sherritt can confirm that its operations and mineral suppliers are not at significant risk for incidents of forced or compulsory labour. Measures are taken at the operations to comply with local human rights regulations banning forced or compulsory labour, and steps are being taken to conduct due diligence in the mineral supply chain.

PERFORMANCE

Third-party Review

In 2018, the Fort Saskatchewan refinery underwent an external audit on its application of the Voluntary Principles on Security and Human Rights (VPSHRs) as well as UNICEF’s Child Rights and Security Checklist. The Fort Site has made significant advancements in implementing the VPSHRs on site since 2018. Refer to this [case study](#) for more information on the Voluntary Principles. No third-party human rights audits took place at Sherritt’s operations in 2020.

Human Rights Grievances

There were no human rights-related grievances reported by external stakeholders at any of our operating sites in 2020. Employee and labour grievances are captured under [Employee Relations](#) and [Stakeholder Engagement](#).



We are proud to support the internationally successful UNICEF program for road safety.

Credit: UNICEF Cuba

CASE STUDY

PROMOTING THE RIGHT TO SAFETY FOR CHILDREN AND YOUTH IN CUBA

Sherritt is committed to the health and safety of its employees and the communities around its operations. That is why we have partnered with UNICEF in support of Principle 4 of the Children’s Rights and Business Principles – ensuring the protection and safety of children in all of our business activities. As part of the partnership announced in 2018, over three years Sherritt has supported UNICEF’s Child Road Traffic Injury Prevention Programme to promote road safety among young people in Cuba.

Road safety is a priority for both the company and the country of Cuba, as unintentional injuries caused by road accidents are the leading cause of mortality among youth and adolescents.

The program builds on UNICEF’s extensive experience with road safety, which is a key component of its Country Programme (2014–2020), and has already shown successful results at the national level and in La Habana and Santiago de Cuba provinces. With Sherritt’s support, and in collaboration with Cuba’s Ministries of Health and Education, the National Road Safety Commission and local governments, the program supports the provinces of Matanzas and Holguin, including Moa and Cárdenas where Sherritt operates.

In 2020, due to the COVID-19 pandemic and subsequent interruption of the school year, along with restrictions of movement and confinement measures in Cuba, UNICEF was unable to carry out in-person activities that included the participation of children, adolescents and youth. Most of the planned actions were moved onto UNICEF’s digital platforms.

Some of the digital activities conducted in 2020 included:

- Social media information and education campaigns on road safety via UNICEF Cuba’s Facebook, Twitter and Instagram platforms; and
- Dissemination of communications and educational materials on road safety to children.

As part of the System Strengthening and Online Engagement program, UNICEF Cuba focused on three key activities:

- Launch of a national radio program, “Consejería de Seguridad Vial” (Road Safety Counselling) on Radio Progreso and similar programming on local stations in each province;
- Hosting of virtual road safety courses to strengthen technical capacities of decision-makers; and
- Design and implementation of the National Strategic Plan for Child and Adolescent Road Safety.

This partnership builds on years of mutually beneficial collaboration between Sherritt and UNICEF in Cuba. Sherritt and UNICEF are proud to partner to support SDG 3.6 in Cuba, having reached over 165,000 children since 2018 through awareness sessions and simulated road environments to reduce deaths and injuries from road traffic accidents.

BUSINESS CONDUCT

MANAGEMENT APPROACH

Our [Purpose and Our Promises](#) describe our guiding principles and how we expect them to be lived every day as we carry out our business. Our Business Ethics Policy provides clear guidance to our workforce on what it means to act with integrity. It covers conflicts of interest, fraud and corruption, fair dealings, protection and proper use of the company's assets, compliance with regulatory requirements, disclosure, confidentiality, and reporting mechanisms available to employees and contractors.

As a Canadian company, we are subject to the [Canadian Corruption of Foreign Public Officials Act \(CFPOA\)](#), as well as anti-corruption laws in Cuba. The CFPOA prohibits Canadian business interests from making or offering improper payment of any kind to a foreign public official – or anyone acting on his or her behalf – where the ultimate purpose is to obtain or retain a business advantage.

Our Anti-Corruption Policy prohibits violation of the CFPOA and other applicable anti-corruption laws. All divisions, groups and offices must undergo anti-corruption training and log all government meetings and payments. In Canada and Cuba, governmental and commercial corruption does not present a significant risk, based on the latest [Corruption Perceptions Index \(CPI\)](#). Sherritt does not have production in countries with the 20 lowest rankings in the CPI.

We have also developed a process for meeting the public reporting obligations of Canada's [Extractive Sector Transparency Measures Act \(ESTMA\)](#). Sherritt's [2020 ESTMA Annual Report](#) is now available online. The report, which is a requirement of the Government of Canada, covers certain payments that Sherritt made to all levels of government in Canada and abroad in 2020. As Canada and Cuba are not signatories of the Extractive Industries Transparency Initiative (EITI), reference to it has been removed from this report.

PERFORMANCE

Ethical Conduct

Sherritt has a Whistleblower Policy, which indicates that any person submitting a reportable concern may choose to do so anonymously and confidentially through the Whistleblower Hotline maintained by the Corporation's designated external service provider. Reportable concerns may be submitted by any of the Corporation's stakeholders, including employees, contractors, directors, officers, vendors and others.

In 2020, four reportable concerns were submitted through the Whistleblower system. Of the four reportable concerns, all were internally investigated and subsequently closed. The concerns were mainly related to potential conflicts of interest and/or non-compliance with policies and procedures.

Sherritt maintains mechanisms to facilitate the receipt, retention and treatment of reportable concerns and grievances.

The mechanisms are intended to cover theft, fraud, unethical behaviour and [OECD Annex II Risks](#) along the entire supply chain, including but not limited to:

- Serious abuses associated with the extraction, transport or trade of minerals such as torture, forced labour, child labour, gross human rights violations, widespread sexual violence, war crimes, or crimes against humanity;
- Direct or indirect support to non-state armed groups;
- Abuses by public or private security forces;
- Bribery and fraudulent misrepresentation of the origin of minerals;
- Money laundering; and
- Payment of taxes, fees and royalties due to governments.

If you have a reportable concern or grievance against Sherritt or any of its subsidiaries, you can report your issue anonymously and confidentially through the following channels maintained by the Corporation's designated external service provider:

- Online: <https://www.clearviewconnects.com/home>
- Skype Audio Reporting: clearview-sherritt
- Telephone:
 - Toll-free (North America): +1-866-840-8702
 - Long distance: +1-416-386-5397

For concerns related to the Fort Site in Fort Saskatchewan, Alberta, please call +1-780-992-7000.

Upon commencing employment with Sherritt, all employees are required to review and sign off on their understanding and acceptance of our Business Ethics Policy.

Anti-Corruption

Sherritt's Anti-Corruption Policy and Procedures were updated and approved by the Policy Committee in early 2021. Updated training for all current employees is currently being developed and will be rolled out in 2021. 100% of our eligible workforce was trained on the previous version of the policy by the end of 2019. In Canada, all salaried employees across all sites and divisions are required to take the training. In Cuba, only expatriate employees and a small number of Cuban nationals who work directly for Sherritt were required to take the training, given the nature of our joint venture relationships and our agreement with the state-run agency that provides our operations with workers.

Sherritt does not have production in countries with the 20 lowest rankings in the [Corruption Perceptions Index](#).

Additional commentary on transparency reporting can be found under [Community Development](#).

Demonstrating Environmental Responsibility

We understand that mining and energy production disturb the natural environment. Our general approach is to avoid environmental impacts wherever we reasonably can, and minimize, manage and remediate any remaining impacts. In this way, we can limit our impacts, seek innovative ways to support environmental protection, and steward the environment for future generations.



IN THIS SECTION

TAILINGS MANAGEMENT

ENERGY, CLIMATE CHANGE AND AIR QUALITY

BIODIVERSITY AND LAND

WATER

WASTE

ENVIRONMENTAL LIABILITIES, CLOSURE AND RECLAMATION

2020 Highlights

In early 2021, Sherritt committed to a long-term target of achieving **net zero greenhouse gas emissions** by 2050 and several interim targets.

Reported an overall **decrease of 12%** in Scope 1 GHG emissions compared to 2019 emissions, mainly due to a **24% decrease** in emissions at OGP.

Reported a **decrease of 92%** in non-hazardous waste at OGP compared to 2019, and a **41% reduction** at the Fort Site. Consequently, Sherritt achieved an overall **reduction of 48%** in non-hazardous waste compared to the previous year.

Developed a **climate plan** that includes risk and opportunity assessments, adaptation measures, measures to **reduce greenhouse gas emissions**, and opportunities for innovation.

The Fort Site's operating licence was **renewed for a 10-year period** by Alberta Environment and Parks.

All the joint venture **tailings management facilities** (TMFs) underwent **annual evaluations** performed by a third-party Engineer of Record and reviews by the Independent Tailings Review Board. No significant tailings-related environmental incidents were recorded.





Angel Tapanes Ramirez, Thermal Engineer at Energas (Cuba)

EMPLOYEE

ANGEL TAPANES RAMIREZ

THERMAL ENGINEER AT ENERGAS (CUBA)

Angel Tapanes Ramirez, who has been working with Sherritt for 18 years, currently serves as a thermal engineer within the Energas engineering team in Cuba. Angel holds a doctorate (PhD) in boiler and power plant performance. Additionally, Angel also acts as the Energas Technical Subcommittee President and regularly collaborates with the Unión Eléctrica de Cuba (UNE).

Angel studied mechanical engineering at Matanzas University and also worked as a professor for 13 years. However, in 2003 Angel moved to Energas to work as an operator at Sherritt because he wanted to learn about the technology being used for natural gas processing, and about the combined cycle power plant. Sherritt was a pioneer in using this type of technology in Cuba. Later, he became a process engineer in charge of monitoring the natural gas processing plant, gas turbines and combined cycle power plants. Angel also provided support to the Boca de Jaruco Combined Cycle Power Plant design team between 2005 and 2013.

As a thermal engineer, Angel has supported the improvement of environmental performance at Energas. He has been involved with the carbon credit audits conducted at the division since February 2014. Angel prepares regular reports on greenhouse gas emissions for Energas by following IPCC Guidelines for National GHG Inventories. His team focuses on collecting and reporting all GHG emissions at the facility from both stationary and mobile equipment so that sources can be correctly identified, and targets may be set to reduce our environmental impact in Cuba.

In Angel's words, "I have been working with Sherritt for a long time because Sherritt has proven to be a leader in safety conditions and a pillar on innovation in natural gas processing plants and combined cycle power plants. I feel lucky to work at Sherritt surrounded by a number of high-quality and committed professionals."

"The environment and the impact our operations could have on the surrounding communities has always been a priority for Sherritt Oil & Gas and Power. For years, the gas associated with oil production was flared until Sherritt built power plants to utilize this gas, which improved environmental conditions and helped meet Cuban power demands. Monitoring and reporting on the efficient utilization of this gas is the responsibility of Angel, who reports these results to Energas senior management and the board members. Angel understands the importance of environmental stewardship and continues to seek improvement in ensuring that the maximum amount of gas delivered for power generation is utilized properly."

– Mike Emmett, Manager, Environment, Health, Safety and Training, Oil & Gas and Power

TAILINGS MANAGEMENT

Sherritt's goal is that each joint venture operates and maintains its tailings management facilities in accordance with global best practices for safety. We continually review our facilities and procedures and are committed to pursuing the highest standards at our operations.

Sherritt's tailings management facilities (TMFs) are located at the Moa Nickel Site and are a part of our Moa Joint Venture (JV). The Moa Nickel Site is operated by the Moa JV's management, reporting to the Moa JV Board of Directors. The Moa JV is a 50/50 joint venture between Sherritt and a Cuban government agency. Accordingly, while the following reflects Sherritt's approach to tailings management, Sherritt by itself cannot unilaterally control outcomes in relation to tailings management at the Moa Nickel Site. Sherritt remains committed to working with its Moa JV partner to advocate that global best practices are followed.

MANAGEMENT APPROACH

GOVERNANCE AND ASSURANCE

Accountability and Resourcing

The Sherritt Board of Directors, through its Environment, Health, Safety and Sustainability Committee (EHS&S Committee), oversees implementation of our Sustainability Framework and Tailings Standard, including policies, systems, performance and auditing functions. Assurance activities associated with tailings management are conducted through the Sherritt Board Audit Committee. In 2021, changes to the committee structures are being proposed to consolidate several committees, to more clearly include review of environmental, social and governance (ESG) matters including tailings, and to address future assurance of tailings disclosures.

The following senior leaders are involved in the management of tailings:

- The Executive Vice President and Chief Operating Officer reports directly to the President and Chief Executive Officer and is responsible for sustainability, health and safety, environment, community, and Indigenous affairs, including tailings management.
- The Moa JV Chief Operating Officer chairs the regular internal tailings review meetings and reports directly to the Executive Vice President and Chief Operating Officer. Members of the internal tailings review team include members of the Moa Nickel Site senior management team and tailings management subject matter experts from the Moa JV operations. The group actions recommendations from the Independent Tailings Review Board (ITRB) and other audits and provides updates on operations, maintenance, monitoring and emergencies as applicable.

The mandate of Sherritt's EHS&S Committee, which can be found [here](#), includes the following:

- (k) Ensure adequate and effective tailings management systems are in place and utilized, ensure compliance is monitored (including through external verification on such periodic basis as the Committee considers to be appropriate), and offer advice and recommendations to the Board in connection herewith.

The organization employs an independent Engineer of Record (EoR) to provide oversight and review of TMF design, construction and operation. The EoR for the Moa Nickel Site TMFs is Knight Piésold, one of the world's leading consulting firms.

The Moa Nickel Site also has an Independent Tailings Review Board made up of independent experts who conduct annual third-party reviews of design, operation, surveillance and maintenance.

Risk Management

Dam failure is the greatest risk for our TMFs, located at the Moa Nickel Site and part of our Moa JV. Sherritt's dam safety assurance program assesses the Moa JV's tailings in line with international leading practice.

Sherritt's operations are required to assess natural phenomena such as extreme flooding and seismic events, as well as operational criteria, and incorporate these factors into their TMF designs.

There are at least five levels of governance and assurance that Sherritt advocates its operations undertake on TMFs:

1. **Regular surveillance** – Operations are expected to monitor their TMFs on an ongoing basis using piezometers, inclinometers, pressure gauges, remote sensing and other technologies, focusing on tailings dams, abutments, natural slopes and water levels. The results are assessed by the management team of the operation.
2. **Annual dam safety inspections (DSI)** – Formal dam safety inspections are conducted annually by an external EoR, Knight Piésold, for all operations. A DSI evaluates and observes potential deficiencies in a TMF's current and past condition, performance and operation.
3. **Independent Tailings Review Board** – The ITRB, comprising two senior subject matter specialists, meets at least once a year, depending upon the nature of the facility and the issues being considered, to conduct a third-party review of design, operation, surveillance and maintenance of our TMFs. The results from the ITRB assessments are reported to the Moa JV management and Board of Directors, Sherritt's senior management and the EHS&S Committee of Sherritt's Board of Directors. Recommendations are tracked to completion by management internal reviews.
4. **Internal reviews** – Sherritt's COO conducts internal management reviews of Sherritt's tailings facilities on a regular basis. Summaries are reported to the EHS&S Committee of Sherritt's Board of Directors.
5. **Staff inspections** – Tailings management facilities are inspected by trained operators and expert technical staff as frequently as several times daily, with formal staff inspections occurring at the Moa Nickel Site at least once a month.

The different levels of assurance are undertaken on the basis of national regulations, as well as, where appropriate, criteria aligned with international guidelines from the [Canadian Dam Association](#) and the [International Commission on Large Dams](#).

In addition, where appropriate, the Moa Nickel Site conducts periodic dam safety reviews, which include reviewing maintenance, surveillance and monitoring, failure impact assessments, emergency management procedures, public safety and environmental management. The results are shared with the operation's management and reviewed as part of the dam safety audits.

Tailings Management Standard

Sherritt has had an internal tailings management standard in place since 2018. Management at the Moa Nickel Site has adopted this standard and is in the process of implementing it. The standard aligns with the Mining Association of Canada's Towards Sustainable Mining [Tailings Management Protocol](#), and supports Sherritt's goal of designing, constructing, operating, decommissioning and closing tailings facilities in such a manner that all structures are stable, all solids and water are managed within designated areas, and all management practices conform with regulatory requirements, sound engineering principles and good practice. Sherritt continues to review and evaluate monitoring systems and risk assessments to ensure the approach is robust and current.

Engaging with Communities

Sherritt advocates that its operations undertake proactive stakeholder and community engagement across a broad range of operational topics, including TMFs where appropriate.

We require that our operations, and those of our joint ventures, develop and maintain emergency preparedness and response plans, and to communicate these plans with relevant stakeholders. Where appropriate, operations may also engage with local and regional emergency response services in scenario planning and practice exercises.

In Cuba, engagement with communities with respect to tailings management is conducted by Sherritt's joint venture partners. This can include, but is not limited to, grievance resolution, risk management, and emergency response.

Continuous Improvement

Sherritt is committed to continually reviewing its joint venture facilities and procedures to maintain the highest standard of dam safety at its operations. Sherritt also works in partnership with local, national and international organizations to support improvements in tailings management across the industry, including the Mining Association of Canada (MAC). With the assistance of MAC, Sherritt is implementing the Towards Sustainable Mining (TSM) program, including the Tailings Management Protocol, in wholly owned operations and is working with its partners to implement it in the Moa JV.

Through MAC and updates to the TSM Tailings Management Protocol, Sherritt plans to align with the new [Global Industry Standard on Tailings Management](#).

TAILINGS MANAGEMENT FACILITIES

There are several TMFs at Sherritt's joint venture operation in Cuba – the Moa Nickel Site. The site is operated by the JV's management, reporting to the joint venture Board of Directors. A geotechnical engineer is employed to provide oversight of design, construction and operation of the tailings facilities. Third-party engineering firms are utilized in the design and monitoring of tailings facilities. The design and operation of existing facilities meet or exceed all applicable regulatory requirements. There are no tailings produced at the Fort Site or the OGP sites.

At the Moa Nickel Site in Cuba, [upstream and downstream](#) designs have been used throughout the mine life. Stability is monitored as per the operating practices manual. Based on internal and third-party reviews of structural integrity and management systems, the facilities are operating to design specifications and are stable.

Sherritt works with its Cuban joint venture partner, the General Nickel Company S.A. of Cuba (GNC), to continually improve tailings management and achieve alignment with international best practices. As a member of the Mining Association of Canada, Sherritt has influenced its partner to begin implementing Sherritt's Tailings Management Standard, which is aligned with MAC's Tailings Management Protocol, at the Moa Nickel Site in Cuba, and to apply Canadian Dam Association criteria.

Sherritt and its joint venture partner also began investigating options for tailings management so that we can continue to support future mining operations. Throughout this process, Sherritt will strive to minimize environmental impacts and meet international good practice in tailings management. A rehabilitation plan has also been developed at the Moa Nickel Site and is underway in a section that is no longer active.

A more detailed disclosure on tailings facilities and management, including disclosures aligned with the Church of England Pensions Board's tailings questionnaire, can be found [here](#).

PERFORMANCE

2020	Fort Site	Moa Nickel Site	OGP
Total amount of overburden, rock, tailings and sludge (tonnes)	Not applicable	16,566,859	Not applicable

During 2020, the total amount of waste rock decreased at Moa due to reduced auxiliary works and construction activities conducted on site, such as road construction. The total amount of overburden increased due to the characteristics of the mining plan.

Long-term Tailings Disposal

Subsequent to the end of 2020, Los Lirios was selected by management as the preferred long-term storage option in early 2021. In addition, conceptual studies of future tailings disposal sites were updated by Knight Piésold (KP). As shown in the figure below, a proposed sequence of tailings management projects has been developed that will allow tailings disposal as follows:

- North Extension – 2021 to 2022
- Area 22, Stage 3 – 2022 to 2025
- Los Lirios – 2024, for up to 15 years

Figure: Proposed Sequence of Tailings Management Facility Development at the Moa Nickel Site

Project	2019	2020	2021	2022	2023	2024	2025–2026	2027–2039
ALTF Closure	Closure							
North Extension	Operation				Closure or Future Stages			
Area 22, Stage 3			Phase 1 Construction	Phase 2 Construction	Phase 3 Construction			
				Operation			Closure	
Long Term – Los Lirios					Construction			
						Operation		

Acid Leach Tailings Facility (ALTF): Closure and stabilization work continued in 2020. Monitoring activities are ongoing and informing the closure plans.

North Extension: As the ALTF approached capacity, the Moa JV retained Knight Piésold, an internationally respected engineering firm, to design an extension that would ensure continued capacity to store tailings. In 2020, operations, staged construction, and additional stability analyses on the North Extension occurred.

Area 22: Detailed design and permitting of this multi-phased short-term tailings solution were completed in 2020. Construction has begun, with completion of phase 1 expected by December 2021. Additional analyses have resulted in an increase to the size of the Area 22 catchment and an extension to the length of the estimated storage capacity from two years to three and a half years.

Los Lirios: Permitting and studies are underway for this long-term solution.

“Sherritt is committed to advocating for the responsible management of its joint venture tailings facilities to prevent impacts to human health and safety, the environment and communities. We are committed to aligning the design, operation and closure of our tailings facilities with international best practices. We continually review and strengthen our tailings management systems.”

– Maryse Belanger, Chair, Environment, Health, Safety and Sustainability Committee of the Board of Directors

Update on Remediation of Obed Containment Pond Breach

As was reported in previous sustainability reports, on October 31, 2013, a breach occurred, due to a geotechnical slump, in an on-site water containment pond at the Obed Mountain mine in Alberta, then owned by Sherritt. This resulted in a significant release of mud, clay, coal particles and approximately 670,000 m³ of water into nearby creeks and the Athabasca River. We quickly mobilized our response team, working with regulatory bodies, and began engaging extensively with First Nations and local stakeholders to keep them informed and to address their concerns. After the sale of our coal operations to Westmoreland Coal Company in April 2014, we retained the environmental remediation and financial obligations associated with the breach, and have continued to work co-operatively with the Alberta regulator to address the impacts of the incident.

The activities completed in 2020 based on the Environmental Protection Order (EPO) include, but were not limited to:

1. Management of water flow into the Apetuwon Creek;
2. Active monitoring and reporting of water quality;
3. Vegetation and wildlife monitoring;
4. Aquatic and benthic invertebrate assessments;
5. Fisheries inventory;
6. Apetuwon Creek bank and stream bed repair, in accordance with the approved Reclamation Plan; and
7. Environmental enhancements, planting, seeding and re-establishment of native plants and grasses.

The detailed and extensive monitoring data collected in 2020 clearly indicates a healthy environment in accordance with all provincial and federal environmental requirements. The data recorded indicates that there have been no long-term effects to the water quality, fish or wildlife populations in the Apetuwon Creek, adjacent streams or the Athabasca River. The work completed on the Apetuwon Creek to restore its hydrological function in the surrounding environment has demonstrated a high rate of success in all areas of environmental standards, and no long-term impacts as a result of the 2013 incident.

2020 saw the conclusion of the required activities as described in the original EPO from 2013 (EPO 2013/CR-34).

ENERGY, CLIMATE CHANGE AND AIR QUALITY

At Sherritt, we recognize that we have a role to play in helping to address the global climate challenge, which includes working to reduce our carbon footprint as well as supporting the transition to a circular and low-carbon economy. We are responsibly producing and supplying the commodities that advance everyday life. Our minerals and technology are also enabling the transition to global decarbonisation.

We have been developing innovative solutions for a low-carbon world, have been engaged in climate-related risk mitigation activities, and have had suitable governance structures in place for some time. However, we recently developed a comprehensive climate strategy and targets and have determined to align our disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These are the first steps in an ambitious journey to do our part to tackle climate change and position the enterprise for success in the low-carbon future.

Governance

At Sherritt, we work to ensure that climate-related issues receive appropriate board and management attention – our Board and senior management consider climate-related risks and opportunities in the strategic planning process. Sherritt's climate-related disclosures are reviewed using internal governance processes and disclosure procedures that are similar to those used for financial disclosures.

Sherritt's [Board of Directors](#) (the Board) provides oversight on all strategic matters, including the risks and opportunities related to climate change. Sherritt's Board has an independent chairperson. The Board has established the Environment, Health, Safety and Sustainability (EHS&S) Committee, which is chaired by a member of the Board. Corporate officers and senior managers who establish priorities and plans for environmental, social and governance (ESG) programs provide this committee with quarterly updates on performance. The Committee meets and reports to the company's Board of Directors quarterly. Risk management and assurance activities associated with climate change are conducted through the Audit Committee of the Board. The mandate of the committees can be found on the Corporation's [website](#). In 2021, changes to the committee structures are being proposed to consolidate several committees, to more clearly include review of climate-related issues and other ESG matters and to address future assurance of climate-related disclosures.

The Executive Vice President and Chief Operating Officer, who reports directly to the President and Chief Executive Officer, is accountable for climate change management. This position is also accountable for ensuring environmental, health, safety and sustainability performance meets corporate requirements, including implementation of the climate plan.

MANAGEMENT APPROACH

Sherritt supports the global climate change goals outlined in the [United Nations Framework Convention on Climate Change](#) (UNFCCC) and the [Paris Agreement](#).

We recognize the important role we can play in the shift to a low-carbon economy and have established a climate plan with targets for reducing our carbon footprint and the mining industry's carbon footprint, with the ultimate goal of achieving net zero greenhouse gas emissions by 2050.

Figure: Sherritt's Approach to Climate Change



Assurance Related to Climate Change

We conduct internal and external assurance on climate change disclosures. Following assurance, applicable management teams use the results to inform future actions and strategic plans.

Strategy

The Executive Vice President and Chief Operating Officer is responsible for delivering our climate plan and overseeing the progress of related committees and task forces. In 2020, management established a new strategic initiative focused on building a sustainable organization. As part of this initiative, we initiated development of a climate plan. Management has also established aspirational and interim targets related to climate change.

Our plan to contribute to global climate action, to adapt to a low-carbon economy and to continue to responsibly produce the materials essential for society is built around five pillars:

1. Identify climate change-related risks and opportunities;
2. Adapt to a changing climate;
3. Mitigate impacts by reducing greenhouse gas emissions and improving energy efficiency;
4. Innovate with technological and operational solutions; and
5. Transparently disclose our progress.

Assessing climate change-related risks and opportunities is part of our risk management and strategy development processes. Effective and strategic management of climate change-related risks and opportunities across all aspects of our business is vital to our continued ability to operate.

Operational Implementation

When relevant, meetings chaired by the Executive Vice President and Chief Operating Officer include discussions on operational approaches to decarbonisation, including capital investments to improve energy efficiency and reduce greenhouse gas emissions, and strategies to incorporate more renewables into our energy mix. Our capital allocation processes prioritize the production of commodities essential to the transition to a low-carbon economy. Our [Annual Report](#) details our approach to capital allocation.

We work with industry associations and partners to support predictable policy mechanisms aimed at achieving cost-efficient emissions reductions. We continue to strengthen our processes to incorporate changes in local regulations and carbon pricing sensitivities into our business planning for existing assets, innovation pipelines, new investments and as part of our marketing activities. Our ongoing work plan and the increasing requirements we place on our operations give substance to our corporate approach and commitments on climate change.

All Sherritt operations are implementing the new Towards Sustainable Mining [Climate Change Protocol](#). Plans are in place to complete gap analyses and develop implementation plans in 2021.

The Fort Site operates under a provincial GHG regulatory system. In 2019, the Fort Site created an Energy and Greenhouse Gas Improvement Plan. This plan evaluated several energy reduction projects to assess feasibility and value-add potential to the company.

In 2019, Sherritt joined a strategic energy management (SEM) program in partnership with [CLEAResult](#), a leader in energy efficiency. The program is sponsored by Natural Resources Canada and supported by Energy Efficiency Alberta. The goal of the program is to develop and apply an energy management system to identify and implement energy improvement opportunities. In 2020, Sherritt worked with CLEAResult to create a list of energy initiatives, advance efficiency projects and develop a predictive model linking production and energy use. The SEM program is 24 months in duration and will wrap up in late 2021.

An initiative was launched in 2020 to increase the use of renewable energy at the Moa Nickel Site. To date, two electric vans have been delivered, with two more expected in 2021. Additional opportunities to electrify light vehicles are currently under review.

The Moa Nickel Site purchased electric forklifts and is exploring the use of electric buses for transporting personnel to and from work. Work has commenced on a feasibility study for the installation of a 20 MW solar panel power plant of solar panels on the administration building. Solar panels are also being installed in remote camps to supply electrical power and lighting needs.

Innovation

Meetings chaired by the Executive Vice President and Chief Operating Officer include reviews of Sherritt's innovation pipeline and discussions on how our technologies can contribute to industrial decarbonation efforts. Our [Technologies Division](#) is pursuing several promising innovations with a relatively low global warming potential for the mining and oil and gas industries, as described below.

1. Treatment of High-Arsenic Copper

Sherritt is developing a hydrometallurgical process to improve the ability of copper producers to treat high-arsenic levels in a more sustainable fashion. When compared to traditional copper smelters, the benefits of Sherritt's hydrometallurgical process include extending the life of aging copper mines, making arsenic inert, producing zero direct carbon emissions and no atmospheric emissions of sulphur or arsenic, and facilitating employment and processing at source, avoiding transportation emissions associated with exporting concentrates.

2. Bitumen Upgrading

Sherritt is developing a bitumen upgrading process that will increase pipeline capacity and eliminate diluent cost, reduce carbon emissions and slag waste, and allow the introduction of clean hydrogen into the oil value chain.

3. Other Initiatives

Management is also exploring several shorter-term projects that have the potential to lower the carbon footprint of our products, such as the Moa Nickel economic cut-off grade project. Through improved resource modelling and mine planning at Moa Nickel, this project has the potential to maximize resource utilization and minimize the treatment of material with high acid consumption, thus managing our carbon footprint.

We are also investigating exciting green technologies such as green hydrogen. Stay tuned for more information.

Risk Management

Assessing climate change-related risks and opportunities is part of our risk management and strategy development processes. Effective and strategic management of climate change-related risks and opportunities across all aspects of our business is vital to our continued ability to operate.

Metrics and Targets

We are in the process of developing climate and energy management systems that will improve how we manage climate-related risks and opportunities.

Our Targets

- Achieve net zero greenhouse gas (GHG) emissions by 2050;
- Reduce overall GHG emissions intensity from 2019 levels by 10% by 2030;
- Obtain 15% of total energy from renewable sources by 2030; and
- All operations independently verified to have achieved Level A in the TSM [Climate Change Protocol](#) by 2024.

A more detailed disclosure on our climate-related governance, strategy, innovation projects, risk mitigation, metrics and performance can be found in our [2020 Climate Report](#).

Air Quality

Managing air quality around our operations is an important element of our environmental programs company-wide. We are conscious of the potential impacts of our operations and take great care to ensure that all applicable air quality regulations are properly followed.

Air emissions generally comprise two types of sources. The first type includes specific discharges of gases from our process stacks and vents – such as sulphur oxides (SO_x), hydrogen sulphide (H₂S) and nitrogen oxides (NO_x). When emitted into the air, these compounds can pose risks to human health and lead to environmental degradation. The second type of air emission includes small airborne particles generated from activities in the open environment, called particulate matter (PM). PM is predominantly produced from traffic on unpaved roads at our facilities, excavation activities at our mines, and fertilizer production at our refineries. We have strict safeguards in place at all sites to minimize the risk of air releases, and we regularly review and revise processes to minimize the release of PM through our activities.

The Fort Site is a member of the [Fort Air Partnership \(FAP\)](#), which collects, records and manages air quality data within the Fort Saskatchewan air shed. Sherritt works alongside other industrial representatives in FAP to collect and report reliable, independent and transparent air quality data 24 hours a day, seven days a week. In December 2019, Sherritt finalized its Air Emission Reduction Plan.

In recent years, Sherritt has made continuous improvements to air emissions management. We have been investing in updates to aging infrastructure, working to identify and mitigate point sources, and putting initiatives in place to reduce emissions. Continuous and discrete emissions monitoring occurs at the Fort Site, and emissions reporting continues to improve in Cuba. Efforts are underway to implement ISO 14001 at the Moa Nickel and Fort Site to ensure that significant emissions risks are identified and controlled, and air quality management continues to improve. In 2021, Sherritt will finalize and roll out an Air Management Standard as part of its Sustainability Framework.

PERFORMANCE

2020 and recent highlights:

- Sherritt experienced an overall decrease of 12% in Scope 1 greenhouse gas emissions compared to 2019 emissions, mainly due to a reduction in available gas for processing in OGP;
- Conducted external benchmarking of climate strategies, plans, and disclosures;
- Conducted internal workshops to develop a climate plan;
- Assessed disclosure recommendations related to the [Task Force on Climate-related Financial Disclosures](#) (TCFD) and started to develop a multi-year alignment plan; and
- Established aspirational and interim targets related to climate change.

GHG Emissions and Energy Consumption

2020	Fort Site	Moa Nickel Site	OGP	Total
Scope 1 GHG emissions (kt CO ₂ e)	334	602	1,062	1,998
Scope 2 GHG emissions (kt CO ₂ e)	79	61	7	147

Scope 1 or direct emissions arise from sources owned or controlled by the organization.
Scope 2 emissions refer to indirect emissions generated from the purchase of electricity.

The [Technology Innovation and Emissions Reduction Regulation \(TIER\)](#) came into force in Alberta on January 1, 2020. Under TIER, Sherritt is given a facility-specific benchmark and assigned a 10% reduction target for 2020 emissions. The reduction target will increase by 1% each year starting in 2021. There are separate facility-specific benchmarks for ammonia production as well as for nickel and cobalt production.

In 2020, Sherritt complied with TIER by purchasing technology fund credits paid to the province, supporting further reductions in Alberta.

In 2020, the Fort Site reported GHG emissions of 334 kilotonnes (kt) of CO₂ equivalent, which is comparable to 2019 emissions. Additionally, the Fort Site purchased 43 kt of technology fund credits (>10% of total emissions), paid to the province of Alberta, for its 2020 emissions. The Fort Site recorded a total energy consumption (including purchased electricity, fossil fuel and waste fuel consumption) of 5,033 terajoules (TJ) in 2020, which is a slight decrease over the previous year.

The amount of diesel used in 2020 at the Fort Site decreased by 75%, after seeing an anomaly in 2019. The increased use of diesel seen in 2019 was largely due to the use of rental air compressors while the electric compressor was being repaired.

The Moa Nickel Site produced 602 kt of CO₂ equivalent during 2020; this amount is comparable to the previous year. Moa Nickel consumed a total of 6,500 TJ of energy in 2020, including generated and purchased electricity as well as fossil fuel consumption (crude oil, diesel and natural gas). This represents a 6% increase over the previous year.

OGP reported the production of 1,062 kt of CO₂ equivalent during 2020 from its Boca de Jaruco, Puerto Escondido and Varadero facilities. This represents a 24% decrease from the previous year, due to a reduction in gas available for processing. The OGP operations reported a decrease in energy usage of 6% compared to 2019. OGP also flared 75 million m³ of hydrocarbons associated with its oil production processes during the year, representing an increase of 14% from 2019. A decrease in diesel consumption at OGP in 2020 was due to decreased production; diesel usage is linked to production.

In 2020, Sherritt reported an overall decrease of 12% in Scope 1 greenhouse gas emissions compared to 2019 emissions, mainly due to the 24% decrease in emissions at OGP.

OGP's preventive maintenance program ensures optimal operation of our equipment, and we conduct quarterly monitoring of emissions from our key sources to verify proper combustion. Our Oil & Gas operations have additional reporting metrics under the Global Reporting Initiative; please refer to the [Performance](#) section for this information.

Since 2007, Energas has generated well over one million [Clean Development Mechanism \(CDM\)](#) credits at the Varadero combined cycle power generation facility in recognition of its low GHG emissions relative to other sources of electricity in Cuba. While there are many benefits to the program, the relative administrative costs are significant and, due to Sherritt's financial constraints, our participation has diminished in recent years.

Sherritt's Scope 2 emissions are relatively low due to the significant generation of electricity at host sites in Cuba. Therefore, Scope 2 emissions are of a lower order than our Scope 1 emissions.

Air Quality

In 2020, Sherritt had one reportable air quality-related incident at the Fort Site. It involved a continuous emissions monitoring uptime failure at the Leach Plant. It was a technical non-compliance with our licence where no exceedance of the emissions limit took place.

The Moa Nickel Site continued to focus on reducing fugitive H₂S emissions, and in 2020 gas ducting was fabricated and installed for fugitive gas collection, hermetic seals were improved to reduce ambient gas emissions, and operations were optimized to reduce total emissions. There are allocations in the long-range plan and capital budget for further projects to mitigate the H₂S emissions in the sulphur plant.

2020	Fort Site	Moa Nickel Site	OGP
Air emissions – NO _x (tonnes)	1,374	1,446	4,805
Air emissions – SO _x (tonnes)	101	13,354	14,135
Air emissions – TPM (tonnes)	93	Not reported	Not reported

NO_x – Nitrogen oxide

SO_x – Sulfur oxide

TPM – Total Particulate Matter

Our air emissions are regulated under requirements in the jurisdictions where we operate.

The 2020 emissions at the Fort Site are consistent with historical levels. Most of the NO_x and SO_x emissions are from our utility generation (natural gas combustion) and fertilizer production (ammonia and sulphuric acid production). Ammonia is released primarily from ammonia scrubbers in the Fort Saskatchewan refinery, which uses an ammonia-based leaching process. PM is primarily generated from the production of ammonium sulphate fertilizer and from traffic on unpaved roads. Additional information on air quality in Fort Saskatchewan can be found on the [Fort Air Partnership website](#).

In Cuba, the Moa Nickel Site emits NO_x and SO_x from the powerhouse and the sulphuric acid plant. The 2020 volume of NO_x represented a decrease from 2019 due to a substantial reduction in operating hours of heavy equipment due to lower availabilities/utilization of equipment, while SO_x emissions increased. The new operating standard approved in 2018 by the Environment Ministry for the Moa Nickel Site included a reduction in emissions for various effluent or gas streams (such as acid trains and neutralization stack) and liquid discharge limits (waste liquor).

All excess gas that was previously flared and burned at Oil & Gas is being repurposed as it is collected and sent to the Energas plants for the production of power. In 2020, OGP's NO_x and SO_x emissions decreased by 20% and 46%, respectively. The NO_x reduction is due to the reduction in gas being burnt or used as fuel for power generation, while the decrease in SO_x is attributable to the reduction in gas and to the sulphur plant (Train B) being repaired and put back in service in Varadero. With the plant up and running, more SO_x was being processed and made into solid sulphur as opposed to being flared.



The state plan “Tarea Vida” has supported the implementation of various resilience projects to reduce our climate change impacts.

CASE STUDY

TAREA VIDA – TACKLING CLIMATE CHANGE

“Tarea Vida” (Project Life) is a Cuban state plan to increase the resilience of vulnerable communities to climate change. This plan was adopted by the Cuban government in April 2017 to address climate change in the Cuban national territory through adaptation and mitigation measures.

This plan has been adopted by the Moa Nickel Site and OGP and was advanced throughout 2020. The joint ventures are pursuing various resilience projects, including rehabilitation, renewable energy use, decreasing water consumption, reducing emissions and effluents, and education and environmental awareness. A detailed work plan for 2020 was approved by the Moa Joint Venture Board of Directors and will be implemented throughout the year.

The Moa Nickel Site is focused on four strategic domains: water availability and efficient consumption, reforestation, climate change mitigation and control measures, and improving risk perception and knowledge on climate change. Some of the activities that have taken place at the Moa Nickel Site as part of Tarea Vida include:

- Rehabilitation of over 40 hectares of mined areas;
- Maintenance of over 450 hectares of previously reforested areas;
- Construction of 30 settling ponds and maintenance of 25 settling ponds;
- Replacement of over 2,280 light bulbs with energy-efficient LED lights;
- Purchase and commissioning of solar lighting and generators for the mining camps;
- Acquisition of two electric mini-vans, which have been delivered, as well as two pickup trucks and forklifts to arrive in early 2022;
- Installation of hermetic seals on thickeners to improve air quality in the operating plants; and
- Exceedance of yearly targets for recycling used oil and raw materials.

Additional actions to implement Tarea Vida at Moa Nickel include communication with workers through informational brochures, as well as through the internal television system, which regularly presents information on climate change and Tarea Vida. Content on this topic has also been incorporated into training for new hires. Environmental training courses on Tarea Vida, environmental incidents and hazardous waste management were provided to operators.

OGP is also taking action to support Tarea Vida. Some of OGP's actions include:

- Monitoring and tracking water quality by permanently monitoring supply wells;
- Monitoring and tracking emissions concentration through the air quality monitoring program; and
- Covering topics related to Climate Change and Danger, Vulnerability and Risk in the Training Plan.

BIODIVERSITY AND LAND

MANAGEMENT APPROACH

Sherritt's operations are found in diverse locations, ranging from island environments to industrial zones. Our approach to managing biodiversity is tailored to the context of each operating site.

In Canada and Cuba, Sherritt conducts environmental baseline studies and impact assessments, and implements biodiversity management plans as required by regulation. As a member of the Mining Association of Canada, we are working to implement the [Towards Sustainable Mining Biodiversity Conservation Management Protocol](#) at our operations. In addition, as part of our Sustainability Framework we have developed a standard for biodiversity and land management that aligns with TSM and provides additional guidance to Sherritt's divisions. It provides us with a consistent set of requirements for identifying and managing biodiversity impacts. All sites have completed gap analyses against this standard and are implementing multi-year plans to align systems and performance.

Management has systems in place to detect and report spills on land and water. At Sherritt, these are classified as minor, reportable, or high-severity environmental incidents. All identified incidents or spills are investigated and steps are taken to prevent recurrence. There was one significant environmental incident reported in 2020.

Land Management

We recognize that the land entrusted to us is a valuable resource. We work with authorities and other organizations to manage and reclaim disturbed land during active mining and post operation. This is demonstrated by our longstanding record of reclamation and remediation activities. The Moa Nickel Site in Cuba progressively rehabilitates land and regularly monitors progress against rehabilitation plans with the regulatory authorities.

The OGP operating sites in Cuba are committed to ongoing environmental protection while routinely mitigating impacts of oil exploration and recovery activities. Drill sites are cleaned, topsoil is replaced and the land is returned to conditions similar to those that existed before drilling commenced. In accordance with the requirements of our operating permits, the land will be returned to the Cuban state after expiry of the term of the contract.

The Fort Site manages land issues within its government-approved operating permit, which includes discrete requirements for soil management.

PERFORMANCE

Biodiversity Management at Moa Nickel

Our open pit nickel mine near Moa, Cuba, is located approximately 15 km north of [Alejandro de Humboldt National Park](#), a UNESCO World Heritage Site particularly known for its extensive suite of endemic species of flora. The Moa Nickel Site has long partnered with the Cuban authorities in the restoration and protection of these lands. For more information, refer to this [case study](#).

In 2017, the reforestation program in the park concluded and the Moa Nickel Site received recognition from the environmental regulator, CITMA, for its achievements. In 2020, due to COVID-19 restrictions and related risks, no monitoring campaign was conducted. However, the ecological monitoring carried out in 2019 had showed a favourable evolution of rehabilitated areas, including abundant species of flora and fauna.

In 2020, the mine footprint was 875 hectares, whereas an additional 790 hectares have been rehabilitated according to local standards. This work has helped mitigate the visual and environmental impact of the mining concession during development.

Additionally, this rehabilitation work has acted as an effective erosion control and sedimentation tool in the tributaries of adjacent rivers and streams, decreasing the sedimentation pollution load into the bay of Moa.

Biodiversity Management Elsewhere

Following several years of discussions and multiple short-term extensions, the Fort Site’s operating licence was renewed for a 10-year period by Alberta Environment and Parks, effective February 1, 2021.

In Canada, our refinery’s impacts on biodiversity are minimal, given that it is located on previously disturbed land in an industrial zone within the city limits of Fort Saskatchewan. As part of Sherritt’s implementation of the TSM Biodiversity Conservation Management Protocol, the Fort Site completed a biodiversity assessment in late 2019, which established baseline information on landscape integrity, habitat composition, suitability, and species diversity. The assessment also identified potential significant biodiversity aspects to be managed at the Fort Site, including aquatic ecosystems like wetlands and creeks. Based on the results of the assessment, the site is in the process of drafting a biodiversity conservation plan.

As part of Sherritt’s implementation of the TSM Biodiversity Conservation Management Framework, the Fort Site adopted a Biodiversity Conservation Management Plan in June 2020. This plan identifies communities of interest in the local area, significant biodiversity aspects for the site and general management objectives regarding these significant biodiversity aspects. In December 2020, the first Annual Biodiversity Report was submitted to the Fort Site management team to support decision-making processes at the facility.

As outlined in the Biodiversity Conservation Management Plan, the Fort Site is working towards the development of new biodiversity-related standards to help meet the site’s management objectives. These new standards are related to improved wildlife sighting processes; responsible management of migratory birds and protected species; protection of creeks and wetlands on Sherritt property; and control of invasive vegetative species.

Our energy operations in Cuba also have minimal impacts on biodiversity, given the small footprint and nature of our activities. In 2020, no significant conservation activities were required or undertaken at these sites.

Land Management

In 2020, the Moa Nickel Site continued to practise progressive reclamation in accordance with its operating permits and commitments. The total amount of newly disturbed land at the Moa Nickel Site in 2020 was 45% higher than in 2019 due to the availability of new equipment in Cuba. This machinery was used to clear additional land, ahead of plan, in preparation for mining operations in the future. Newly rehabilitated land during the year was 95% higher, mainly due to increased rehabilitation efforts in accordance with the [Tarea Vida plan](#) and due to increased workforce availability from contractors.

There were no changes to the operational footprint of the Fort Saskatchewan refinery (COREFCO) or the OGP operations in Cuba.

The table below shows the amount of land (owned or leased, and managed for production activities or extractive use) disturbed and rehabilitated in 2020.

2020	Fort Site	Moa Nickel Site ¹	OGP	Total
Total amount of land disturbed and not yet rehabilitated (ha)	131	875	54	1,060
Total amount of land newly disturbed within 2020 (ha)	0	82	0	82

2020	Fort Site	Moa Nickel Site ¹	OGP	Total
Total amount of land newly rehabilitated within 2020 to the agreed end use (ha)	Not applicable	40	Not applicable	40

¹ Data reported for the Moa Nickel Site represents land disturbance that occurred from 1994 onwards – or the years that the Moa Joint Venture between Sherritt and the Cuban state has been in place. The data does not reflect any mining activity at the site that pre-dates the joint venture.

An incident that met Sherritt’s definition of a significant environmental incident was reported in 2020 at our OGP Division, where 31,000 litres of heavy crude oil were spilled. This incident was related to a leak from a corroded oil and gas production line. The line was repaired and the corroded section was replaced. The spill was contained and cleaned up immediately using a vacuum truck. The amount of leaked hydrocarbons triggered the classification as a significant environmental incident. There were no impacts on local communities or the environment.



At the Moa Nickel Site, we are committed to reclamation of areas disturbed by our mining activities, as well as the rehabilitation of a nearby park reserve that was previously impacted.

CASE STUDY

REHABILITATION AND RECLAMATION IN MOA, CUBA

Decades before Cuba's Alejandro de Humboldt National Park became a UNESCO World Heritage Site in 2001, the state-owned predecessor of the Moa Joint Venture received a concession to develop a mineral deposit within the park. Preliminary, small-scale exploration work was carried out on this deposit in the 1970s and 1990s, but none since then.

In 2008, the Moa Joint Venture officially relinquished its concession. Subsequently, a long-term biodiversity management plan to restore the impacted areas in the park was executed collaboratively by the Moa Joint Venture, Cuban regulatory agencies and the Park Authority. In 2017, the rehabilitation work in Alejandro de Humboldt National Park concluded.

The reclamation team at the Moa Nickel Site has been working for many years on restoring areas in and around the mine site to meet the requirements outlined in our environmental permit. This restoration work includes testing new methods for erosion control and different plant species for survivability. The soil around Moa is naturally quite acidic, meaning that not all vegetation can flourish there, but our highly educated team is experienced in reforestation and reconstruction for such areas.

In 2020, teams rehabilitated 40 hectares, reforested 40 hectares, and conducted maintenance on approximately 450 hectares of existing plantations. Activities during the year included removal of invasive plant species and garbage, new planting and pruning. Additionally, to control sedimentation and provide erosion control, 30 sedimentation ponds were constructed and 25 were maintained. The aim is to achieve the conditions required to return these sites to the country's natural forest state, which in turn will allow the company to withdraw the lands successfully rehabilitated from the current mining concessions and return them to government control.

WATER

MANAGEMENT APPROACH

The growing global population is putting pressure on fresh water availability and quality, and these concerns are expected to increase due to climate change. Sherritt understands and shares these emerging concerns. Water is central to our metallurgical process for producing nickel and to the generation of steam at Energas, and it is managed carefully. Where feasible, process water is recycled or reused within the process itself. Runoff is controlled through diversions and catchments to minimize any release to the environment. At each operating site, baseline studies are conducted, risks are assessed and stakeholders are engaged to involve them in the water management planning.

Pumping water for use in our processes takes a considerable amount of energy, and Sherritt's operations are continually taking steps to identify how to optimize practices and minimize the amount of water and energy we use.

Sherritt's operations also conduct monitoring to help ensure that they are not contaminating surface water or groundwater resources with process discharges. All of the water discharges comply with the appropriate jurisdictional regulatory requirements and are monitored and controlled as necessary to ensure compliance and to protect the receiving environment. The monitoring programs are also designed to help detect any unanticipated problems and manage risk beyond regulatory obligations.

Sherritt's approach to water management varies across its operations, depending on technical requirements, local climate, water bodies and stakeholder interests. Building on the range of water management practices and initiatives in place, in 2020 Sherritt developed a corporate Water Standard that the sites will implement in 2021–2022.

PERFORMANCE

Water Use

2020	Fort Site	Moa Nickel Site	OGP	Total
Total water withdrawal (million m ³)	2.26	15.18	5.12	22.56

The Fort Site withdraws water from the North Saskatchewan River under provincial licences for process use. Current total industrial use is a small percentage of total flow, and therefore water restrictions are not anticipated. Water use and discharges in 2020 remained within the historical range.

The Fort Site purchases potable water from the local municipality. The total water withdrawal for the Fort Site in 2020 was slightly lower than in previous years: 2.26 million m³, including 2.17 million m³ taken from the river and 0.1 million m³ of purchased potable water. We report our water withdrawal monitoring results to the provincial regulator monthly. Process effluent and stormwater (snowmelt/rainwater) collected on our site are treated to meet local water quality guidelines. This water is then transferred to the municipal wastewater collection system, where it is treated further and then discharged into the surrounding environment along with wastewater from the municipality.

Late in 2020, Sherritt received a wastewater discharge permit from the Alberta Capital Region Wastewater Commission. The permit replaces the quality provisions of the previous agreement and will define effluent discharge terms for the next several years.

The Moa Nickel Site in Cuba withdrew approximately 15 million m³ of water for its processes in 2020. This is slightly higher than the previous year and was due to mineral characteristics and production requirements. Water is collected in the adjacent reservoir and treated before use.

In 2020, OGP reported total water withdrawal of 5.12 million m³, which is slightly higher than 2019. Water is drawn primarily from saltwater sources and some municipal sources. Oil & Gas service rigs only use recycled water, resulting in a net zero effect on the water supply.

Water Quality

At the Fort Site, we monitor water quality at several locations within the site's treatment system, and review the results to ensure compliance before water is released into the municipal collection system. We report our water quality results to the municipality monthly and to the Alberta regulator on an annual basis. At the Fort Site, there were no water quality non-compliance events sourced to Sherritt in 2020.

In 2020, Sherritt continued its participation in the Capital Region Water Management Framework's Steering Committee through the [Northeast Capital Industrial Association \(NCIA\)](#). The goals of the framework are to maintain or improve the quality of the water in the North Saskatchewan River, manage the impact on water quantity, and implement a science-based and world-class water management framework. In 2020, Sherritt Environmental Advisors continued discussions with the [Alberta Capital Region Wastewater Commission](#) and the City of Fort Saskatchewan in regard to a new water discharge permit for the Fort Site. A new permit was awarded in October 2020 and is effective as of January 1, 2021.

In 2020, the Fort Site replaced several wells as part of routine maintenance of the seepage collection system designed to manage groundwater migration patterns at the seepage pond. In addition, new monitoring wells were installed as part of a study to better calculate the effectiveness of the current seepage systems. The results of the study are expected in Q2 2021.

When we invested in the Moa Nickel Site more than 20 years ago, we inherited a legacy water discharge issue, which has affected water quality in a nearby river. Within the site's operating licence, it is permitted to discharge certain amounts of waste liquor directly to a local river. Waste liquor is the overflow solution from the mixed sulphide thickeners, and it is currently untreated. Over the years, we have been working with our Cuban partners and the regulatory agency to address this issue. In 2017, we agreed to a phased approach to addressing local riverine water quality. During 2019, the first phase was completed, which involved relocating the effluent discharge to support river rehabilitation and diminish any potential impacts to the health of the local community. The Moa Nickel Site also focused on erosion control in areas around the mine to prevent sediment from reaching the rivers and the Moa Bay.

In 2020, the Moa Nickel Site experienced six reportable water-related incidents. These incidents were related to exceedances of parameters in the discharge into the river as well as volumetric flow exceeding the daily limit. These medium-severity incidents were related to a project that increased processing capacity in the facility. Various actions were taken to address the discharges, and the site worked with the local regulator to modify the approval standards. These incidents presented no lasting impacts and no environmental damage. No employees or community members were harmed during these incidents or while they were being addressed.

There were no significant water quality issues recorded at OGP in 2020. Energas worked with the local environmental regulators to prepare site-wide water balances for all of the sites. These water balances will provide baseline information and insight for potential improvements. In addition to the site groundwater monitoring programs, OGP repaired and tested all septic tank systems in Energas facilities.

WASTE

MANAGEMENT APPROACH

Sherritt produces two broad types of waste: mining waste and solid waste. Mining waste generally includes waste rock and tailings, which are produced as by-products. Solid waste consists of hazardous waste and non-hazardous waste. Hazardous wastes are identified by their chemical and physical properties, and regulations prescribe their classification, handling, disposal and storage requirements. Non-hazardous solid waste consists of materials that we use and produce that can be disposed of in municipal landfills, and is not considered material for the purposes of this report. Further information on overburden, waste rock, tailings and sludge can be found in the [Tailings Management section](#) of this report.

Regulations around waste management vary across jurisdictions and are dependent on the supporting infrastructure in the region or country. Sherritt is currently developing a waste management standard to set minimum expectations for all operations regarding waste management, including disposal and recycling.

PERFORMANCE

Waste Production

2020	Fort Site	Moa Nickel Site	OGP
Total non-hazardous waste (tonnes)	1,606	12,390	735
Waste recycled – includes recyclables sent off site (batteries, plastics, electronics, etc.) (tonnes)	145	728	175
Waste sent to landfill (tonnes)	1,606	9,860	2,126 m ³
Hazardous waste ¹ (tonnes)	2,002	1,802	725

¹ Hazardous waste is defined by each local jurisdiction. Total amount of overburden, rock waste, tailings and sludge is included and discussed in the [Tailings Management](#) section of this report.

At the Fort Site, a significant increase in hazardous waste was observed in 2020. However, a review of the data since 2017 shows that the volume of hazardous waste in 2019 represented an anomaly when compared to previous years. The volume of hazardous waste in 2020 was in line with typical volumes of prior years, showing a decrease of 63% compared to 2018, and within the expected range of hazardous waste for the Fort Site. On the other hand, total non-hazardous waste decreased by 41% at the Fort Site, driven by variations in construction activity. Waste quantities are expected to fluctuate, primarily based on facility demolition and construction activities.

At the Moa Nickel Site, there was a decrease of 26% in both hazardous waste and total non-hazardous waste produced in 2020 compared to 2019. Non-hazardous waste decreased due to COVID-19 restrictions, which caused a reduced number of workers and activities taking place on site. The overall quantity of waste sent to landfill decreased by 28% compared to the previous year. Hazardous waste decreased due to a reduction of contaminated soil, with sulphur sent to the contaminated waste deposit. Waste sorting has improved over the last few years.

At OGP, there was a significant decrease in non-hazardous waste compared to 2019. In 2019, 80% of a sulphur unit was dismantled, considerably increasing the amount of metal waste discarded. The remaining 20% of the sulphur unit was dismantled in 2020 during the maintenance shutdown.

In 2020, record keeping and reporting of hazardous waste at OGP improved, with the inclusion of sand used for blasting equipment for surface preparation. Although 2020 data shows a drastic increase in hazardous waste compared to 2019 due to changes in the classification of this type of waste, the amount of hazardous waste produced aligns with that of previous years. All hazardous waste at OGP is sent to various companies licensed to receive and treat this type of waste in Cuba. The only type of waste sent to landfill is domestic in nature. Recycled waste at OGP depends on equipment replacements and life cycles. Restrictions due to COVID-19 led to a decrease in maintenance activities, which consequently reduced the amount of recyclable waste produced.

Total non-hazardous waste at Sherritt and its joint ventures decreased by 48% in 2020, mainly due to reduced operational and maintenance work conducted at OGP compared to 2019. On the other hand, hazardous waste saw an overall increase of 26%, mainly due to an anomaly in 2019 at the Fort Site and to improved reporting at OGP, and not due to an actual increase of this type of waste.



Engineering innovative solutions for the Energas Joint Venture while cleaning up ocean debris.

CASE STUDY

CLEANING THE OCEAN AS WE GO IN CUBA

Sherritt's Energas Joint Venture combined cycle power facility at Boca de Jaruco in Cuba takes in sea water for the purpose of cooling. In recent years, the seawater intake inlet has been inundated with a brown seaweed known as Sargassum. Sargassum is a nuisance in the Caribbean due to larger than historically recorded blooms that impact sea-life and tourism. Unfortunately, seaweed is not the only debris impacting the coastline. Man-made objects, including plastic pollution, can also be prevalent depending on tides and weather conditions.

For Energas, the Sargassum creates problems during water intake, fouling up equipment in the power facility that provides necessary power to the city of Havana. For operations to continue, a solution had to be engineered. A seaweed intake channel barrier was installed to prevent the buoyant weeds from gaining access to the channel near the circulation pumps. Along with this intake channel barrier, a floating seawater basket has been implemented at one end of the barrier to allow the buoyant weeds to funnel into this basket. Additional barricades, as well as a trash rake and screens, provide added protection from any debris making it past the initial barriers.

The seaweed and debris is then collected and hauled by truck to the local landfill and disposed of by the municipality in a regulated facility. In 2020, approximately 30 truckloads, or 750 m³, of Sargassum and ocean debris were collected and hauled from the inlet canal area. While access to debris-free water is an important operational consideration, we are proud to also positively impact the coastline adjacent to where we work.

ENVIRONMENTAL LIABILITIES, CLOSURE AND RECLAMATION

MANAGEMENT APPROACH

We take seriously our responsibility to provide adequate financial resources to address the closure of our properties once reserves have been depleted.

As part of the permitting process in Canada, mining and energy companies are required to prepare closure plans with associated cost estimates, and to provide host governments with financial assurance to cover the costs of environmental remediation in case the company is no longer able to complete the work. In addition to these regulatory requirements, international accounting and securities exchange rules require public companies to account for the reasonably expected liabilities associated with the closure of mining and energy properties. These estimates, like those provided to host governments, are based on the closure plans and assumptions contained therein.

We comply with regulatory requirements regarding closure planning and related environmental rehabilitation obligations, cost estimates and financial assurance in each of the jurisdictions where we operate. We also meet the requirements of the Ontario Securities Commission, which obliges publicly listed companies in Ontario to estimate and disclose their environmental rehabilitation provisions. We review these provisions on a quarterly basis. Whenever possible, we engage in the progressive reclamation of our properties over the life of the operation, rather than initiate such activities at the time of closure.

PERFORMANCE

The current estimate of Sherritt's share of total anticipated future closure and reclamation costs to be incurred over the life of the company's various assets and investments is approximately \$131.1 million (excluding operating expenses). The decrease in anticipated costs compared to 2019 is mainly a result of changes in estimates rather than the completion of rehabilitation obligations.

In 2020, we continued to carry out our environmental liability obligations related to the containment pond breach at the Obed Mountain mine, a non-operational coal mine in Alberta that we owned at the time of the incident in 2013. Our remediation work is described under [Tailings Management](#).

Closed Properties

As part of our acquisition of the Dynatec Corporation in 2007, we inherited three closed assets from Highwood Resources Ltd.:

1. **Mineral King**, a former lead-zinc and barite mine and processing facility near Invermere, British Columbia. In 2014, Sherritt completed the reclamation work plan as required by the provincial regulator. Portals for accessing the mine were covered and secured, coverage of the tailings pond with topsoil was completed, access roads were pulled back, and designated areas were seeded and fertilized. A 2015 inspection by British Columbia's regulator required additional work on the portals and closure of the glory hole. The work was originally planned for 2017, but it was delayed due to weather and was completed in 2018. An inspection in 2019 resulted in additional requirements for risk assessment, invasive plant management and closure of subsidence openings. The blasting and closure work, along with additional obligations such as the completion of an ecological risk assessment and invasive plant management plan, were submitted in 2020. It is expected that the execution of these new reclamation obligations and monitoring will take until 2023–2025 to complete. Once the completion of all closure plan requirements is verified by the government, Sherritt intends to sell the property.

2. **Parsons**, a former barite mine and processing facility near Parson, British Columbia. In 2014, Sherritt completed the regulator's reclamation work plan, which involved a general clean-up, monitoring, seeding and the removal of an invasive species. An inspection in 2019 resulted in additional requirements for risk assessment, soil characterization and invasive plant management; these requests were submitted in 2020. The execution of these additional remediation obligations is expected to take until 2023–2025 to complete.
3. **Canada Talc**, a former talc mine in Madoc, Ontario, and processing facility near Marmora, Ontario, and associated claims areas. In 2012, remediation of the mine was completed and the processing facility was sold. The Ontario regulator retained a security deposit for further surface and groundwater sampling and geotechnical monitoring, which occurred in 2017; however, in early 2019 further sampling and monitoring was requested, so the planned request to release security will be delayed until completion and approval by the regulator. The remediation activities were suspended in 2019 due to austerity and are planned to recommence in 2021. It is expected that these reclamation obligations will take until 2023–2024 to complete.

Current Operations

Our mining assets that are currently operational have a minimum 15-year mine life of resources and production capacity in their life cycles. Our mine has an up-to-date closure plan that meets host jurisdiction regulations and cost estimates that we believe reasonably and appropriately address the liabilities at the site.

In 2020, the Moa Nickel Site continued to action the closure plan for the legacy Acid Leach Tailings Facility (ALTF).

At the Fort Site, the closure plan incorporates a set of robust considerations accounting for both likely and unlikely obligations that we may need to address, and our current cost estimates cover the reasonable obligations. Sherritt's closure plan, included in the operating licence renewal, was accepted and issued by the regulator on February 1, 2021.

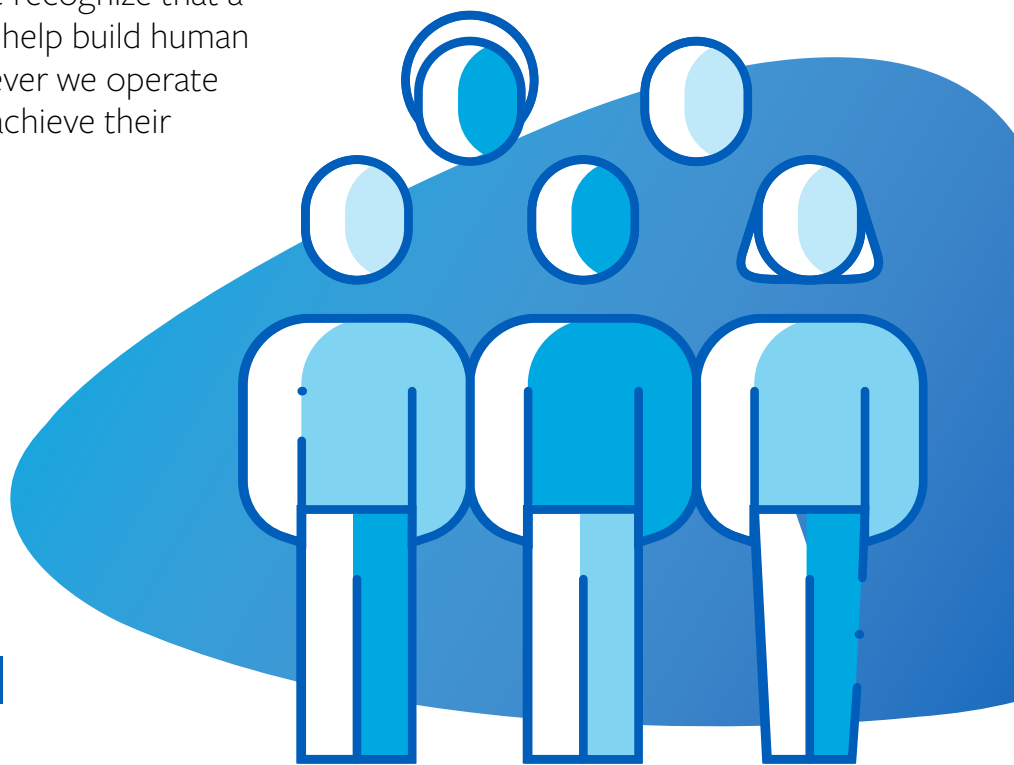
For the OGP operating sites, all assets will revert back to the Cuban state for closure, as outlined in our permits and related agreements.

For information on our reclamation activities in 2020, please refer to [Performance](#) in Biodiversity and Land.

Engaging Stakeholders and Benefitting Communities

Effective stakeholder engagement enables us to strengthen our social licence. We work to establish and maintain productive relationships with our stakeholders and to maximize the shared benefits of our activities. Through our work, we aim to contribute to long-term mutual prosperity.

We take a respectful approach to engaging with our stakeholders and supporting the development of sustainable communities. We recognize that a significant part of our role is to help build human and institutional capacity wherever we operate so that local communities can achieve their development goals.



IN THIS SECTION

STAKEHOLDER ENGAGEMENT

COMMUNITY DEVELOPMENT

2020 Highlights

Generated more than **\$500 million in economic benefits** for host communities and countries.

Continued to support a **road safety program** by UNICEF for children in Cuba, and **Trans Canada Trail** on the completion of a key part of the Great Trail in Fort Saskatchewan.

Partnered with Global Affairs Canada and the Government of Cuba to co-fund a multi-year project to install **renewable energy solar panels** while supporting **women's leadership**.

In 2020, OGP **reached \$1 million** in cumulative donations in support of Alberta Children's Hospital.

As part of our **Cuba Community Investment Program**, we donated refrigeration equipment to several daycare centres, road maintenance equipment and roadside lights to municipalities, and a variety of equipment to local hospitals and medical clinics.





Jose M. Liranza Cantelis, Organization and Disclosure Specialist and Public Attention Officer at the Moa Nickel Site

EMPLOYEE

JOSE M. LIRANZA CANTELIS

ORGANIZATION AND DISCLOSURE SPECIALIST AND PUBLIC ATTENTION OFFICER AT THE MOA NICKEL SITE

Jose M. Liranza has been working at the Moa Nickel Site since 1982, starting as an operator at the Hydrogen Plant, and then shifting roles in 1997 to become a union representative of the company's Trade Union Bureau. Since 2011, Jose has served as Organization and Disclosure Specialist and Public Attention Officer.

As a Public Attention Officer, Jose is in charge of the reception, treatment and response to complaints and concerns from both workers and the general public related to the operations of the Moa Nickel Site. Jose is also responsible for informing the community of the activities carried out at the Moa Nickel Site and managing social media accounts. He operates the company's internal TV messaging system and hosts external visitors.

Since 2011, Jose has also acted as the director, writer and editor of "El Níquel", a weekly newsletter published at the Moa Nickel Site. El Níquel was created in 1979, and in 2011 it became a digital newsletter with over 100 editions to-date. This newsletter focuses on communicating the main activities happening at the company and in the municipality, and also includes birthday celebrations and other content of general interest such as poetry (mainly by authors from the nickel sector), graphic art (mainly by artists from the municipality), and cooking recipes, among other items.

Jose has been with Moa Nickel for 39 years, 26 of those with Sherritt. He has received a number of recognition diplomas for his work. Some of these awards recognized his contribution as a union leader for 15 years, his work in the mining sector for 25 years, and his outstanding career path.

Jose says he is honoured and proud of both his work history and his achievements at the company, and he is eager to continue doing his best to support Sherritt and the Moa Nickel Site.

"Liranza has a friendly persona that allows him to deal with difficult situations that are part of his responsibilities at the Moa Nickel Site. During Liranza's 39 years with Moa Nickel, he has received multiple diplomas and certificates of recognition including the Jesus Menéndez Medal for more than 15 years as a union leader, the Rene Ramos Latour Distinction (Medal) for 25 years of work in the mining sector, and the Lazaro Peña Order (Medal) of III Degree for an outstanding work career. Moa Nickel is grateful for Liranza's teamwork, dedication and good humour."

– **Lyle Bernard, Chief Operating Officer and Deputy Chief Executive Officer, Moa Joint Venture**

STAKEHOLDER ENGAGEMENT

MANAGEMENT APPROACH

Stakeholder engagement is critical for establishing a mutual understanding of one another's needs, interests, aspirations and concerns. That perspective is a key input for making decisions to support business objectives related to growth, risk management and operational excellence, and for collaborating to address local stakeholder priorities. Constructive stakeholder relationships are essential to securing and maintaining our social licence to operate and creating mutually beneficial outcomes.

Sherritt's approach to stakeholder engagement is to systematically identify its stakeholders and engage with them through ongoing dialogue, sharing information about the company's business, responding to questions, listening to their observations and acting to address their concerns, as appropriate.

Sherritt is committed to building and maintaining respectful, strong and trusting partnerships with Indigenous communities impacted by, or with an interest in, our mining and refining activities.

Sherritt does not have proven or probable reserves in or near Indigenous lands. The Fort Site is an urban refinery and as such has not historically identified any Indigenous communities as key stakeholders. Nonetheless, as the Fort Site implements the updated [TSM Indigenous and Community Relationships Protocol](#), it will actively seek to identify Indigenous communities and organizations and, as appropriate, actively build meaningful relationships, implement engagement and decision-making processes, and respond to feedback. In 2021, efforts will be launched to ensure that Indigenous Peoples have equitable access to opportunities with the company. In Cuba, there are no distinct Indigenous communities still in existence.

In general, we prioritize our level of engagement with different stakeholder groups based on their proximity to – and interest in – our activities and their ability to influence our business. At the operational level, the practical outcome of this prioritization is that our workforce, business partners, local communities and host governments tend to be our most important stakeholder groups. The diagram below shows our key stakeholder groups at both the corporate and operational levels.

SHERRITT'S KEY STAKEHOLDER GROUPS		
EMPLOYEES AND THEIR REPRESENTATIVES	COMMUNITIES	GOVERNMENTS
FINANCIAL COMMUNITY	BUSINESS PARTNERS	CUSTOMERS AND SUPPLIERS
NGOs/CIVIL SOCIETY	MEDIA	INDUSTRY PEERS AND ASSOCIATIONS

Our engagement tactics vary based on the nature of the interaction and the stakeholder groups involved. For instance:

- We engage regularly with local communities and employees through formal meetings and town halls, small group and one-on-one interactions, surveys and grievance mechanisms.
- We work closely with our business partners through governance bodies and ongoing discussions to address material issues and opportunities.
- Our procurement and marketing teams are in constant communication with our suppliers and customers to ensure smooth operations and customer satisfaction.
- Our investor relations department manages proactive and reactive interactions with investors, analysts and media, always in accordance with securities requirements.
- We meet with government officials in our home country and operating jurisdictions to build relationships, manage regulatory affairs, and advocate on policy issues of importance.
- We manage partnerships with developmental NGOs and respond to advocacy groups, as needed.
- We take an active role in various industry associations to advance sector-wide concerns and sound science, align with broader expectations, gain a broader perspective on the industry and contribute to innovation.

Corporate Standards to Support Stakeholder Engagement

We have specific requirements for engaging investors, media, government and employees; however, to ensure there is a consistent approach to stakeholder engagement across the company, our Stakeholder Engagement Standard applies enterprise-wide. The standard describes our expectations for stakeholder identification and mapping, annual engagement planning, engagement processes and practices, how to record dialogue, and how to respond to feedback and views received from stakeholders.

An important aspect of engaging with our stakeholders and building social licence is listening and responding to community concerns and incidents. Our ongoing community relations activities are designed to capture and resolve most of these issues before they escalate. But for those issues that do, it is important to have a credible community grievance mechanism in place. As described in our [Human Rights](#) section, all sites have a mechanism in place. We have a company-wide Grievance Management Standard to provide clear expectations on how we collect, classify, investigate, respond to and close out operational-level community grievances.

Diverse Operating Environments

Although we see the value in taking a structured and consistent approach to stakeholder engagement at all of our sites, the breadth and depth of engagement activities varies, given the disparate nature of our operating environments. The Fort Saskatchewan refinery (COREFCO) has been in operation since 1954 and is located within the city limits of a well-developed urban area near Alberta's capital. It is situated within an industrial zone with several other heavy-industry businesses. Local residents are familiar with the nature of industrial activities, including their benefits and potential risks. Because of this level of awareness and understanding, and our mature relationships in the community, we can take a very targeted approach to our engagement activities with the community, government and industry. Watch this [video](#) to learn more about life in Fort Saskatchewan.

In Cuba, we have two longstanding joint ventures with state-owned entities, and have an economic association with the government to operate our Oil & Gas business. As such, our engagement is focused on our partners and the central government. For community investment initiatives, we work closely with provincial and municipal governments and with donors and non-governmental organizations that have a presence on the island. We see opportunities to build on our good relations with the government to ensure that our evolving approach to engagement aligns with the Cuban operating environment, which itself is becoming more accessible to foreign investors.

PERFORMANCE

Community Relations

We continue to engage regularly with the communities near our operating sites in all of our jurisdictions. We took part in 15 community meetings in 2020 – a significant reduction compared to 2019, mainly due to restrictions imposed across the divisions due to the COVID-19 pandemic. Sherritt is pleased to report that there were no significant community incidents or disruptions during the year.

Moa is an industrial town, much like Fort Saskatchewan, and most of the local population works in the mining industry in some way. Throughout the year, the Moa Nickel Site supports – and participates in – cultural, sporting and other community events in Moa, although a number of these activities were restricted in 2020 due to COVID-19. A weekly newsletter produced by workers at the Moa Nickel Site has been in circulation since 1979 and is widely read by the local community.

In Cuba, we participated in 21 meetings involving municipal and provincial authorities in Moa and the communities near the OGP facilities. Meetings primarily related to the planning, execution and review of community development projects.

The Fort Site staff participated in a total of 12 community meetings in 2020, mainly held during the first quarter. This participation included direct engagements with municipal authorities, educational institutions, charitable organizations and industry; open houses; and multi-stakeholder meetings such as those led by the [Northeast Capital Industrial Association](#). These interactions provide us with insights into the cultural, social, political and industrial fabric of the community, as its aspirations and concerns evolve.

We also make special efforts to stay connected with former employees. As the refinery has been operating for more than 60 years, there are many multi-generational families of workers – as well as “alumni” – living in the area who remain interested in the company and who serve as our informal ambassadors. For many years, we have been contributing to the Sherritt Seniors’ Club, whose membership consists of Sherritt retirees based in Fort Saskatchewan. They take tremendous pride in their years at Sherritt and are among the company’s greatest ambassadors.

Community Grievances

In 2020, the Fort Site received two minor environmental grievances from other neighbouring companies located within the Fort Site footprint. Only one of these grievances was sourced to Sherritt operations and the process was adjusted.

No other community-related grievances were reported to Sherritt or its joint venture partners through the state-run community grievance mechanism in Cuba.

Government Relations

In 2020, government relations activities were limited or reduced to video conferences due to COVID-19 restrictions. However, these activities focused on maintaining key relationships and addressing regulatory and political risks and opportunities in the jurisdictions where we operate. Throughout the year, meetings with representatives of national, provincial, regional and local governments, state-owned enterprises, diplomatic missions and multilateral organizations were more limited than in previous years. Priorities included:

- Conducting meetings (a considerable number over the course of the year) with government officials and various industry partners for the purpose of information exchange related to COVID-19 response and support, as well as post-COVID-19 economic recovery;
- Engaging with officials within the Cuban government and maintaining relationships to advance mutually beneficial projects, secure approvals for regulatory matters, and support development priorities;

- Continuing discussions with the regulator on the Fort Site’s operating permit renewal, which was approved and renewed for a 10-year period by the provincial regulator;
- Advocating for approvals of community development projects with government officers and funding for Cuba;
- Building and maintaining relationships with the Alberta and Canadian governments;
- Soliciting input from municipal and regional government representatives on key priorities for the Cuba Community Investment Program; and
- Encouraging stronger Canada–Cuba relations.

During 2020, we participated in approximately 80 government meetings across Sherritt. Due to COVID-19 restrictions, the majority of these meetings were held virtually or over the phone.

Additional information on our political and regulatory risks can be found in our [Annual Information Form](#), including an overview of how we are affected by the U.S.’s Cuba embargo and the Helms–Burton Act, which, among other things, prohibit us from doing business in the U.S. or with American entities.

Partnerships

Partnerships with non-governmental organizations (NGOs) and other civil society organizations continue to play a key role in our approach to addressing stakeholder issues and opportunities. Over the years, we have enjoyed mutually beneficial relationships with NGOs in Canada and Cuba.

Sherritt partnered with [UNICEF Canada](#) to deliver a road safety program in Cuba, where the leading cause of death among young people is traffic accidents. The partnership, announced publicly in early 2018, provides three years of funding for the initiative. Read more about it [here](#).

In 2019, Sherritt signed a four-year partnership with the [Trans Canada Trail](#) to support the construction and installation of a new underslung pedestrian walkway and Trail section across the North Saskatchewan River. Read more about this partnership [here](#).

Sherritt is a proud co-funder of the project “Empowering Women’s Leadership and Participation in the Renewable Energy Sector in Cuba”. This multi-year project is also funded by Global Affairs Canada and the Cuban Government, and is being implemented by [Cewater International](#). The project aims to enhance the social and economic well-being of women and vulnerable communities through the use of renewable energy in Cuba. To learn more about this project and partnership, please see this [case study](#).

In 2018, Sherritt’s Fort Site partnered with the [Canadian Centre for Women in Science, Engineering, Trades and Technology](#) (WinSETT) on a research study to improve diversity and inclusion. Read more about our work on workplace inclusion in 2020 [here](#).

Multi-Stakeholder Initiatives and Associations

In 2020, we participated in several multi-stakeholder initiatives and industry associations to engage in constructive dialogue and/or strategic activities with stakeholders who share a common interest in the issues that matter to our business. Below is a list of the groups in which we participated last year. Significant topics they pursued included application of voluntary standards, understanding and influencing regulatory developments in various jurisdictions, sharing and developing best practices, improving governance in the sector, identifying emerging trends, opportunities and risks, and broadening networks and perspectives.

	Held a position on the governance body in 2020	Participated in projects or committees in 2020	Provided substantive funding beyond routine membership dues in 2020	Views membership as strategic
Cobalt Institute	✓	✓		✓
Canadian Institute of Mining's Diversity and Inclusion Advisory Committee		✓		
Devonshire Initiative		✓		✓
Diadem Group				
Fertilizer Canada		✓		✓
Fort Air Partnership (FAP)	✓	✓		✓
Fort Saskatchewan Chamber of Commerce				✓
Life in the Heartland		✓		✓
Mining Association of Canada	✓	✓		✓
Nickel Institute	✓	✓		✓
Northeast Capital Industrial Association (NCIA)	✓	✓		✓
Northeast Region Community Awareness and Emergency Response	✓	✓		✓
Prospectors & Developers Association of Canada		✓		✓
Responsible Minerals Initiative		✓		
Voluntary Principles Initiative		✓		✓
Canadian Centre for Women in Science, Engineering, Trades and Technology (WinSETT)		✓	✓	



Despite the COVID-19 pandemic, the Spirit of Sherritt program continued supporting our surrounding communities

CASE STUDY

SPIRIT OF SHERRITT PROGRAM

In 2020, Sherritt's Fort Site continued to roll out the Spirit of Sherritt program, launched in 2017. This program is composed of two initiatives: the Giving Program and the Volunteer Program.

The Giving Program allows employees to apply for a \$250 donation to a charity for which they have volunteered a minimum of 20 hours of their personal time. The Volunteer Program allows eligible employees to use one work day per year to volunteer for eligible non-profit organizations during work hours.

Over the course of 2020, Sherritt's Fort Site donated \$750 in recognition of employees who collectively volunteered 123 hours of their own time to non-profit and charitable causes in their local communities (outside of work hours). No volunteer hours of company time were recorded due to COVID-19 restrictions imposed early in 2020.

In 2020, the Fort Site's United Way campaign raised over \$60,000 for the Capital Region, with contributions totalling more than \$345,000 in the last six years. Funds were raised through events and employee contributions as well as a \$15,000 company donation.

The annual Make-A-Wish Rope for Hope event was rescheduled for 2021. In 2020, the Fort Site executed the annual Tannis' Toys for Tots and the Food Bank drive by moving to online donations due to COVID-19 restrictions.

Additionally, every December the Fort Site and the Technologies Division support the local Fort Saskatchewan Food Gatherers Society. Our employees assist in collecting food, toys and monetary donations for those in need. In 2020, COVID-19 did not stop the Fort Site from raising money, and Sherritt and its employees proudly donated \$5,900 and collected 131 pounds of toys and 168 pounds of food for the Food Bank. One tradition at the Fort Site includes our annual ugly holiday sweater challenge, where for every "ugly" holiday sweater worn, the leadership team makes a contribution to a local non-profit organization. The local leaders donated over \$4,000 to Families First as part of this campaign.

In 2020, Sherritt's Corporate office employees continued to support Make-A-Wish Canada. With support from our employees, Sherritt raised \$10,000 and funded the wish of a smart, sushi-loving 14-year-old boy who wished to have electronics to play video games and to help him with his schoolwork.

“The Fort Saskatchewan Food Bank is very grateful for our relationship with Sherritt. As a supportive community partner, Sherritt’s donation in 2020 of food, toys and \$5,000 contributed greatly to both our 2020 Christmas Hamper & Toy Campaign and to our ongoing efforts of addressing the food insecurity needs of the vulnerable members of our community.”

– **Kassandra Gartner, Executive Director, Fort Saskatchewan Food Bank**



Supporting The Great Trail reflects Sherritt's values and fosters partnership between the company and the community.

Photo credits: Susan Morrissey, Sturgeon County

CASE STUDY

THE GREAT TRAIL – CONNECTING PEOPLE WHILE IMPROVING SAFETY

One of Sherritt's recent initiatives is a multi-year commitment to the Trans Canada Trail (TCT) to optimize safety for pedestrians and cyclists along a key section of [The Great Trail](#) in Fort Saskatchewan. The work is being carried out by the [River Valley Alliance](#), which works to increase access to the river valley across the Edmonton metropolitan area.

Sherritt's contribution will help with construction and installation of a new underslung pedestrian walkway and Trail section across the North Saskatchewan River. This hanging walkway will be suspended below a new bridge across the River. Currently, the only option for Trail users to cross is via a busy commuter route used by thousands of vehicles every day.

Our employees live and work in the community, and we feel we are an integral part of it. We are an urban refinery and we strive to be a good neighbour to the people of Fort Saskatchewan, as they have always been good neighbours to us. Many people also use the Trail to commute to and from work. The pedestrian bridge will add connectivity and improve safety for people crossing the river.

We believe strongly in providing benefits that align with community priorities, which include recreational opportunities for all and a safe community that supports physical and mental wellness. Fort Saskatchewan is fortunate to be located in a beautiful area where people of all ages and cultural backgrounds embrace outdoor activities.

The construction of the new underslung pedestrian bridge is expected to continue into 2022. Great progress is being made despite the challenges faced due to the COVID-19 pandemic. Ongoing work is taking place as the piers are being built, along with the bridge deck girders and the steel frame.

“A recent study by Trans Canada Trail and the Conference Board of Canada indicates that the trend of increasing trail usage will continue into the post-COVID-19 recovery period, making the development and maintenance of recreational trails critical to the revitalization of local communities across the country.” (Trans Canada Trail Report)

To learn more about the impact of the Great Trail and this project, please see [The Great Trail of Canada Annual Report](#).



The Cowater project aims to enhance the social and economic well-being of women and vulnerable communities through the use of renewable energy in Cuba.

CASE STUDY

EMPOWERING WOMEN'S LEADERSHIP AND PARTICIPATION IN CUBA'S RENEWABLE ENERGY SECTOR

Sherritt is a proud co-funder, along with Global Affairs Canada and the Cuban Government, of Empowering Women's Leadership and Participation in the Renewable Energy Sector in Cuba (FORMER – Cuba), a multi-year community benefits project that is being implemented by Cowater International in partnership with Union Eléctrica (UNE), the official Cuban counterpart. UNE is the national counterpart executing the project and will therefore be responsible for contracting the photovoltaic systems.

FORMER aims to enhance the social and economic well-being of women and vulnerable communities through the use of renewable energy (RE). Specifically, this project aims to:

1. Increase the productivity of women in Holguin through the utilization of climate-resilient RE technologies;
2. Increase the participation of women in the RE educational sector; and
3. Develop a more robust, inclusive and gender-responsive renewable energy sector in Cuba.

FORMER is expected to benefit 7,300 people through the installation of solar panels that will provide energy to 1,050 homes in 14 municipalities in the province of Holguin, with priority given to female-headed households.

During the inception phase in 2020, the Project Implementation Plan and first Annual Work Plan were developed in close collaboration with key Cuban counterparts including MINEM (Cuban Ministry of Energy and Mines) and UNE. In parallel, the project's Gender Equality Strategy and Environmental Management Plan were developed. Various virtual workshops and local field consultations were carried out, providing substantial information on the current situation of women in Holguin and helping identify capacity gaps and barriers to be addressed for enhanced women's participation in the RE sector.

In 2021, the project team will finalize the Environmental Management Plan and develop the Construction Plan in order to obtain the required environmental licences and permits to initiate the construction and installation phases of RE solutions. The team will also develop awareness raising campaigns on the use of RE in target communities.

COMMUNITY DEVELOPMENT

MANAGEMENT APPROACH

Now more than ever, stakeholders – from local communities to host-country governments and civil society organizations – expect to experience tangible benefits and improvements to their standard of living from natural resource extraction and processing. This is particularly true in jurisdictions where economic development has been lagging, infrastructure is lacking and human development indices are low.

Managing the expectations of local stakeholders, particularly in less-developed jurisdictions, is paramount. When a large business enters an undeveloped jurisdiction, there are often expectations that it will solve many, if not all, of the area's inherent socio-economic challenges. We are committed to helping improve the lives of people near our operations, while relying on host-country governments to discharge their obligations to provide basic services, particularly in the areas of health, education and infrastructure.

Because of the diverse operating contexts of our sites, local community development priorities vary significantly. As such, we have adopted a flexible approach to community development, while at the same time establishing company-wide guidance that ensures our values and expectations are preserved. In each jurisdiction, our investment decisions strive to support:

- Socio-economic development;
- Public health and safety; and
- Natural and cultural heritage.

In addition, our Community Investment Standard aligns with evolving good practice to maximize the value of our contributions, both to the recipients and to our business. (The standard was assessed by [London Benchmarking Group Canada](#) as part of the design process.) The Standard enables employee-led community investment review committees at divisional/site and corporate levels to provide governance and oversight of decision-making. We take great care to avoid real or perceived conflicts of interest and to ensure spending complies with our business ethics and anti-corruption policies.

PERFORMANCE

Economic Benefit Footprint

When evaluating the overall financial impact that our presence delivers at local and national levels, we measure our economic benefit footprint, which includes payment of taxes, royalties and regulated fees to governments; the procurement of goods and services at the local and national levels; payment of local salaries, wages and employment benefits; and community investment spending. In 2019, our operations generated more than C\$500 million in economic benefits to local communities and host governments in Canada and Cuba. For the Cuba operations, local benefits are considered at the national level and for the Fort Site operations, local benefits are considered at the provincial level (Alberta). The following table presents a breakdown of our economic benefit footprint for the year.

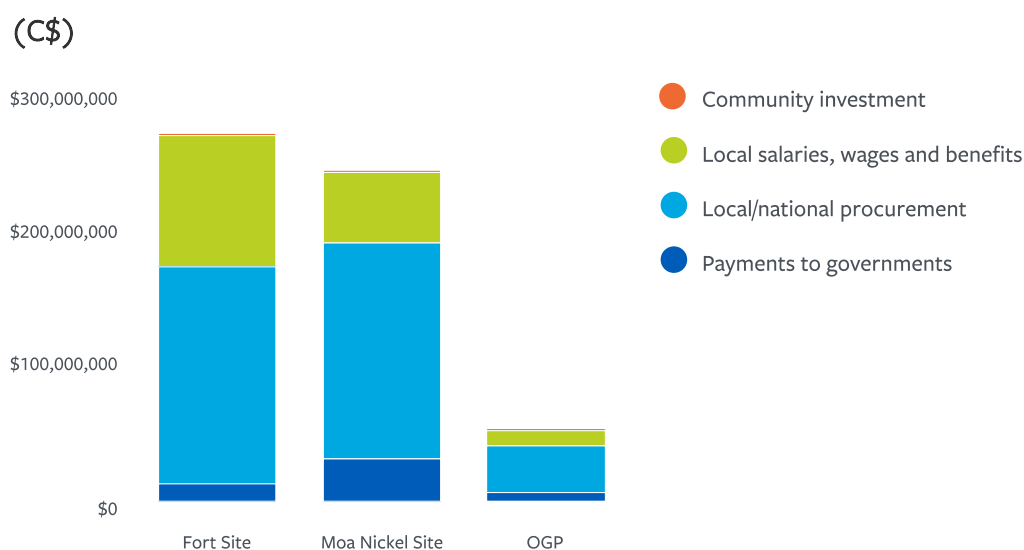
Indicator Components (C\$ millions)	Fort Site	Moa Nickel Site ¹	OGP	Total Sherritt
Payments to governments	12.55	31.33	5.93	49.81
Local/national procurement ²	164.91	164.47	35.36	364.74
Local salaries, wages and benefits	99.57	54.22	12.44	166.23
Community investment ³	0.07	0.29	0.19	0.55
Economic benefit footprint ⁴	277.09	250.30	53.93	581.32

¹ Reported in USD; converted using Bank of Canada's 2020 average exchange rate of 1.3415.

² For the Cuba operations, local procurement is calculated at the national level. For the Fort Site operations, local procurement is calculated at the provincial level (Alberta).

³ Includes in-kind valuations.

⁴ This calculation includes the sum of the value of spending on local suppliers, local salaries and wages, payments to governments, and community investment. All are reported on a 100% ownership basis.



Approximately 63% of our benefit footprint results from the purchase of goods and services from local- and national-level suppliers serving our operations.

Local salaries and wages account for our second most significant contribution, reflecting the importance of our sector in raising the standard of living and creating wealth in communities adjacent to our operating sites through well-paying jobs.

Our payments to governments represent a significant contribution to host countries and communities. We strive to ensure that these payments are openly and transparently reported, so that our contributions to national, regional and local governments are recognized, and to encourage accountability for the spending of those funds, which should go towards building essential infrastructure and increasing access to education and healthcare, especially for populations near our operations. Sherritt's [2020 ESTMA Annual Report](#) is available online.

Community Investment

Community investment expenditures represent a small percentage of our total economic benefit footprint, but we endeavour to achieve maximum local impact with these dollars spent or donated. The majority of Sherritt's community investment continues to go towards socio-economic development in jurisdictions where we operate. Where possible and in alignment with the priority indicated in [Canada's Feminist International Assistance Policy](#), as well as our own strategic priority focus on diversity, Sherritt also donates to initiatives that apply a gender lens to both the analysis of the issue and the preferred outcomes.

Overall, Sherritt's total amount allocated towards community investment continued to decrease in 2020. Austerity measures were in place for OGP, Moa Nickel, the Fort Site and Corporate in 2020. These measures, paired with various restrictions imposed due to the COVID-19 pandemic, affected Sherritt's involvement in annual fundraising and volunteer activities aimed at supporting surrounding communities. As such, community investments remained low; however, all sites made efforts to better align their community investments with local priorities.

In Cuba, we have been providing annual funding for important multi-year projects relating to public health and safety, transportation, sanitation, education and culture in communities adjacent to our operations. As part of the Community Investment Program, Sherritt assists with yearly donations, demonstrating its longstanding commitment to sharing prosperity with the Cuban people. Every project we fund is directly linked to Cuba's national, provincial and/or local development priorities. We believe that Cuba provides a model in development planning for other jurisdictions, and we are proud to support the country's efforts. Refer to this [case study](#) for additional information on our contributions to Cuba in 2020.

At the Fort Site and in Calgary and Toronto, where we have administrative offices, community investment is less significant and is used to support employee engagement, philanthropy and meeting the needs of the less fortunate. Refer to this [case study](#) for updated annual information on our Spirit of Sherritt program.

Sherritt once again sponsored the International Women in Resources Mentoring Programme ([IWRMP](#)), with the aim of providing female mentees in the industry with a productive mentoring relationship, the purpose of which is to retain future leaders and create a more diverse pool of internal candidates. Sherritt sponsored employee participation in the program for the third year in a row.

In 2017, Sherritt signed a three-year partnership with UNICEF Canada to support the Child Road Traffic Injury Prevention Programme in promoting road safety among young people. Sherritt extended this partnership into 2020 and is currently exploring a new multi-year partnership. Read more [here](#), including a 2020 program update.

In 2019, Sherritt signed a four-year partnership with the Trans Canada Trail to support the construction and installation of a new underslung pedestrian walkway and Trail section across the North Saskatchewan River. Read more about this partnership [here](#).

Employee Volunteerism and Giving

Sherritt employees have long been active participants in the communities where we operate, both during and outside of work hours. Sherritt's Community Investment Standard further encourages and better organizes employee volunteerism through a variety of delivery options. The result has been a significant increase in both the amount of volunteer hours and the recording of hours already occurring on a regular basis. Sherritt's Community Investment Standard was updated in 2020.

In 2020, the Moa Nickel Site recorded over 4,000 hours of employee volunteer time during work hours and over 5,000 hours of volunteer time during non-work hours. Examples of ways in which employees at the Moa Nickel Site gave back to the local community included the maintenance of roads, clean-ups and community gardening. Read more about the volunteering program at the Moa Nickel Site [here](#).

The annual [Make-A-Wish Rope for Hope](#) event at the Fort Site was rescheduled to 2021. However, the Fort Site executed the annual Tannis' Toys for Tots and the Food Bank drive by moving to online donations, with no in-person volunteering at the Food Bank in 2020 due to COVID-19 restrictions. Every December, the Fort Site and the Technologies Division supports the local Fort Saskatchewan Food Gatherers Society. Our employees assist in collecting food, toys and monetary donations for those in need. In 2020, Sherritt and its employees proudly donated \$5,900 and a truckload of food and toys.

Through an annual employee giving initiative at the Fort Site, employees elected to donate a portion of their pay to the United Way, supporting various local charities. As of 2020, Sherritt's employees had donated more than \$345,000 over the last six years to the United Way. The Fort Saskatchewan site's United Way campaign raised over \$60,000 for the Capital Region. Funds were raised through events and employee contributions, as well as a \$15,000 company donation.

Sherritt partnered with and supported the Elk Island Public School Board Foundation and the Young Scientist Conference with a \$10,000 donation to support the 2018, 2019 and 2020 conferences. The Young Scientist Conference hosts over 250 students, allowing them the opportunity to participate in a variety of hands-on science activities. However, in 2020 the conference had to be cancelled due to COVID-19.

Sherritt's head office for OGP is located in Calgary, Alberta. For over 13 years, OGP has partnered with [Alberta Children's Hospital](#) to host a fundraiser, and in 2020 over \$22,500 was raised. In 2020, OGP officially hit \$1 million in total donations in support of this charity.

All references to dollar values are in Canadian dollars unless otherwise specified.



Employees from the Moa Nickel Site work together to support community development and advancement of surrounding communities.

CASE STUDY

VOLUNTEERING PROGRAM IN MOA – SERVING THE COMMUNITIES AROUND US

At the Moa Nickel Site, a volunteering program in support of community development and advancement has been in place since we began operating in Cuba over 20 years ago. The focus of the volunteering program is to improve the hygiene and sanitation conditions of the surrounding communities where we operate. The Moa Nickel Site has been recognized multiple times by the local government for the support provided in the surrounding communities.

The Moa Nickel Site has an agreement with the municipal government to manage donations and worker volunteer efforts. Workers at the Moa Nickel Site have participated in various activities to support the surrounding communities. Some of the activities held during 2020 included cleaning, water and sanitation services, community infrastructure maintenance, and agricultural harvesting support, among others. Additionally, Moa Nickel employees donate blood on a regular basis. In 2020, the Moa Nickel Site recorded over 4,000 hours of employee volunteer time during work hours and over 5,000 hours of volunteer time during off hours. The number of volunteer hours decreased during 2020 due to various restrictions and safety measures taken due to COVID-19.

Over the years, the volunteering program at the Moa Nickel Site has supported the surrounding communities through mosquito reduction initiatives, the promotion of community culture, improvements to communal facilities and roads, and the planting and harvesting of vegetables for the population, among other benefits.



Since 2006, we have invested over \$6 million in community projects across Cuba, including supporting the recovery efforts after various hurricanes since the project started.

CASE STUDY

COMMUNITY INVESTMENT IN CUBA

Since we began operating in Cuba more than 20 years ago, we have always invested in the development of communities near our sites. In the mid-2000s, this effort, referred to as the Cuba Community Investment Program (CIP), took on a more formal structure and approach. Sherritt began working with local and provincial governments in Cuba to develop an annual community investment plan for purchasing equipment and goods that meets local development needs and aligns with national development priorities. The Cuban authorities arrange for the installation or use of these items by local state-run agencies and organizations. This approach serves as a great example of effective community development planning – with highly capable local leaders setting clear development goals for their communities – that a company like ours supports. To the best of our knowledge, Sherritt is the only foreign investor in Cuba that has such a program in place.

Since 2006, when the CIP was created, we have invested more than \$6 million in support of a range of community development initiatives in Cuba, including projects to provide public lighting, transportation, education, maintenance and repair of public infrastructure, improvement of public health infrastructure and sewage systems. All of these donations were in-kind; there were no direct monetary donations made to governments or communities.

In 2020, we invested more than \$470,000 in community projects across Cuba. The funds supported community development projects in Moa, the municipality adjacent to our nickel mining joint venture, and Matanzas and Santa Cruz del Norte, communities near our OGP facilities. Investments included procurement of LED lamps and air conditioning units for public health and educational institutions, and spare parts and maintenance for equipment donated in previous years. These investments contribute to the quality of life of the people in communities around our operations.

Some of the investments made by OGP, in support of initiatives in Matanzas and Santa Cruz del Norte, provided equipment for improving and increasing potable water supply, equipment for improving garbage collection services, as well as equipment to increase refrigeration capacity at educational and public health centres. These projects support government efforts to supply potable water to communities and to also contribute to the quality of life of the people in surrounding communities.

The frequency of meetings with Cuban government representatives to discuss project status, as well as for verification of donated equipment and materials, was affected in 2020 due to pandemic restrictions.

Performance Data Tables

This report was prepared in accordance with the GRI Standards (Core option) and other applicable frameworks where indicated, and showcases how we support international principles relating to sustainable development. All data is based on the calendar year, and all references to currency are in Canadian dollars, unless otherwise noted.



IN THIS SECTION

[FIVE-YEAR SUSTAINABILITY GOALS](#)

[GRI AND SASB INDEX](#)

[UNGC](#)

[OECD](#)

FIVE-YEAR SUSTAINABILITY GOALS

In 2020, we focused on benchmarking assessments and finalizing organization-wide and division-level targets for the goals. Now that targets have been finalized, we will begin to report on performance in future reports.

SUSTAINABLE DEVELOPMENT GOALS

The United Nations' [Sustainable Development Goals \(SDGs\)](#) consist of 17 ambitious targets to address global issues and to ensure a sustainable and resilient future for the world by 2030. The success of the SDGs depends on the participation of a range of actors – governments, corporations, communities and non-governmental organizations.

Our Role to Play

The nature of the work of the natural resources sector has social, economic and environmental impacts on the jurisdictions where projects and operations are located. As a responsible company, Sherritt mitigates and, where possible, avoids negative impacts. Sherritt also makes positive contributions to its host communities at both the national and local level. Highlighting how our operations and end products contribute to the SDGs is important, along with taking responsibility for and acknowledging the impacts of our activities on the broader development agenda. (To better understand the sustainability issues and challenges most material to Sherritt, please review our [materiality analysis](#).)

Our Priorities

We believe that, as a Canadian company operating internationally, we can contribute to and advance relevant Sustainable Development Goals. To understand where Sherritt could have the greatest positive impact, we compared our material sustainability issues with the SDGs, and prioritized the SDGs that we felt we could best support. There is a clear linkage between these SDGs and our five-year sustainability goals.

The chart below displays our Five-Year Sustainability Goals, along with our newly set targets, our performance against the goals in 2020, and some examples of how our activities align with specific SDG targets:

SUSTAINABILITY GOALS

Goal 1. Achieve Level A requirements in Towards Sustainable Mining protocols across all operations.



SUSTAINABILITY TARGETS

FOCUS AREA

TARGETS

- | | |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TSM | <ul style="list-style-type: none"> All operations independently verified to have achieved Level A in TSM protocols by 2024 |
| ISO | <ul style="list-style-type: none"> Fort Site: ISO 45001 (occupational health and safety) and ISO 14001 (environmental management systems) certified by 2023 Moa Nickel: ISO 45001 and ISO 14001 certified by 2025 |
| Process Safety | <ul style="list-style-type: none"> Fort Site independently verified to full conformance with CSA-Z767-17 (process safety management) by 2025 Energas sites conformant with Cuban Resolution 148 by 2025 |
| Other | <ul style="list-style-type: none"> Year-over-year improvement in analyst environmental, social and governance (ESG) ratings |

2020 HIGHLIGHTS

The external verification of the Fort Site's TSM self-assessments was planned in 2020 and completed in early 2021.

All other sites updated their self-assessments against TSM protocols and continued implementing plans to improve scores from baseline levels.

The Fort Site completed a gap analysis against the CSA Z767-17 standard and developed a multi-year implementation plan.

COVID-19 restrictions delayed ISO and process safety management system implementation plans.

SDGs



SDG 8.8 – In 2020, all sites completed gap analyses against management system standards to promote safe and secure working environments for all workers and contractors.

SUSTAINABILITY GOALS

Goal 2. Strengthen safety culture, behaviour and performance.



SUSTAINABILITY TARGETS

FOCUS AREA

Leading Indicators

TARGETS

- Achieve an interdependent safety culture by 2030
- Independent validation of the implementation of Sherritt fatality prevention standards (FPSs) and visible felt leadership programs by 2024

Lagging Indicators

- Zero fatalities
- TRIFR, LTIFR and AIFR < three-year average: TRIFR < 0.31, LTIFR < 0.15, AIFR < 2.68 by 2024

Management Systems

- All operations independently verified to have achieved Level A in TSM Safety & Health Protocol by 2024
- Fort Site: ISO 45001 certified by 2023
- Moa Nickel: ISO 45001 certified by 2025

TRIFR: Total Recordable Incident Frequency Rate

LTIFR: Lost Time Incident Frequency Rate

AIFR: All Injury Frequency Rate

2020 HIGHLIGHTS

All sites continued to implement the FPSs with a focus on heavy and light vehicles, hazardous materials, and machine guarding.

A planned independent safety culture audit was postponed due to COVID-19 restrictions.

Zero fatalities in 2020.

Year-end TRIFR = 0.22, LTIFR = 0.12, AIFR = 1.44.

For more information on site health and safety performance in 2020, [click here](#).

SDGs



SDG 3.4 – Wellness and mental health benefits were extended to employees during the lockdown and essential work phases of the COVID-19 pandemic.

Goal 3. Improve environmental management.



FOCUS AREA

Incidents

TARGETS

- Zero significant environmental incidents (as defined by Sherritt's KPI standard)

One significant environmental incident in 2020.

A climate plan was developed by management and endorsed by the Board of Directors.

All operations developed business plans to improve [environmental performance](#), including measures to reduce fugitive emissions.

Moa Nickel continued to implement the TSM [Tailings](#)



SDG 7.2 – An initiative was launched in 2020 to increase use of [renewable energy](#) at the Moa Nickel Site. This initiative includes the acquisition of electric light vehicles. To date, two electric vans have been delivered and two more electric vans are expected in 2021.

SUSTAINABILITY GOALS

SUSTAINABILITY TARGETS

2020 HIGHLIGHTS

SDGs

FOCUS

AREA

Climate and Energy

TARGETS

- Achieve net zero GHG emissions by 2050
- Reduce overall GHG emissions intensity by 10% by 2030
- Obtain 15% of overall energy from renewable sources by 2030
- All operations independently verified to have achieved Level A in TSM Climate Change Protocol by 2024
- Implement a climate plan that includes risk and opportunity assessments, and mitigation, adaptation, innovation and communication measures

Air Emissions

- Reduce NO_x emissions intensity by 10% by 2024
- Reduce H₂S point emissions intensity by 5% by 2024

Water

- Increase water reuse/recycling by 5% by 2024
- All operations independently verified to have achieved Level A in TSM Water Stewardship Protocol by 2024

Tailings

- Moa Nickel independently verified to have achieved Level A in TSM Tailings Management Protocol by 2024

NO_x: Nitrous oxide

H₂S: Hydrogen sulphide

Management Protocol to achieve a self-assessed Level B. Management continues to action the recommendations issued by the Independent Tailings Review Board.

For more information on site air emissions and water-related performance in 2020, [click here](#).

For more information on tailings management performance in 2020 [click here](#).



SDG 13.2 – Sherritt developed a climate plan and has committed to achieve net zero GHG emissions by 2050.

SUSTAINABILITY GOALS

Goal 4. Create community benefit footprints that support local priorities and the SDGs.



SUSTAINABILITY TARGETS

FOCUS AREA

Incidents

TARGETS

- Zero fatalities involving members of the community
- Zero significant environmental incidents impacting the community

Community Investment

- 100% of community investments aligned with local priorities by 2024

Indigenous Relations

- Fort Site independently verified to have achieved Level A in TSM Indigenous and Community Relationships Protocol by 2024

2020 HIGHLIGHTS

Zero fatalities involving members of the community.

Zero significant environmental incidents impacting the community.

100% of **community investments** in Cuba were aligned with local priorities. Donations in-kind consisted of LED lamps, refrigeration equipment for educational and public health centres, road maintenance equipment, air conditioning equipment, and equipment to increase potable water supply.

SDGs



SDG 3.6 – Sherritt continued to support **road safety programs** delivered in partnership with UNICEF.



SDG 6.1 – The Moa Nickel Site has a water treatment plant that provides safe drinking water for employees at the plant. A program is in place that enables employees to fill containers of potable water to take home to their families.

SDG 6.A – Sherritt has provided water pumps and pipe cleaning equipment to municipalities in Cuba. The equipment increases the communities' capacity to provide water and sanitation services to people near Sherritt's operations.



SDG 7.A – Sherritt partnered with Global Affairs Canada and the Government of Cuba to co-fund a multi-year women's empowerment project to install renewable energy solar panels. This is being implemented by **Cowater International** in partnership with Union Eléctrica.



SDG 8.4 – Sherritt's **economic benefit footprint** in the areas where it operates was \$500 million in 2020.

SUSTAINABILITY GOALS

SUSTAINABILITY TARGETS

2020 HIGHLIGHTS

SDGs

Goal 5. Improve diversity at all levels throughout the company.



TARGETS

- Increase board and executive team composition to at least 30% women by 2022
- Increase women in the workforce to 36% by 2030
- All operations to implement Sherritt's diversity and inclusion framework

In 2020, Sherritt successfully completed 85% of the objectives set out in year 1 of the diversity and inclusion (D&I) five-year framework.

Ongoing implementation of local-level D&I five-year plans continued through the site-level D&I committees at each location.

Sherritt signed the [BlackNorth Initiative Pledge](#).

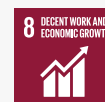


SDG 17.17 – Sherritt has partnered with Trans Canada Trail to support the construction of a trail section across the North Saskatchewan River to add connectivity and improve safety for people crossing the river. Read more [here](#).



SDG 5.5 – In 2020, the Fort Site employees established [leadHERS](#), Sherritt's first employee resource group (ERG). The mission of leadHERS is to cultivate an inclusive environment that supports and encourages women through opportunity, collaboration and advocacy.

SDG 5.5 – Sherritt is committed to increasing the proportion of women among the total workforce to 36% by 2030.



SDG 8.5 – Sherritt is committed to [pay and promotion equity](#) and performs an annual internal assessment of the pay equity situation for Sherritt employees.

SUSTAINABILITY GOALS

Goal 6. Be recognized as a “preferred supplier” of responsibly produced products.



SUSTAINABILITY TARGETS

FOCUS AREA

External Frameworks

TARGETS

- Comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas by 2024
- Comply with London Metal Exchange responsible sourcing requirements by 2024
- Comply with the Cobalt Industry Responsible Assessment Framework (CIRAF) by 2024

Management Systems

- All operations independently verified to have achieved Level A in TSM Prevention of Child and Forced Labour Protocol by 2024
- Fort Site: ISO 45001 and ISO 14001 certified by 2023
- Moa Nickel: ISO 45001 and ISO 14001 certified by 2025

2020 HIGHLIGHTS

In 2020, Sherritt improved conformance with the OECD 5-Step Framework and with CIRAF.

Completed an independent OECD-aligned audit of responsible production and supply policies and due diligence management systems.

Developed a Supplier Code of Conduct.

For more information on 2020 performance, [click here](#).

SDGs



SDG 8.7 – In 2020, Sherritt and its subsidiaries implemented policies committing the organizations to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour.






SDG 12.6 – In 2020, Sherritt continued to implement a multi-year action plan to adopt policies and management systems that promote sustainable practices and integrate responsible production and supply information into its reporting cycle.

GRI AND SASB INDEX

We have aligned our report with the Global Reporting Initiative's GRI Standards Guide and with the Sustainability Accounting Standards Board (SASB) Metals and Mining Standard. See www.globalreporting.org and www.sasb.org for more information.

In reference to the GRI standards GRI 303: Water and Effluents (2018), GRI 306: Waste (2020) and GRI 403: Occupational Health and Safety (2018), Sherritt has not been able to obtain the necessary information due to the organizational effects of COVID-19. Sherritt is committed to complying with the GRI Core requirements and is gathering the required information in 2021. Disclosures related to those standards will be included in the next Annual Sustainability Report.

GENERAL STANDARD DISCLOSURES

GRI Indicator	Description	Location	SDG
Organizational Profile			
102-1	Name of the organization	About Sherritt	
102-2	Activities, brands, products and services	About Sherritt Supplying a Sustainable Future	
102-3	Location of headquarters	About Sherritt	
102-4	Location of operations	About Sherritt – Map and Description About Sherritt – Divisions and Products	
102-5	Ownership and legal form	About Sherritt	
102-6	Markets served	About Sherritt – Map and Description About Sherritt – Divisions and Products	
102-7	Scale of the organization	About Sherritt – 2020 Key Indicators 2020 Financial Results	
102-8	Information on employees and other workers	About Sherritt – 2020 Key Indicators View Data Table 	 

INFORMATION ON EMPLOYEES AND OTHER WORKERS


Disclosure Components	Year	Canada	Cuba ²	Other ³	Total Sherritt
Full-time					
Men	2020	625	2,236	4	2,865
	2019	619	2,312	4	2,935

Women	2020	155	214	12	381
	2019	148	209	12	369
Unknown	2020	0	0	0	0
	2019	0	0	0	0
Part-time					
Men	2020	9	0	0	9
	2019	11	0	0	11
Women	2020	4	0	0	4
	2019	9	0	0	9
Unknown	2020	0	0	0	0
	2019	0	0	0	0
Permanent					
Men	2020	634	2,236	4	2,874
	2019	630	2,312	4	2,946
Women	2020	159	214	12	385
	2019	157	209	12	378
Unknown	2020	0	0	0	0
	2019	0	0	0	0
Temporary¹					
Men	2020	2	0	2	4
	2019	5	0	1	6
Women	2020	4	0	0	4
	2019	5	0	0	5
Unknown	2020	22	0	0	22
	2019	39	0	0	39

¹ Temporary employees included consultants or positions currently filled by contractors.

² Includes the office in Havana, Sherritt and GNC employees at the Moa Nickel Site, as well as employees of the entities which make up the OGP businesses (including Energas).

³ “Other” includes our Bahamian marketing office, which services the Moa Joint Venture and OGP Spain.

102-10	Significant changes to the organization and its supply chain	About Sherritt – Divisions and Products	
102-11	Precautionary Principle or approach	Demonstrating Environmental Responsibility	
102-12	External initiatives	<p>Our Approach – Sustainability Framework</p> <p>Our Approach – Sustainability Goals</p> <p>Providing a Safe and Rewarding Workplace – Public Safety</p> <p>Providing a Safe and Rewarding Workplace – Site Security – Case Study</p> <p>Providing a Safe and Rewarding Workplace – Employee Relations</p> <p>Operating Ethically – Responsible Production and Supply</p> <p>Operating Ethically – Human Rights</p> <p>Operating Ethically – Business Conduct</p> <p>Demonstrating Environmental Responsibility – Tailings Management</p> <p>Demonstrating Environmental Responsibility – Biodiversity and Land</p> <p>Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality</p> <p>Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement</p> <p>Engaging Stakeholders and Benefitting Communities – Community Development</p>	

Our Approach – Sustainability Framework



Our Approach – Sustainability Goals

Providing a Safe and Rewarding Workplace – Public Safety

Providing a Safe and Rewarding Workplace – Site Security – Case Study

Providing a Safe and Rewarding Workplace – Employee Relations

Operating Ethically – Responsible Production and Supply

Operating Ethically – Human Rights

Operating Ethically – Business Conduct

Demonstrating Environmental Responsibility – Tailings Management

Demonstrating Environmental Responsibility – Biodiversity and Land

Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality

Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement

Engaging Stakeholders and Benefitting Communities – Community Development

Strategy

Statement from senior decision-maker

CEO Message



Key impacts, risks and opportunities

CEO Message

Our Approach – Materiality

2020 Financial Results – Management’s Discussion and Analysis


Ethics and Integrity

102-16	Values, principles, standards and norms of behaviour	Our Approach Operating Ethically
102-17	Mechanisms for advice and concerns about ethics	Operating Ethically – Business Conduct Management Information Circular – Governance

Governance

102-18	Governance structure	Our Approach – Governance Management Information Circular – Governance
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Stakeholder Engagement

102-40	List of stakeholder groups	Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement
102-41	Collective bargaining agreements	Providing a Safe and Rewarding Workplace – Employee Relations View Data Table 



PERCENTAGE OF TOTAL EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

Disclosure Components	Year	Fort Site ¹	Moa Nickel Site	OGP	Corporate	Total Sherritt ²
Percentage of total employees covered by collective bargaining agreements	2020	49.5%	In Cuba, all organized labour considerations are mandated by the Cuban state, and many systems and tools common in other jurisdictions are not employed there.		0	40.3%
	2019	54.3%			0	42.2%

¹ Hourly employees as a percentage of total employees at the Fort Site only.


² Calculated as a percentage of headcount (permanent employees), excluding Cuban local nationals.

102-42	Identifying and selecting stakeholders	Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement
102-43	Approach to stakeholder engagement	Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement

102-44	Key topics and concerns raised	Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement
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Reporting Practice

102-45	Entities included in the consolidated financial statements	2020 Financial Results – Management’s Discussion and Analysis
102-46	Defining report content and topic Boundaries	Our Approach – Materiality About This Report
102-47	List of material topics	Our Approach – Materiality
102-48	Restatements of information	2020 Annual Information Form – Overview of the Business About This Report
102-49	Changes in reporting	About This Report
102-50	Reporting period	About This Report
102-51	Date of most recent report	About This Report
102-52	Reporting cycle	About This Report
102-53	Contact point for questions regarding the report	About This Report
102-54	Claims of reporting in accordance with the GRI Standards	About This Report
102-55	GRI content index	This table is the GRI Content Index.
102-56	Policy/practice for external assurance	About This Report

GRI Indicator	Description	Location	SDG
103-1	Explanation of the material topic and its Boundary	Our Approach – Materiality View Data Table 	

EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY

The following table describes medium- and high-priority material issues:

Material Issue	Characterization
Country Risks	Shifting U.S./Cuba relations Uncertainties associated with changes in leadership Project delays from lengthy decision-making processes in Cuba Economic situation in Cuba
Tailings	Tailings management, risks and capacity Waste rock Stakeholder topics
Economic Performance	Financial performance Long-term sustainability/viability Debt management R&D/innovation
Responsible Sourcing	Supply chain traceability and ethical sourcing Life cycle impacts
Health and Safety	Safety leadership and culture Workplace occupational health and safety Fatality prevention
Climate Change Adaptation	Adaptation to and mitigation of climate change
Public Safety	Emergency and crisis preparedness Community awareness and preparedness around safety and industrial risks Community health issues
Security	Human rights in private and public security
Employee Relations	Employee engagement Labour rights Discrimination and harassment
Diversity, Inclusion and Talent Management	Recruitment and retention Diversity and inclusion Training and development
Water	Quantity and access Effluent quality and quantity (excluding tailings) Unplanned releases
Energy and GHG Emissions	GHG emissions Energy efficiency Renewable energy sources

Environmental Liabilities, Closure and Reclamation	Progressive reclamation Legacy issues and liabilities Long-term management and decommissioning Financial assurance
Human Rights	Respecting human rights Resettlement Child and forced labour Security and human rights
Stakeholder and Indigenous Engagement	Community relations Community response mechanisms/grievance mechanisms Partnerships Social licence
Community Development	Infrastructure and regional development Community investment Capacity building
Local Economic Benefits	Local procurement Local hiring Economic diversification
Air and Other Emissions	Dust and odours Heavy metals Noise Releases (e.g., H ₂ S, SO _x , NO _x)

103-2 Number of grievances filed, addressed and resolved

[Providing a Safe and Rewarding Workplace – Employee Relations](#)






[View Data Table](#)

NUMBER OF GRIEVANCES FILED, ADDRESSED AND RESOLVED

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Corporate	Total Sherritt
Labour practices						
Total number of grievances about labour practices filed through formal grievance mechanisms during the reporting period	2020	20	In Cuba, all organized labour considerations are mandated by the Cuban state, and many systems and tools common in other jurisdictions are not employed there. There were no grievances reported by expatriates or Canada-based employees.		0	20
	2019	18			0	18
Of the identified grievances about labour practices, how many were addressed during the reporting period?	2020	20			0	20
	2019	18			0	18
Of the identified grievances about labour practices, how many were resolved during the reporting period?	2020	6			0	6
	2019	7			0	7
Total number of grievances about labour practices filed prior to the reporting period that were resolved during the reporting period	2020	14	0	14		
	2019	11	0	11		

Internal					
Labour grievances filed through formal grievance mechanisms during the reporting period	2020	20	In Cuba, all organized labour considerations are mandated by the Cuban state, and many systems and tools common in other jurisdictions are not employed there. There were no grievances reported by expatriates or Canada-based employees.	0	20
	2019	18		0	18
Discrimination	2020	1		0	1
	2019	3		0	3
Other	2020	19		0	19
	2019	15		0	15
External					
Environment	2020	2		0	2
	2019	1		0	1
Livelihood/land access	2020	0		0	0
	2019	0		0	0
Human rights	2020	0		0	0
	2019	0		0	0
Social or community	2020	0		0	0
	2019	0		0	0
Other	2020	0		0	0
	2019	0		0	0

ECONOMIC PERFORMANCE

GRI Indicator	Description	Location	SDG
Material Topic: Economic Performance			
103	Management approach disclosures	<p>Our Approach – Materiality</p> <p>Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality</p> <p>About Sherritt – Economic Performance</p> <p>2020 Annual Information Form – Description of the Business</p>	
201-1	Direct economic value generated and distributed	<p>Engaging Stakeholders and Benefitting Communities – Community Development</p> <p>About Sherritt – Economic Performance</p> <p>2020 Financial Results – Management’s Discussion and Analysis</p> <p>View Data Table </p>	 

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED¹

(C\$ millions, for the year ended December 31, 2020)

Disclosure Components	Year	Moa Nickel Site and Fort Site	OGP	Corporate and Other	Total Sherritt
Revenues	2020	425.50	62.10	9.40	497.00
	2019	461.00	75.00	10.20	546.20
Costs					
Operating costs (costs of sales), excluding depreciation, employee costs and community investments disclosed below	2020	253.39	28.81	6.42	288.61
	2019	282.67	39.19	7.70	330.30
Employee wages and benefits	2020	97.50	21.00	36.40	154.90
	2019	105.20	23.30	28.10	156.60
Spending on capital	2020	32.20	2.30	0	34.50
	2019	33.60	30.10	0.10	63.80
Payments to governments ²	2020	28.22	2.21	0	30.42
	2019	29.51 ⁶	3.39	0	32.90
Community investment ^{3, 4, 5}	2020	0.41	0.19	0.38	0.99
	2019	0.43	0.31	0.21	0.95
Total economic value distributed	2020	411.72	54.51	43.20	509.42
	2019	445.85	96.29	35.90	583.60
Economic value retained or invested (pre-calculated as "Direct economic value generated" less "Economic value distributed")	2020	13.78	7.59	(33.80)	(12.42)
	2019	15.15	(21.29)	(25.70)	(37.40)

¹ These figures reflect Sherritt's ownership share in 2020, and reporting for the Moa Joint Venture and Fort Saskatchewan facility are combined to align with other financial disclosures. Some of this information is more fully disclosed in our financial disclosures available [here](#).

² Includes fines and penalties, where appropriate. These payments are calculated based on ownership basis.

³ Includes cash investments, employee time during working hours, and in-kind valuations.

⁴ The OGP and Moa Nickel Site valuations for community investment are allocated on a 100% basis to Sherritt.

⁵ Includes program management costs of the community investment program for direct Sherritt employees only.

⁶ The payments made to governments in 2019 were updated at the Fort Site to include payments made to both national and local governments.

Note: There may be some discrepancies between Sherritt's economic disclosures and the ESTMA filing, due to differences in reporting scope and definitions.

201-2 Financial implications and other risks and opportunities due to climate change

Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality



2020 Annual Information Form – Description of the Business

201-4 Financial assistance received from government

2020 Annual Information Form – Description of the Business

2020 Financial Results – Overview of the Business

[View Data Table](#)

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT¹

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Total monetary value of financial assistance received by the organization from governments, by country ²	2020	\$13,668,379 (Canada Emergency Wage Subsidy (CEWS) program (COVID) and Alberta Job Grant program)	Not applicable	Not applicable
	2019	\$227,879 (Canada-Alberta Job Grant program)	Not applicable	Not applicable

¹ See the “Overview of the Business” section in our 2020 Financial Results for information on whether, and the extent to which, governments are present in the shareholding structure.

² These figures are based on a 100% ownership structure.

Material Topic: Market Presence

103 Management approach disclosures

Engaging Stakeholders and Benefitting Communities – Community Development

202-2 Proportion of senior management hired from the local community

[View Data Table](#)



PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Corporate
Percentage of senior management ¹ at significant locations of operation that are hired from the local ² community	2020	86%	90%	71%	100%
	2019	79%	90%	71%	100%

¹ Definition: Manager (of a group), Director, Controller, Senior Counsel, VP, SVP, CFO, COO, President or CEO.

² “Local community” refers to national-level hiring at Cuban sites, with special consideration for communities adjacent to our operations. In Fort Saskatchewan, a local is from the province of Alberta, with special consideration for workers who live in the Edmonton Census Metropolitan Area. At Corporate, local refers to the Greater Toronto Area.

Material Topic: Indirect Economic Impacts

103 Management approach disclosures [Engaging Stakeholders and Benefitting Communities – Community Development](#)

203-1 Infrastructure investments and services supported [Engaging Stakeholders and Benefitting Communities – Community Development](#)

[View Data Table](#) 



INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

Disclosure Components	Year	Fort Site	Cuba
<p>Extent of development of significant infrastructure investments and services supported</p> <p>Current or expected positive or negative impacts on communities and local economies</p>	2020	There were no significant investments in infrastructure in 2020.	<p>In Cuba, Sherritt has invested in public infrastructure through its Community Investment Program, including, among other things, street lighting; sanitation and construction equipment; roads; transportation services; and equipment for hospitals, schools and retirement homes.</p> <p>OGP: Investments provided road repair equipment, equipment to improve potable water supply, garbage bins, equipment to increase refrigeration capacity, and spare parts and maintenance for equipment donated in previous years.</p>
	2019	There were no significant investments in infrastructure in 2019.	<p>In Cuba, Sherritt has invested in public infrastructure through its Community Investment Program, including, among other things, street lighting; sanitation and construction equipment; roads; transportation services; and equipment for hospitals, schools and retirement homes.</p> <p>OGP: Investments provided road repair equipment, submersible water pumps with the control panels and accessories for supporting potable water distribution, and equipment for the maintenance of green areas and for pipe cleaning. These projects will support government efforts to supply potable water to communities.</p>

203-2 Significant indirect economic impacts

Engaging Stakeholders and Benefitting Communities – Community Development



SI-1 Economic benefit footprint

Engaging Stakeholders and Benefitting Communities – Community Development



[View Data Table](#)

ECONOMIC BENEFIT FOOTPRINT

(C\$ millions)

Disclosure Components	Year	Fort Site	Moa Nickel Site ^{1,2}	OGP ¹	Total Sherritt
Payments to governments	2020	12.55	31.33	5.93	49.81
	2019	15.70 ⁶	27.62	8.50	51.82
Local/national procurement ³	2020	164.91	164.47	35.36	364.74
	2019	167.17	107.91	37.22	312.29
Local salaries, wages and benefits	2020	99.57	54.22	12.44	166.23
	2019	108.47	53.39	12.73	174.58
Community investment ⁴	2020	0.07	0.29	0.19	0.55
	2019	0.05	0.32	0.31	0.68
Economic benefit footprint ⁵	2020	277.09	250.30	53.93	581.32
	2019	285.82	189.24	58.76	539.38

¹ Data collected in USD; converted using Bank of Canada's 2020 average exchange rate of 1.34.

² An increase in local and national procurement as well as in local salaries at Moa in 2020 were due to an increase in the workforce and more productive results, higher taxes and an increase in services and purchases from new suppliers established in the Mariel Special Zone.

³ For the Cuba operations, local procurement is calculated at the national level. For the Fort Site operations, local procurement is calculated at the provincial level (Alberta).

⁴ Includes cash investments, employee volunteer time during working hours, and in-kind valuations.

⁵ This calculation includes the sum of the value of local and national suppliers, local salaries and wages, payments to government, and community investment. All reported on a 100% ownership basis.

⁶ The payments made to governments in 2019 were updated at the Fort Site to include payments made to both national and local governments.

Material Topic: Procurement Practices

103 Management approach disclosures

[About Sherritt – Our Supply Chain](#)



[Operating Ethically – Responsible Production and Supply](#)

[Engaging Stakeholders and Benefitting Communities – Community Development](#)

[2020 Annual Information Form – Description of the Business](#)

204-1 Proportion of spending on local suppliers

[Engaging Stakeholders and Benefitting Communities – Community Development](#)



[View Data Table](#)

PROPORTION OF SPENDING ON LOCAL SUPPLIERS¹

Disclosure Components	Year	Fort Site	Moa Nickel Site ²	OGP
Percentage of the procurement budget used for significant locations of operation spent on suppliers local ¹ to that operation	2020	79%	34%	39%
	2019	81%	44%	34%

¹ “Local” suppliers refers to the national level for Cuba and to the provincial level (Alberta) for the Fort Site.

² Purchases at Moa increased in 2020 compared to 2019; however, the main suppliers of raw materials and purchases of mining and technological equipment are international, so higher amounts were paid to these suppliers.

Material Topic: Anti-Corruption

103 Management approach disclosures [Operating Ethically – Business Conduct](#)

[2020 Annual Information Form – Description of the Business](#)

205-1 Operations assessed for risks related to corruption

[Operating Ethically – Business Conduct](#)



[View Data Table](#)

OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Corporate
Total number and percentage of operations assessed for risks related to corruption	2020	100%	100%	100%	100%
	2019	100%	100%	100%	100%
Significant risks related to corruption identified through the risk assessment	2020	0	0	0	0
	2019	0	0	0	0

On a quarterly basis, the Corporation assesses its operations across all divisions for risks related to corruption and, to date, has not identified any significant risks.

Note: Sherritt does not have production in countries with the 20 lowest rankings in the [Corruption Perceptions Index](#).

205-2 Communication and training about anti-corruption policies and procedures

[Operating Ethically – Business Conduct](#)



[View Data Table](#)




COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Corporate
Total percentage of employees to whom the organization’s anti-corruption policies and procedures have been communicated and who have been trained on these policies and procedures, broken down by employee category and region ^{1, 2}	2020	100%	100%		100%
	2019	100%	All contracts that empower suppliers to represent Sherritt include appropriate safeguards to ensure compliance with our Anti-Corruption Policy. Contractors are not required to do training at this time.		100%
Total percentage of governance body members who have received training on anti-corruption, broken down by region (training includes being communicated to) ³	2020	100%	100%	100%	85.7%
	2019	100%	100%	100%	85.7%

¹ Only Sherritt workers in Canada, as well as Canadian expatriates, are currently eligible for training. Training for other joint venture partners and workers is not within scope of Sherritt’s policy. We are, however, exploring opportunities to provide a high-level presentation on anti-corruption to Cuban nationals so that they have a greater awareness of Canadian and international standards in this evolving area.

² Sherritt has revised its onboarding procedure to include anti-corruption training and certification on the anti-corruption policy for all new salaried employees. This change was put into effect concurrently with the rollout of the updated anti-corruption training module in 2019.

³ Those eligible for this training include Sherritt’s Board of Directors and Sherritt employees who sit on boards of subsidiary companies or joint ventures. Non-Sherritt representatives are not within scope of the policy’s training requirements.

GRI Indicator	Description	Location	SDG
Material Topic: Energy			
103	Management approach disclosures	Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality 2020 Annual Information Form – Description of the Business	
302-1	Energy consumption within the organization	Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality View Data Table 	 

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Total Sherritt
Total fossil fuel consumption (TJ)	2020	4,302	6,251	29,031	39,584
	2019	4,362	5,873	28,714	38,949
Total fossil fuel consumption as a percentage of total energy usage at the division	2020	85%	96%	97%	96%
	2019	85%	96%	97%	96%
Total electricity consumption (TJ)	2020	557	240	752	1,550
	2019	573	239	815	1,627
Total electricity consumption as a percentage of total energy usage at the division	2020	11%	4%	3%	4%
	2019	11%	4%	3%	4%
Total waste fuel consumption (TJ)	2020	174	0	0	174
	2019	196	0	0	196
Total energy usage (TJ)	2020	5,033	6,491	29,783	41,308
	2019	5,131	6,112	29,529	40,772
Other sources of energy consumption					
Total coal consumption (GJ)	2020	0	0	0	0
	2019	0	0	0	0
Total fuel consumption from renewable fuel sources (solar, wind, etc.)	2020	Not applicable	Not applicable	Not applicable	Not applicable
	2019				
Heating consumption	2020	0	0	0	0

	2019	0	0	0	0
Cooling consumption	2020	Not applicable	0	0	0
	2019		0	0	0
Steam consumption (tonnes) ¹	2020	0	4,602,000	0	4,602,000
	2019	0	4,383,666	0	4,383,666
Energy sold					
Electricity sold (TJ)	2020	0	0	6,759	6,759
	2019	0	0	8,166	8,166
Heating sold (TJ)	2020	0	Not applicable	Not applicable	0
	2019	0			0
Cooling sold (TJ)	2020	Not applicable	Not applicable	Not applicable	Not applicable
	2019				
Steam sold (TJ) ¹	2020	60	Not applicable	Not applicable	60
	2019	76			76
¹ The steam at the Moa Nickel Site is generated by burning fossil fuels and sulphur on site. The steam is consumed internally on site in the process and to generate electricity.					

SI-2

Types of fuel use

[View Data Table](#) 

TYPES OF FUEL USE

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Fuel use of coal/lignite (metric tonnes)	2020	0	0	0
	2019	0	0	0
Fuel use of natural gas (m ³)	2020	112,158,000	9,473	708,798,600 ²
	2019	111,923,000	9,042	770,666,000
Fuel use of crude oil/diesel (m ³) (includes crude oil, fuel oil, jet fuel, heavy fuel oil, kerosene, etc.)	2020	580 ¹	135,076	1,731 ³
	2019	2,397	122,935	3,119
Alternative fuel use (%)	2020	0%	0%	0%
	2019	0%	0%	0%
Biomass fuel use (%)	2020	0%	0%	0%
	2019	0%	0%	0%

¹ The amount of diesel used in 2020 at the Fort Site decreased by 75%, after seeing an anomaly in 2019. The increased use of diesel seen in 2019 was largely due to the use of rental air compressors while the normal electric compressor was being repaired.

² The decrease in the use of natural gas at OGP in 2020 was due to a lack of available gas.

³ The decrease of diesel consumption at OGP in 2020 was due to decreased production; diesel usage is linked to production.

Material Topic: Water

103 Management approach disclosures [Demonstrating Environmental Responsibility – Water](#)
[2020 Annual Information Form – Description of the Business](#)

303-1 Water withdrawal by source [Demonstrating Environmental Responsibility – Water](#)



[View Data Table](#)

WATER WITHDRAWAL BY SOURCE¹

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Total water withdrawal (m ³)	2020	2,260,000	15,178,062	5,124,111
	2019	2,370,000	14,882,947	4,906,977
Surface water, including water from wetlands, rivers and lakes (m ³)	2020	2,170,000	13,330,421	0
	2019	2,270,000	13,319,368	0
Saltwater (m ³)	2020	0	0	4,896,383
	2019	0	0	4,452,956
Groundwater (m ³)	2020	0	0	49,635 ²
	2019	0	0	62,008
Rainwater collected directly and stored by the organization (m ³)	2020	0	0	0
	2019	0	0	0
Waste water from another organization (m ³)	2020	0	0	0
	2019	0	0	923
Municipal water supplies or other water utilities (m ³)	2020	100,000	1,847,641	178,093
	2019	100,000	1,563,579	195,983

¹ Data is collected from meters and some estimates; collection methodologies differ between sites.

² The decrease in groundwater use at OGP was due to a decrease in production at Boca; therefore, not as much water makeup was required.

SI-3

Water discharge

Demonstrating Environmental
Responsibility – Water



[View Data Table](#) 

WATER DISCHARGE

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Waste water (m ³) ¹	2020	1,460,000	Not available	29,462
	2019	1,500,000		28,772
Discharges to water (m ³)	2020	Not available	Not available	3,809,907
	2019			3,313,646
Chemical oxygen demand of discharges (metric tonnes)	2020	95	Not available	Not available
	2019	117.4		
Biological demand of discharges (metric tonnes)	2020	6.6	Not available	Not available
	2019	23.6		

¹ The total volume of water discharged by the company after use in business activities, including water effluents.

303-3

Water recycled and reused

Demonstrating Environmental Responsibility – Water



[View Data Table](#)

WATER RECYCLED AND REUSED

Disclosure Components	Year	Fort Site ¹	Moa Nickel Site	OGP ²
Total volume of water recycled (m ³)	2020	0	4,899,992	0
	2019	0	4,873,787	0
Total volume of water recycled and reused as a percentage of total water withdrawal	2020	28.32%	32.00%	81.00%
	2019	29.11%	33.00%	80.56%
Reclaimed water use (m ³)	2020	0	0	0
	2019	0	0	0
Process water use (m ³)	2020	2,260,000	14,614,090	179,904
	2019	2,370,000	13,954,936	196,030
Cooling water inflow (m ³)	2020	640,000	948,061	4,435,500
	2019	690,000	966,596	4,006,698
Total water withdrawal (m ³)	2020	2,260,000	15,178,062	5,124,111
	2019	2,370,000	14,882,947	4,906,977

¹ The reduction in cooling water diverted in 2019 at the Fort Site may have been partially due to a rental compressor that used less water than the Sherritt-owned compressor that was inoperative for much of 2019.

² At OGP, the total volume of water recycled and reused increased significantly in 2019 because cooling water was not included in the calculation in 2018.

Material Topic: Biodiversity

103	Management approach disclosures	Demonstrating Environmental Responsibility – Biodiversity and Land 2020 Annual Information Form – Description of the Business	
304-1	Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	Demonstrating Environmental Responsibility – Biodiversity and Land	
304-2	Significant impacts of activities, products and services on biodiversity	Demonstrating Environmental Responsibility – Biodiversity and Land	
304-3	Habitats protected or restored	Demonstrating Environmental Responsibility – Biodiversity and Land	

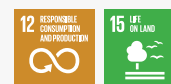
[View Data Table](#) 

HABITATS PROTECTED OR RESTORED

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Total size of protected areas (ha)	2020	Not applicable. There are no regulatory, licence or other requirements to protect or restore habitats.		
	2019			
Total size of restored areas (ha)	2020	Rehabilitated land data is provided in table MM3 below		
	2019			

MM1 Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated

Demonstrating Environmental Responsibility – Biodiversity and Land



[View Data Table](#)

AMOUNT OF LAND (OWNED OR LEASED, AND MANAGED FOR PRODUCTION ACTIVITIES OR EXTRACTIVE USE) DISTURBED OR REHABILITATED

Disclosure Components	Year	Fort Site ¹	Moa Nickel Site ^{2, 3}	OGP	Total Sherritt
Total amount of land disturbed and not yet rehabilitated (ha)	2020	131	874.87	53.97	1,059.84
	2019	131	832.44	53.97	1,017.41
Total amount of land newly disturbed within the reporting period (ha)	2020	0	82.43	0	82.43
	2019	0	56.70	0	56.70
Total amount of land newly rehabilitated within the reporting period to the agreed end use (ha)	2020	Not applicable	40.00	Not applicable	40.00
	2019		20.54		20.54
Total land rehabilitated since start of project – estimate (ha)	2020	Not applicable	790.12	Not applicable	790.12
	2019		750.04		750.04

Note: Total amount of land disturbed and not yet rehabilitated refers to the expansion of the mine footprint in the reporting year and does not include rehabilitated land in the reporting year.

¹ 2019 data of the total amount of land disturbed at the Fort Site was sourced from a biodiversity assessment that calculated the “Principal Disturbance Area” (PDA) of the Fort Site. Land disturbance at the Fort Site has remained relatively unchanged since 1954, but this area now includes agricultural land owned by Sherritt.

² Data reported for the Moa Nickel Site represents land disturbance that occurred from 1994 onwards – or the years that the Moa Joint Venture between Sherritt and the Cuban state has been in place. The data do not reflect any mining activity at the site that pre-dates the joint venture.

³ Total land newly disturbed at the Moa Nickel Site increased in 2020 due to advantage taken of rental equipment available in Cuba. This machinery was used to clear additional land, ahead of plan, in preparation for mining operations in the future. Newly rehabilitated land during 2020 also increased, mainly due to increased rehabilitation efforts in accordance with the Tarea Vida plan and due to increased workforce from contractors.


[View Data Table](#)

SITES REQUIRING BIODIVERSITY MANAGEMENT PLANS

Disclosure Components	Year	Fort Site ¹	Moa Nickel Site ²	OGP ¹
Total number of operations requiring biodiversity management plans (BMP)	2020	1	0	0
	2019	1	0	0
Number of total operations that have been assessed under the criteria as in need of a BMP	2020	1	Not applicable	Not applicable
	2019	1		
Percentage of total operations that have been assessed under the criteria as in need of a BMP	2020	100%	Not applicable	Not applicable
	2019	100%		
Of the number of operations in need of a BMP, the number that have a BMP in place and operational	2020	1	Not applicable	Not applicable
	2019	1		
Of the number of operations in need of a BMP, the percentage that have a BMP in place and operational	2020	100%	Not applicable	Not applicable
	2019	100%		

¹ No regulatory obligations requiring a BMP; however, since Sherritt is implementing TSM, these sites are developing site-level BMPs.

² The previous BMP reported at the Moa Nickel Site was linked to Humboldt Park requirements, which were completed in 2017. Sherritt management is advocating to the Moa Joint Venture management for the development of a new BMP that aligns with Sherritt's Biodiversity Management Standard and with TSM.

Material Topic: Emissions

103 Management approach disclosures

Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality

2019 Annual Information Form – Description of the Business

305-1 Direct (Scope 1) GHG emissions

Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality


[View Data Table](#)

DIRECT (SCOPE 1) GHG EMISSIONS

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP ²	Total Sherritt
Scope 1 emissions (kt CO ₂ e)	2020	334	602	1,062	1,998
	2019	335	556	1,402	2,293
Sources included in the GHG emissions calculation	2020	CO ₂ , CH ₄ , N ₂ O	CO ₂ , CH ₄	CO ₂ , HFC	-
	2019	CO ₂ , CH ₄ , N ₂ O	CO ₂ , CH ₄	CO ₂	-
Other site-specific indicators	2020	43 kt of technology fund credits (>10% of total emissions)	Not applicable	Not applicable	-
	2019	17 kt of credits purchased (>5% of total emissions) ¹			-

¹ All of the credits are accredited by the Alberta Carbon Registry.

² In 2020, OGP reported a 24% decrease from the previous year due to a reduction in gas available for processing.

305-2 Energy indirect (Scope 2) GHG emissions

Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality



[View Data Table](#)

ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

Disclosure Components	Year	Fort Site	Moa Nickel Site ¹	OGP	Total Sherritt
Scope 2 emissions (kt CO ₂ e)	2020	79 ²	61	7	147
	2019	59	60	0	119

¹ Purchased grid electricity.

² Purchased grid electricity and purchased hydrogen.

305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant air emissions

Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality



[View Data Table](#)

NITROGEN OXIDES, SULPHUR OXIDES AND OTHER SIGNIFICANT AIR EMISSIONS

Disclosure Components	Year	Fort Site	Moa Nickel Site ¹	OGP ³
Air emissions – NO _x (tonnes)	2020	1,374	1,446	4,805
	2019	1,264	1,722	6,065
Air emissions – SO _x (tonnes)	2020	0	13,354	14,135
	2019	0	12,211	26,208
Air emissions – SO ₂ (tonnes)	2020	101	Not available	27,882
	2019	87		Not available
Air emissions – CO (tonnes)	2020	198	Not available	Not available
	2019	Not available		
Air emissions – TPM (tonnes)	2020	93	Not available	Not available
	2019	80		
Air emissions – Persistent organic pollutants (tonnes)	2020	0	Not available	Not available
	2019	0		
Air emissions – Volatile organic compounds (tonnes)	2020	10	Not available	Not available
	2019	10		
Air emissions – Hazardous air pollutants (tonnes)	2020	11.2	Not available	Not available
	2019	11.1		
Source or emission factors		US EPA Air Emissions Factors	US EPA Air Emissions Factors	Measured by Gamma ²

¹ In 2020, NO_x decreased at the Moa Nickel Site due to a substantial reduction in operating hours of heavy equipment due to lower availability and utilization of equipment.

² The 46% reduction in SO_x at OGP is attributable to the reduction in gas and to a sulphur plant (Train B) being repaired and put back in service in Varadero. With the plant up and running, more SO_x was being processed and made into solid sulphur as opposed to being flared.

³ OGP works with Gamma, operating on behalf of the Cuban environmental regulator CITMA, on matters of environmental monitoring.

103 Management approach disclosures

Demonstrating Environmental Responsibility – Tailings Management

Demonstrating Environmental Responsibility – Biodiversity and Land

Demonstrating Environmental Responsibility – Waste

2020 Annual Information Form – Description of the Business

306-3 Significant spills (GRI 2016)

Demonstrating Environmental Responsibility – Biodiversity and Land



[View Data Table](#)

SIGNIFICANT SPILLS (GRI 2016)

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Total Sherritt
Total number of recorded significant spills ¹	2020	0	0	1	0
	2019	0	0	0	0
Total volume of recorded significant spills (m ³)	2020	Not applicable	Not applicable	31,000 ²	31,000 ²
	2019			Not applicable	Not applicable
Hydrocarbon spills (volume) (litres)	2020	37.5	0	31,000 ²	31,037.5
	2019	Not available	Not available	Not available	Not available

¹ Significant spill – a spill that is included in the organization’s financial statements, for example due to resulting liabilities, or is recorded as a spill by the organization.

² This incident was related to a leak from a corroded oil and gas production line that met Sherritt’s criteria for classification as a significant environmental incident. This spill was not included in the organization’s financial statements. There were no resulting liabilities. The line was repaired and the corroded section was replaced. The spill was contained and cleaned up immediately using a vacuum truck. There were no impacts on local communities or the environment.

306-3 Waste generated (GRI 2018)

[View Data Table](#)



WASTE GENERATED (GRI 2018)

Disclosure Components	Year	Fort Site ¹	Moa Nickel Site ²	OGP ³	Total Sherritt
Total non-hazardous waste (tonnes)	2020	1,606	12,390	735	14,731
	2019	2,744	16,837	8,964	28,545
Total hazardous waste (tonnes)	2020	2,002	1,802	725	4,529
	2019	1,049	2,444	73	3,566
Total recycled waste (tonnes)	2020	145	728	175	1,048
	2019	99	692	225	1,016

¹ Decrease in waste generated in 2020 was due largely to lower capital spending and variation in construction activity. A review of the data since 2017 shows that the volume of hazardous waste at the Fort Site in 2019 was the anomaly when compared to previous years. Although the volume of hazardous waste in 2020 doubled when viewed year-over-year, the 2020 volume is within the expected range of hazardous waste for this site.

² At the Moa Nickel Site, non-hazardous waste decreased in 2020 due to COVID-19 restrictions, which caused a reduced number of workers and activities taking place on site. Hazardous waste decreased due to a reduction of contaminated soil, with sulphur sent to the contaminated waste deposit.

³ The drastic increase of hazardous waste at OGP in 2020 is due to improved reporting and record keeping, with the inclusion of sand used for blasting equipment for surface preparation. Although 2020 data shows a drastic increase of hazardous waste compared to 2019 (over 800%) due to improved reporting, the amount of hazardous waste produced aligns with that of previous years.

306-4 Waste diverted from disposal (GRI 2018)

Demonstrating Environmental Responsibility – Waste



[View Data Table](#)

WASTE DIVERTED FROM DISPOSAL (GRI 2018)

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Non-hazardous waste diverted from disposal (tonnes)				
Total recycling (tonnes) ¹	2020	145	728	175
Batteries (units)	2020	–	–	343
	2019	–	–	107.02
Paper (tonnes)	2020	49	–	1.2
	2019	38	–	0.2
Electronics (tonnes)	2020	9	–	0.02
	2019	–	–	0.42
Used oil (tonnes) ²	2020	43	58.86	74.6
	2019	49	44.67	144.79
Tires (units)	2020	–	–	390

	2019	-	-	328
Fluorescent bulbs (units)	2020	-	-	1,288
	2019	-	-	0.05 tonnes + 54 units
Scrap metal (tonnes)	2020	44	-	-
	2019	-	-	-
Various filters (oil, air, fuel) (units)	2020	-	-	1,160
	2019	-	-	-
Hazardous waste diverted from disposal (tonnes)				
Preparation for reuse	2020	Not available	Not available	Not available
	2019			
Recycling (tonnes)	2020	43	0	0
	2019	Not available	0	0
Other recovery operations	2020	Not available	0	0
	2019		0	0
	2020	43	0	250
	2019	Not available	0	Not available
¹ Waste recycled – same units of items collected were added up. Methodology and reporting expected constant improvement. ² Litres of used oil were converted to tonnes using a conversion factor of 1,100 L/t.				

306-5

Waste directed to disposal
(GRI 2018)Demonstrating Environmental
Responsibility – Waste
[View Data Table](#)

WASTE DIRECTED TO DISPOSAL (GRI 2018)

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP ¹
Non-hazardous waste directed to disposal (tonnes)				
Incineration with energy recovery (tonnes)	2020	Not available	Not available	Not available
	2019			
Incineration without energy recovery (tonnes)	2020	0.16	Not available	Not available
	2019	Not available		
Landfilling (tonnes)	2020	1,606	9,860	2,126 m ³
	2019	2,682	13,746	3,408 m ³
Other disposal operations (tonnes)	2020	0	0	0
	2019	Not available	0	0
Hazardous waste directed to disposal (tonnes)				
Incineration with energy recovery (tonnes)	2020	0.31	0	0
	2019	Not available	0	0
Incineration without energy recovery (tonnes)	2020	10	0	0
	2019	Not available	0	0
Landfilling (tonnes)	2020	1,992	1,802	0
	2019	Not available	Not available	0
Other disposal operations (tonnes)	2020	Not available	0	0
	2019	Not available	0	0

¹ All hazardous waste at OGP is sent to various companies licensed to receive and treat this type of waste in Cuba. The only type of waste sent to landfill is domestic in nature.

MM3

Total amounts of overburden, rock, tailings and sludge and their associated risks

Demonstrating Environmental Responsibility – Tailings Management



[View Data Table](#)

TOTAL AMOUNTS OF OVERBURDEN, ROCK, TAILINGS AND SLUDGE AND THEIR ASSOCIATED RISKS

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Total Sherritt
Total amounts of waste rock (tonnes)	2020	Not applicable	183,867	Not applicable	183,867
	2019		253,449		253,449
Total amounts of overburden (tonnes)	2020	Not applicable	4,034,738	Not applicable	4,034,738
	2019		2,432,948		2,432,948
Total amounts of liquid tailings and sludge (tonnes)	2020	Not applicable	12,348,254	Not applicable	12,348,254
	2019		12,652,052		12,652,052

Material Topic: Environmental Compliance

103 Management approach disclosures

[Demonstrating Environmental Responsibility – Environmental Liabilities, Closure and Reclamation](#)

[2020 Annual Information Form – Description of the Business](#)

307-1 Non-compliance with environmental laws and regulations

[Demonstrating Environmental Responsibility – Tailings Management](#)



[Demonstrating Environmental Responsibility – Water](#)

[Demonstrating Environmental Responsibility – Environmental Liabilities, Closure and Reclamation](#)

[View Data Table](#)

NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Corporate
Significant fines and non-monetary sanctions in terms of:					
Total monetary value of significant fines (millions)	2020	0	0	0	0
	2019	0	0	0	0
Total number of non-monetary sanctions	2020	0	0	0	0
	2019	0	0	0	0
Cases brought through dispute resolution mechanisms – fines (millions)	2020	0	0	0	0
	2019	0	0	0	0
Cases brought through dispute resolution mechanisms – non-monetary sanctions (#)	2020	0	0	0	0
	2019	0	0	0	0

SI-4

High-severity environmental incidents

[View Data Table](#) 

HIGH-SEVERITY ENVIRONMENTAL INCIDENTS

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Corporate
Number of high-severity environmental incidents ¹	2020	0	0	1	0
	2019	0	0	0	0
Comments	2020	Not applicable	Not applicable	This incident was related to a leak from a corroded oil and gas production line. The line was repaired and the corroded section was replaced. The spill was contained and cleaned up immediately using a vacuum truck. There were no impacts on local communities or the environment.	Not applicable

¹ A “high-severity environmental incident” is an incident that results in a significant or lasting effect to the environment as follows:

- Unlicensed release of >10,000 litres of hydrocarbons or toxic solution to water or ground.
- Unlicensed air emission that causes a significant off-site impact, including evacuation, damage, use impairment, illness, or other impact to neighbouring facilities or the public.
- The upset or shutdown of a community wastewater treatment facility or contamination of a drinking water supply.
- Significant wildlife fatalities (such as a fish or amphibian kill).
- Unplanned closure or restriction of public transportation routes.
- Any act triggering a subsequent investigation and/or order by a regulatory agency, other than routine follow-up.

SI-5

Reportable environmental incidents

[View Data Table](#) 


REPORTABLE ENVIRONMENTAL INCIDENTS

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Corporate
Number of reportable environmental incidents ¹	2020	1	6	2	9
	2019	1	1	0	2
Comments	2020	Air quality-related incident. Technical non-compliance with our licence with no lasting impacts.	Water quality-related incidents. All of them of medium severity with no lasting impacts.	Ground quality-related incidents, of low and medium severity with no lasting impacts.	No employees or community members were harmed while these incidents occurred or while they were addressed.

¹ A “reportable environmental incident” is a permit or licence exceedance or non-compliance for air, water or ground that requires reporting to a regulatory agency. This includes administrative non-compliance incidents.

Material Topic: Supplier Environmental Assessment


103 Management approach disclosures [Operating Ethically – Responsible Production and Supply](#)

308-1 New suppliers that were screened using environmental criteria [Operating Ethically – Responsible Production and Supply](#)
[View Data Table](#) 



NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA



Disclosure Components	Year	Sherritt
Percentage of new suppliers that were screened using environmental criteria	2020	100%

308-2 Negative environmental impacts in the supply chain and actions taken [Operating Ethically – Responsible Production and Supply](#)
[View Data Table](#) 

NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

Disclosure Components	Year	Sherritt
Number of suppliers assessed for environmental impacts	2020	Not available
Number of suppliers identified as having significant actual and potential negative environmental impacts	2020	Not available
Significant actual and potential negative environmental impacts identified in the supply chain	2020	Not available
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	2020	Not available
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	2020	Not available

SOCIAL PERFORMANCE: LABOUR PRACTICES

GRI Indicator	Description	Location	SDG
Material Topic: Employment			
103	Management approach disclosures	Providing a Safe and Rewarding Workplace – Employee Relations	
401-1	New employee hires and employee turnover	Providing a Safe and Rewarding Workplace – Employee Relations View Data Table 	

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

Disclosure Components ¹	Year	Canada (Fort Site and Corporate offices)		Cuba (Moa Nickel and OGP) ³		Other ⁴	
		Male	Female	Male	Female	Male	Female
Employee new hires (%)	2020	70.00%	30.00%	0%	0%	0%	0%
	2019	77.90%	22.10%	100%	0%	78.70%	21.30%
Employee new hires (#)	2020	63	27	0	0	0	0
	2019	67	19	5	0	2	1
Ratio: entry-level wage compared to local minimum wage ²	2020	276%	243%	Not available		Not available	
	2019	241%	181%				
Workforce by employment level (total number as at year-end)							
Hourly employees	2020	312	17	Not available		Not available	
	2019	338	13				

Support (grade 12) ⁵	2020	32	71		
	2019	47	73		
Professional/management	2020	280	69		
	2019	233	69		
Executive	2020	10	2		
	2019	12	2		

¹ Data on employee hires and turnover broken down by age group is not available.

² This ratio is for hourly employees (in Alberta), who make up approximately 40.3% of our workforce. This does not include contractors. The Alberta minimum wage of \$15 was used.

³ In Cuba, employment is managed by a state-owned agency; Sherritt does not have these data.

⁴ “Other” includes our Bahamian marketing office, which services the Moa Joint Venture, and OGP Spain.

⁵ Grade 12 represents administrative and support workers who are overtime eligible at Sherritt.

Disclosure Components	Year	Canada	Cuba	Other ²	Total Sherritt
Employee turnover (%)					
Men	2020	8.52%	70.83% ³	25%	10.73%
	2019	16.35%	22.73%	25%	17.11%
Women	2020	13.21%	0%	0%	12.28%
	2019	22.93%	0%	0%	21.30%
Voluntary turnover (%)¹					
Men	2020	6.94%	8.33%	25%	6.95%
	2019	13.17%	6.82%	25%	13.13%
Women	2020	9.43%	0%	0%	8.77%
	2019	17.83%	0%	0%	16.57%
Involuntary turnover (%)					
Men	2020	1.58%	62.50%	0%	3.78%
	2019	3.17%	15.91%	0%	3.98%
Women	2020	3.77%	0%	0%	3.51%
	2019	5.10%	0%	0%	4.73%

¹ Voluntary turnover includes short-term employment contracts.

² “Other” includes our Bahamian marketing office, which services the Moa Joint Venture, and OGP Spain.

³ The drastic turnover seen in Cuba in 2020 was due to a significant downsizing in staff in the Oil and Gas Division.



PARENTAL LEAVE

Disclosure Components	Year	Canada	Cuba	Other ²	Total Sherritt
Number of employees who took parental leave¹					
Men	2020	5	0	0	5
	2019	5	0	0	5
Women	2020	2	0	0	2
	2019	5	0	0	5
Number of employees who returned to work after parental leave ended					
Men	2020	5	0	0	5
	2019	5	0	0	5
Women	2020	2	0	0	2
	2019	5	0	0	5
Return-to-work and retention rate of employees who took parental leave (%)					
Men	2020	100%	0%	0%	100%
	2019	100%	0%	0%	100%
Women	2020	100%	0%	0%	100%
	2019	100%	0%	0%	100%
¹ Parental leave includes maternity leave and parental leave. It does not include paid new parental leave (employees who are not otherwise eligible for maternity leave, including employees who are fathers or partners who become parents).					
² “Other” includes our Bahamian marketing office, which services the Moa Joint Venture, and OGP Spain.					

Material Topic: Labour/Management Relations

103 Management approach disclosures [Providing a Safe and Rewarding Workplace – Employee Relations](#)

402-1 Minimum notice periods regarding operational changes [Providing a Safe and Rewarding Workplace – Employee Relations](#)

[View Data Table](#) 



MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Minimum number of weeks' notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them	2020	2 weeks (not specified in collective agreement)		
	2019			

MM4 Number of strikes and lockouts exceeding one week's duration, by country

[Providing a Safe and Rewarding Workplace – Employee Relations](#)



[View Data Table](#)

NUMBER OF STRIKES AND LOCKOUTS EXCEEDING ONE WEEK'S DURATION, BY COUNTRY

Disclosure Components	Year	Fort Site	Moa Nickel Site ¹	OGP ¹	Corporate ¹
Total number of strikes and lockouts that exceeded one week's duration during the reporting period, by country	2020	0	Not applicable	Not applicable	Not applicable
	2019	0			

¹ There are no unionized employees at these locations or no unionized employees that Sherritt exercises any control or reporting over.

Material Topic: Occupational Health and Safety

103 Management approach disclosures

[Providing a Safe and Rewarding Workplace – Health and Safety](#)

[Providing a Safe and Rewarding Workplace – Public Safety](#)

403-2 Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities¹

[Providing a Safe and Rewarding Workplace – Health and Safety](#)



[View Data Table](#)

TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES¹

Disclosure Components ¹	Year	Fort Site	Moa Nickel Site	OGP		Corporate	Total Sherritt
				O&G	Power		
Number of work-related fatalities							
Employees	2020	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Contractors and other workers	2020	0	0	0	0	0	0

	2019	0	0	0	0	0	0
Third party	2020	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Total	2020	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Number of lost time incidents							
Employees	2020	0	4	0	0	0	4
	2019	1	2	0	0	0	3
Contractors and other workers	2020	0	1	0	0	0	1
	2019	0	0	0	0	0	0
Total	2020	0	5	0	0	0	5
	2019	1	2	0	0	0	3
Lost time incident (LTI) index²							
Employees	2020	0	0.19	0	0	0	0.12
	2019	0.14	0.1	0	0	0	0.09
Contractors and other workers	2020	0	0.18	0	0	0	0.12
	2019	0	0	0	0	0	0
Total	2020	0	0.19	0	0	0	0.12
	2019	0.12	0.08	0	0	0	0.07
Number of total recordable incidents							
Employees	2020	0	4	0	0	0	4
	2019	7	7	0	2	0	16
Contractors and other workers	2020	2	1	0	2	0	5
	2019	0	1	2	1	0	4
Total	2020	2	5	0	2	0	9
	2019	7	8	2	3	0	20
Total recordable incident (TRI) index³							
Employees	2020	0	0.19	0	0	0	0.12
	2019	0.58	0.34	0	0.60	0	0.32
Contractors and other workers	2020	1.23	0.18	0	5.3	0	0.60
	2019	0	0.23	1.66	1.47	0	0.38
Total	2020	0.23	0.19	0	0.56	0	0.22

2019	0.87	0.32	0.47	0.74	0	0.33
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¹ All sites are applying the U.S. Occupational Safety & Health Administration (OSHA) general recording criteria. Reference Standard 29 CFR section 1904.7. The Sherritt standard is aligned with this system of rules. We did not track occupational disease rates in 2019 or 2020, and we currently do not track these data by gender.

² LTI index = # LTI * 200,000/SUM (exposure hours for the year).

³ Minor (first-aid level) injuries are not included in the TRI index.

“Employees” include: Sherritt and GNC employees seconded to the Moa Joint Venture (100% basis) and employees of the entities through which the Corporation carries on its Oil & Gas business, and employees of Energas.

“Contractors and other workers” include contractors and other workers not included in the “Employees” category.

403-4 Worker participation, consultation and communication on occupational health and safety

[View Data Table](#) 

WORKER PARTICIPATION, CONSULTATION AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Description of processes for worker involvement with the occupational health and safety management system, and for communicating relevant information on occupational health and safety to workers	2020	Joint Management and Worker Health and Safety Committee. Worker involvement in incident investigations and new policy development. Review of site occupational hygiene monitoring results with workers, regular communication via toolbox meetings, monthly departmental health and safety meetings, and town halls.	At Moa Nickel, a Health, Safety and Environment Committee has been established as a collective management body, which was developed with the participation of management and employees who meet on a monthly basis to monitor safety management, training and the actions implemented for risk prevention. In addition, extraordinary sessions and analyses are carried out to determine the conditions and root causes that have resulted in the occurrence of serious potential incidents (SPI) and lost time incidents (LTI), and implement measures to prevent future recurrences.	Joint Work Site Health and Safety Committee established at each facility. Worker involvement in incident investigations. Regular communication via toolbox meetings, and monthly departmental health and safety meetings.
	2019			
Description of JHSC responsibilities, meeting frequency, decision-making authority and whether – and, if so, why – any workers are not represented by these committees ¹	2020	The purpose of the JHSC at the Fort Site is to improve workplace health and safety by facilitating communications between workers and employer representatives so that they can discuss workplace hazards and work together to mitigate them.	The objective of the Health, Safety and Environment Committee is to evaluate the performance of safety management, training and actions implemented for risk prevention. The committee is made up of management and employee representatives who meet monthly. The meetings are centred on improving work conditions in areas, actions implemented to prevent future incidents, in addition to training workers on key topics that allow them to improve their performance and apply safe work practices to raise safety standards.	There is a Joint Work Site Health and Safety Committee established in each of the three facilities at Energas. These committees are formed by both management and worker representatives, and the committees meet every three months. Members were elected by workers present during an assembly.
	2019	As specified in both the Safety Management Practices Manual and the Collective Agreement:		The responsibilities of the Joint Work Site Health and Safety

1. The committee shall have at least four members, at minimum half of whom represent the workers and are not associated with management of the work site. Worker representatives will be appointed, as specified by the union selection criteria, and employer representatives will be appointed by the employer.
2. The committee shall meet monthly on a prescribed date and time as determined at the prior meeting or as part of an agreed-to set schedule. The company and the union shall alternate the chairing of the meetings as co-chairpersons.
3. A quorum of JHSC is one half of the members if both worker and employer members are present, and at least one half of those present are worker members.

Additionally, all employees are scheduled to participate in a monthly health and safety meeting. Content is prepared by Health and Safety and attendance is taken.

Committees are to: identify unhealthy or unsafe situations at the work site; recommend corrective action; and ensure health and safety education programs are established and maintained at the work site.

¹ JHSC stands for “Joint Health and Safety Committee”.

SI-6

Emergency preparedness

Providing a Safe and Rewarding Workplace – Public Safety



[View Data Table](#)

EMERGENCY PREPAREDNESS

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Corporate
Sites with crisis communication plans	2020	Y	Y	Y	Y
	2019	Y	Y	Y	Y
Sites with crisis/emergency preparedness and response plans	2020	Y	Y	Y	Y
	2019	Y	Y	Y	Y

Material Topic: Diversity and Equal Opportunity

103

Management approach disclosures

Providing a Safe and Rewarding Workplace – Employee Relations

405-1

Diversity of governance bodies

Our Approach – Governance

Providing a Safe and Rewarding Workplace – Employee Relations



[View Data Table](#)

DIVERSITY OF GOVERNANCE BODIES

Disclosure Components	Total Sherritt	
	2020	2019
Percentage of individuals within the organization’s governance bodies (board members)		
Male	71%	71%
Female	29%	29%
Under 30 years old	0	0
30–50 years old	14%	14%
Over 50 years old	86%	86%
Minority groups ¹	Not available	Not available
¹ Board members who self-identify as Indigenous, as persons with a disability, or as a visible minority as defined in Canada’s Employment Equity Act.		

405-1

Diversity of employees

Providing a Safe and Rewarding Workplace – Employee Relations



[View Data Table](#)

DIVERSITY OF EMPLOYEES

Disclosure Components ¹	Year	Canada ²	Cuba
Percentage of employees			
Male	2020	80%	91%
	2019	80%	92%
Female	2020	20%	9%
	2019	20%	8%

¹ Includes Sherritt employees and Cuban local national employees.

² Includes permanent employees for the Fort Site, OGP Calgary and the Corporate office.

Disclosure Components ^{1, 2}	Year	Metals (Fort Site only) ³	OGP ⁴	Corporate ⁵	Commercial and Technologies
Percentage of employees					
Under 30 years old	2020	12%	5%	6%	8%
	2019	13%	3%	6%	6%
30–50 years old	2020	49%	40%	56%	56%
	2019	47%	47%	61%	55%
Over 50 years old	2020	39%	56%	38%	36%
	2019	40%	50%	33%	38%
Employee average age (number)	2020	45	51	47	46
	2019	Not available	Not available	Not available	Not available

¹ Includes Sherritt employees and Cuban local national employees.

² Sherritt does not currently track percentage of minority groups for its divisions; however, local employment is the majority at all of Sherritt's sites globally.

³ Excludes the Moa Nickel Site.

⁴ Does not include Spain, consultants or local nationals.

⁵ Does not include consultants or local nationals.

SI-7

Diversity and equal opportunity

Providing a Safe and Rewarding
Workplace – Employee Relations



[View Data Table](#)

DIVERSITY AND EQUAL OPPORTUNITY

Disclosure Components	Year	Canada ¹	Cuba ²
Employee average age	2020	46	53
	2019	46	51
Women in workforce (%) ³	2020	20%	9%
	2019	20%	8%
Women in management (%)	2020	18%	0%
	2019	21%	0%

¹ Includes employees from the Fort Site and the Corporate office.

² Includes employees from the Moa Nickel Site and OGP sites (including Cuban nationals).

³ Includes Sherritt employees, consultants and Cuban local national employees.

405-2

Ratio of basic salary and remuneration of women to men

Providing a Safe and Rewarding Workplace – Employee Relations

[View Data Table](#) 



RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

Disclosure Components	Year	Canada (Fort Site and Corporate offices)		Cuba (Moa Nickel and OGP) ²		Other ³	
		Average Basic Salary	Average Total Direct Compensation	Average Basic Salary	Average Total Direct Compensation	Average Basic Salary	Average Total Direct Compensation
		Male : Female	Male : Female	Male : Female	Male : Female	Male : Female	Male : Female
Ratio of basic salary and total direct compensation by employment level¹							
Hourly employees	2020	1:0.85	1:0.85	Not available	Not available	Not available	Not available
	2019	1:0.9	1:0.9				
Support (grade 12) ⁴	2020	1:1.01	1:1.03				
	2019	1:1	1:1				
Professional/management	2020	1:0.9	1:0.91				
	2019	1:0.9	1:0.9				
Executive	2020	1:0.99	1:0.99				
	2019	1:1	1:1				
<p>¹ For each group of salaried employees, the weighted average job grade in that category was analyzed to determine the Total Direct Compensation ratio.</p> <p>² In Cuba, employment is managed by a state-owned agency; Sherritt does not have these data.</p> <p>³ “Other” includes our Bahamian marketing office, which services the Moa Joint Venture, and OGP Spain.</p> <p>⁴ Grade 12 represents administrative and support workers who are overtime eligible at Sherritt.</p>							

SI-8

Gender pay gap

Providing a Safe and Rewarding Workplace – Employee Relations



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GENDER PAY GAP

Disclosure Components^{1, 2}	Year	Canada (Fort Site, Calgary and Corporate offices)	Cuba (Moa Nickel Site and OGP)	Other
Gender pay gap: Executives (%)	2020	85.02%	Not available	Not available
Gender pay gap: Professionals/management (%)	2020	93.96%		
Gender pay gap: Support staff (%)	2020	93.91%		
Gender pay gap: Total salaried employees (%)	2020	72.68%		

¹ Percentages are based on all employees within the grouping, not the weighted average job grade as in the salaries and remuneration table above (405-2).

² Percentage represents female earnings in relation to male counterparts.

SOCIAL PERFORMANCE: HUMAN RIGHTS

GRI Indicator	Description	Location	SDG
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Material Topic: Non-Discrimination

103 Management approach disclosures Providing a Safe and Rewarding Workplace – Employee Relations

406-1 Incidents of discrimination and corrective actions taken Providing a Safe and Rewarding Workplace – Employee Relations



[View Data Table](#)

INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Number of incidents of discrimination on grounds of race, colour, sex, religion, political opinion, national extraction, or social origin as defined by the ILO, or other	2020	6 ¹	Incidents of discrimination in Cuba are handled by the state employment agency that provides Sherritt's businesses and joint ventures on the island-nation with workers. The employment agency will require the involvement of Sherritt and/or its joint venture partners in discrimination cases, as appropriate. Such involvement has occurred in previous years.	
	2019	0		

¹ The cases reported in 2020 at the Fort Site represent files investigated internally or externally that resulted in confirmed discrimination (inclusive of harassment and bullying). All files have been resolved with the exception of one that is currently going through the grievance procedure.

Material Topic: Freedom of Association and Collective Bargaining

103 Management approach disclosures Providing a Safe and Rewarding Workplace – Employee Relations

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk Providing a Safe and Rewarding Workplace – Employee Relations




[View Data Table](#)

OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining	2020	Unionized employees are represented by Unifor Local 530A. In 2020, a new ratified two-year collective agreement was signed for the term April 1, 2020 to March 31, 2022.	All Cuban employees hired through national agency.	
	2019	Unionized employees are represented by Unifor Local 530A. In April 2016, a three-year agreement came into effect. In 2019, the agreement was extended for a one-year period (until March 2020), and in late 2019 the union provided notice to bargain in 2020.	All Cuban employees hired through national agency.	

Material Topic: Child and Forced or Compulsory Labour

103 Management approach disclosures [Operating Ethically – Human Rights](#)

408-1 Operations and suppliers at significant risk for incidents of child labour [Operating Ethically – Human Rights](#)
[View Data Table](#) 



OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOUR

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labour	2020	In Canada, the use of child labour is controlled under labour laws.	In 2015, Cuba ratified the ILO’s Worst Forms of Child Labour Convention, which calls for the prohibition and elimination of the worst forms of child labour, including slavery, trafficking, the use of children in armed conflict, the use of a child for prostitution, pornography and illicit activities (such as drug trafficking) as well as in hazardous work. Cuban legislation prohibits child labour and establishes 17 years old as the minimum age of employment.	
	2019			

409-1

Operations and suppliers at significant risk for incidents of forced or compulsory labour

Operating Ethically – Responsible Production and Supply

Operating Ethically – Human Rights

[View Data Table](#) 



OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOUR

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour either in terms of: i. type of operation (such as manufacturing plant) and supplier; or ii. countries or geographic areas with operations and suppliers considered at risk	2020	0	0	0
	2019	0	0	0
Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labour	2020	Supply chain due diligence	Gap analyses	Gap analyses
	2019	Regulatory compliance measures, policy and standard development	Regulatory compliance measures	Regulatory compliance measures

Material Topic: Security Practices

103

Management approach disclosures

Providing a Safe and Rewarding Workplace – Site Security

410-1

Security personnel trained in human rights policies or procedures

Providing a Safe and Rewarding Workplace – Site Security

[View Data Table](#) 



SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Percentage of Sherritt security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security	2020	100%	Security is provided by the Cuban state and Sherritt has no authority over their training.	
	2019	100%		
Percentage of third-party organization security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security	2020	20% ¹	Security is provided by the Cuban state and Sherritt has no authority over their training.	
	2019	100%		
¹ Training of third-party security personnel decreased in 2020 due to staff turnover, limited in-person training opportunities, and limitations with instructor availability due to COVID-19 restrictions.				

Material Topic: Rights of Indigenous Peoples

103	Management approach disclosures	Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement
411-1	Incidents of violations involving rights of Indigenous Peoples	Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement

[View Data Table](#) 

INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Total number of identified incidents of violations involving the rights of Indigenous Peoples during the reporting period	2020	0	0	0
	2019	0	0	0
Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; and iv. Incident no longer subject to action	2020	Not applicable		
	2019			
Note: Sherritt does not have proven or probable reserves in or near Indigenous lands.				

Material Topic: Human Rights Assessment


103	Management approach disclosures	Operating Ethically – Human Rights
412-1	Operations that have been subject to human rights reviews or impact assessments	Operating Ethically – Human Rights



[View Data Table](#) 

OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS




Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Total number of operations that have been subject to human rights reviews or human rights impact assessments in country	2020	1	0	0
	2019	1	0	0
Percentage of operations that have been subject to human rights reviews or human rights impact assessments in country	2020	100%	0%	0%
	2019	100%	0%	0%

412-2	Employee training on human rights policies or procedures	View Data Table 
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EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES

Disclosure Components	Year	Sherritt
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	2020	Not available
Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations	2020	Not available

SOCIAL PERFORMANCE: SOCIETY

GRI Indicator	Description	Location	SDG
Material Topic: Local Communities			
103	Management approach disclosures	<p>Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement</p> <p>Engaging Stakeholders and Benefitting Communities – Community Development</p>	
413-1	Operations with local community engagement, impact assessments and development programs	<p>Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement</p> <p>View Data Table </p>	 

OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS AND DEVELOPMENT PROGRAMS

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Operations with:				
Implemented local community engagement, impact assessments and development programs	2020	✓	✓	✓
	2019			
Social impact assessments, including gender impact assessments, based on participatory processes	2020	-	-	-
	2019			
Environmental impact assessments and ongoing monitoring	2020	✓	-	✓
	2019			
Public disclosure of results of environmental and social impact assessments	2020	-	-	-
	2019			
Local community development programs based on local communities' needs	2020	✓	✓	✓
	2019			
Stakeholder engagement plans based on stakeholder mapping	2020	✓	-	✓
	2019			
Broad-based local community consultation committees and processes that include vulnerable groups	2020	-	-	-
	2019			
Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts	2020	✓	-	-
	2019			
Formal local community grievance processes	2020	✓	In Cuba, there is a state-run system where citizens can file complaints against an entity, organization or enterprise whose activities they feel are adversely affecting their well-being.	
	2019			
Implemented local community engagement impact assessments and development programs	2020	✓	-	-
	2019			

SI-9

Number of community meetings

Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement



[View Data Table](#)


NUMBER OF COMMUNITY MEETINGS

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Number of community meetings	2020	12	1	2
	2019	22	7	14

Note: The decrease in community meetings at all sites was related to COVID-19 restrictions.

Material Topic: Socio-Economic Compliance

103 Management approach disclosures [Operating Ethically – Human Rights](#)

419-1 Non-compliance with laws and regulations in the social and economic area [Operating Ethically – Human Rights](#)
[View Data Table](#) 




NON-COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area	2020	0	0	0
	2019	0	0	0

To the best of Sherritt management’s knowledge, the Corporation, its subsidiaries and affiliates are in compliance in all material respects with all applicable laws and regulations in the social and economic areas in which they operate.

Material Topic: Artisanal and Small-Scale Mining

103 Management approach disclosures To the best of management’s knowledge, artisanal and small-scale mining does not exist in Cuba.

MM8 Number and percentage of company operating sites where artisanal and small-scale mining takes place on, or adjacent to, the site; the associated risks and the action taken to manage and mitigate these risks [View Data Table](#) 



NUMBER AND PERCENTAGE OF COMPANY OPERATING SITES WHERE ARTISANAL AND SMALL-SCALE MINING TAKES PLACE ON, OR ADJACENT TO, THE SITE; THE ASSOCIATED RISKS AND THE ACTION TAKEN TO MANAGE AND MITIGATE THESE RISKS

Disclosure Components	Year	Cuba
Where ASM takes place on or adjacent to company sites, or presents risks to the company's operations	2020	To the best of management's knowledge, artisanal and small-scale mining does not exist in Cuba.
	2019	

Material Topic: Resettlement

103 Management approach disclosures No resettlement took place during 2020 at any of our facilities.

MM9 Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process

[View Data Table](#) 



SITES WHERE RESETTLEMENTS TOOK PLACE, THE NUMBER OF HOUSEHOLDS RESETTLED IN EACH, AND HOW THEIR LIVELIHOODS WERE AFFECTED IN THE PROCESS

Disclosure Components	Year	Moa Nickel Site
Sites where resettlement of a community occurred	2020	0
	2019	0
Number of households involved in any resettlement program	2020	0
	2019	0
Number of individuals involved in any resettlement program	2020	0
	2019	0
Consultation processes and measures put in place to re-establish the affected community and mitigate any impacts of relocation, and the outcomes in terms of livelihoods, including sustainable land use	2020	No resettlement occurred in 2020.
	2019	No resettlement occurred in 2019.
Significant disputes related to resettlement and the processes employed to resolve outstanding issues	2020	0
	2019	0

Material Topic: Closure Planning

103 Management approach disclosures [Demonstrating Environmental Responsibility – Environmental Liabilities, Closure and Reclamation](#)
[2020 Annual Information Form – Description of the Business](#)

MM10

Number and percentage of operations with closure plans

Demonstrating Environmental Responsibility – Environmental Liabilities, Closure and Reclamation



[View Data Table](#)

NUMBER AND PERCENTAGE OF OPERATIONS WITH CLOSURE PLANS

Disclosure Components	Year	Fort Site ¹	Moa Nickel Site	OGP
Number of operations within the division that have closure plans	2020	1	1	OGP sites revert to the Cuban state upon closure.
	2019			
Percentage of operations within the division that have closure plans	2020	100%	100%	OGP sites revert to the Cuban state upon closure.
	2019			

¹ As part of the provincial operating approval, a closure plan outlining approaches on reclamation and/or remediation was included in the Operating Approval renewal application submitted in 2018. Sherritt's closure plan has been accepted as part of the application package and the issuance on February 1, 2021 of the Fort Site's new Operating Approval.

ADDITIONAL DISCLOSURES: OIL AND GAS

GRI Indicator	Description	Location	SDG
Material Topic: Oil and Gas			
OG1	Volume and type of estimated proven reserves and production	2020 Annual Information Form – Description of the Business	
OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	View Data Table	

NUMBER AND PERCENTAGE OF SIGNIFICANT OPERATING SITES IN WHICH BIODIVERSITY RISK HAS BEEN ASSESSED AND MONITORED

Disclosure Components	Oil & Gas	
	2020	2019
Criteria used to define priority sites for biodiversity conservation and where significant biodiversity risk requires Biodiversity Action Plans to be in place	As regulated	As regulated
Biodiversity Action Plan methodology (e.g., definitions, baseline assessments, management plans, protected areas, endemic species' habitats, endangered species)	As regulated	As regulated
Number and percentage of significant operating sites where biodiversity risk has been assessed	5 operating sites 100%	5 operating sites 100%
Number and percentage of significant operating sites exposed to significant biodiversity risk	0	0
Number and percentage of significant operating sites exposed to significant biodiversity risk in which Biodiversity Action Plans have been implemented and monitored	Not applicable	Not applicable

OG5

Volume and disposal of formation or produced water

[View Data Table](#) 



VOLUME AND DISPOSAL OF FORMATION OR PRODUCED WATER

Disclosure Components	Oil & Gas	
	2020	2019
Total volume of produced water (m ³)	411,248	446,258
Volume of produced water by disposal method (including reused, recycled, re-injected) (m ³)	403,266	435,007 m ³ injected 2,340 m ³ evaporation pit
Strategies and criteria for disposal and treatment, and standards used for quality of produced water discharged, including hydrocarbon and salinity	Produced water is metered and injected back into formation zones. Slight variance between produced and disposal water volumes as the disposal meters are +/-5% accurate.	Produced water is metered and injected back into formation zones. Slight variance between produced and disposal water volumes as the disposal meters are +/-5% accurate.
Total volume of hydrocarbon discharged within produced water	Not measured continuously; however, spot checks show residual hydrocarbons are below 100 mg/L injected (licence is 125 mg/L). Estimated disposal volume of 55 m ³ /year based on 125 mg/L and 980 kg/m ³ density.	Not measured continuously; however, spot checks show residual hydrocarbons are below 100 mg/L injected (licence is 125 mg/L). Estimated disposal volume of 55 m ³ /year based on 125 mg/L and 980 kg/m ³ density.
Note: Volume of hydrocarbon discharged within produced water is not measured at this time.		

OG6

Volume of flared and vented hydrocarbon

[View Data Table](#) **VOLUME OF FLARED AND VENTED HYDROCARBON**

Disclosure Components	Oil & Gas	
	2020	2019
Volume of flared hydrocarbon (Mm ³) ¹	75	66
Volume of continuously flared hydrocarbon broken down by country (Mm ³) ²	30	31
Volume of vented hydrocarbon	0	0
Volume of continuously vented hydrocarbon broken down by country	0	0

¹ The volume of flared hydrocarbon increased because of the sulphur unit outage in Varadero. When H₂S is flared, additional gas has to be mixed with it to maintain ground-level dispersion.

² The reported volume of continuously flared hydrocarbon decreased because of changes in production.

OG7

Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal

[View Data Table](#) **AMOUNT OF DRILLING WASTE (DRILL MUD AND CUTTINGS) AND STRATEGIES FOR TREATMENT AND DISPOSAL**

Disclosure Components	Oil & Gas	
	2020 ¹	2019
Total amount of drill mud and cuttings (in tonnes) produced using non-aqueous drilling fluid (m ³)	Cupet – 200 Oil & Gas – 42	Cupet – 1,228 Oil & Gas – 260
Total amount of drill mud and cuttings (in tonnes) produced using aqueous drilling fluid, by disposal method (m ³)	242	1,488
Treatment, disposal and minimization strategies	Evaporation pond for liquids; solids are reclaimed, treated and land farmed.	Evaporation pond for liquids; solids are reclaimed, treated and land farmed.

¹ The decrease in the amount of drill mud was due to a stop on the drilling program in 2020 for Oil & Gas and CUPET.

OG11

Number of sites that have been decommissioned and sites that are in the process of being decommissioned

[View Data Table](#) 

NUMBER OF SITES THAT HAVE BEEN DECOMMISSIONED AND SITES THAT ARE IN THE PROCESS OF BEING DECOMMISSIONED

Disclosure Components	Oil & Gas	
	2020	2019
Number of sites (broken down into offshore and onshore) and total land area of sites (onshore only) for both active and inactive sites	No sites were decommissioned in 2020.	No sites were decommissioned in 2019.
Criteria for defining inactive sites	End of contract	
Percentage of active sites that have decommissioning plans in place	Assets are transferred to state partner at end of contract.	
Decommissioning approach (e.g., plans for land owners, labour transition, finance, community infrastructure, environment remediation and government sign-off, post-decommissioning monitoring and aftercare)	Assets are transferred to state partner at end of contract.	
Complaints on outstanding local community issues or government notices on decommissioning	Not applicable	

OG13

Number of process safety events, by business activity

[View Data Table](#) 



NUMBER OF PROCESS SAFETY EVENTS, BY BUSINESS ACTIVITY

Disclosure Components	Oil & Gas	
	2020	2019
Number of Tier 1 process safety events with narrative per API RP 754 definitions and reported per business activity (refining, upstream, etc.)	Not applicable	
Number of Tier 2 process safety events with narrative per API RP 754 definitions and reported per business activity (refining, upstream, etc.)	Not applicable	
Report on asset integrity monitoring and maintenance program, including progress against actions identified	<p>Energas – Most maintenance requirements were completed in 2020, with the exception of a couple of items that were extended to 2021.</p> <p>Oil & Gas – Completed all tasks listed on the maintenance program.</p>	<p>Energas – 100% of PM program completed.</p> <p>Oil & Gas – Yearly UT program in place to test wall thickness.</p>

SASB CONTENT INDEX

Accounting Metric	Category	Unit of Measure	Code	Data/Reference
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Topic: Greenhouse Gas Emissions

(1) Gross global Scope 1 emissions	Quantitative	Metric tonnes (t) CO ₂ e,	EM-MM-110a.1	Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality
(2) Percentage covered under emissions-limiting regulations		Percentage (%)		

[View Data Table](#) 


Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP ²	Total
Scope 1 emissions (kt CO ₂ e)	2020	334	602	1,062	1,998
	2019	335	556	1,402	2,293
Sources included in the GHG emissions calculation	2020	CO ₂ , CH ₄ , N ₂ O	CO ₂ , CH ₄	CO ₂ , HFC	–
	2019	CO ₂ , CH ₄ , N ₂ O	CO ₂ , CH ₄	CO ₂	–
Other site-specific indicators	2020	43 kt of technology fund credits (>10% of total emissions)	Not applicable	Not applicable	–
	2019	17 kt of credits purchased (>5% of total emissions) ¹			–

¹ All of the credits are accredited by the Alberta Carbon Registry.

² In 2020, OGP reported a 24% decrease from the previous year due to a reduction in gas available for processing.

Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	Not applicable	EM-MM-110a.2	Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality 2020 Annual Information Form – Description of the Business
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Topic: Air Quality

Air emissions of the following pollutants: (1) CO, (2) NO _x (excluding N ₂ O), (3) SO _x , (4) particulate matter (PM ₁₀), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Quantitative	Metric tonnes (t)	EM-MM-120a.1	Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality View Data Table 
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Disclosure Components	Year	Fort Site	Moa Nickel Site ¹	OGP ²
Air emissions – NO _x (tonnes)	2020	1,374	1,446	4,805
	2019	1,264	1,722	6,065
Air emissions – SO _x (tonnes)	2020	0	13,354	14,135
	2019	0	12,211	26,208
Air emissions – SO ₂ (tonnes)	2020	101	Not available	27,882
	2019	87		Not available
Air emissions – CO (tonnes)	2020	198	Not available	Not available
	2019	Not available		
Air emissions – TPM (tonnes)	2020	93	Not available	Not available
	2019	80		
Air emissions – Persistent organic pollutants (tonnes)	2020	0	Not available	Not available
	2019	0		
Air emissions – Volatile organic compounds (tonnes)	2020	10	Not available	Not available
	2019	10		
Air emissions – Hazardous air pollutants (tonnes)	2020	11.2	Not available	Not available
	2019	11.1		
Source or emission factors		US EPA Air Emissions Factors	US EPA Air Emissions Factors	Measured by Gamma ³

¹ In 2020, NO_x decreased at the Moa Nickel Site due to a substantial reduction in operating hours of heavy equipment due to lower availability and utilization of equipment.

² OGP works with Gamma, operating on behalf of the Cuban environmental regulator CITMA, on matters of environmental monitoring.

³ The 46% reduction in SO_x at OGP is attributable to the reduction in gas and to a sulphur plant (Train B) being repaired and put back in service in Varadero. With the plant up and running, more SO_x was being processed and made into solid sulphur as opposed to being flared.

Topic: Energy Management

(1) Total energy consumed
 (2) Percentage grid electricity
 (3) Percentage renewable

Quantitative

Gigajoules (GJ),
 Percentage (%)

EM-MM-130a.1

Demonstrating Environmental Responsibility – Energy, Climate Change and Air Quality

[View Data Table](#) 

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Total Sherritt
Total fossil fuel consumption (TJ)	2020	4,302	6,251	29,031	39,584
	2019	4,362	5,873	28,714	38,949
Total fossil fuel consumption as a percentage of total energy usage at the division	2020	85%	96%	97%	96%
	2019	85%	96%	97%	96%
Total electricity consumption (TJ)	2020	557	240	752	1,550
	2019	573	239	815	1,627
Total electricity consumption as a percentage of total energy usage at the division	2020	11%	4%	3%	4%
	2019	11%	4%	3%	4%
Total waste fuel consumption (TJ)	2020	174	0	0	174
	2019	196	0	0	196
Total energy usage (TJ)	2020	5,033	6,491	29,783	41,308
	2019	5,131	6,112	29,529	40,772
Other sources of energy consumption					
Total coal consumption (TJ)	2020	0	0	0	0
	2019	0	0	0	0
Total fuel consumption from renewable fuel sources (solar, wind, etc.)	2020	Not applicable	Not applicable	Not applicable	Not applicable
	2019	Not applicable	Not applicable	Not applicable	Not applicable
Heating consumption	2020	0	0	0	0
	2019	0	0	0	0
Cooling consumption	2020	Not applicable	0	0	0
	2019	Not applicable	0	0	0
Steam consumption (tonnes) ¹	2020	0	4,602,000	0	4,602,000

	2019	0	4,383,666	0	4,383,666
Energy sold					
Electricity sold (TJ)	2020	0	0	6,759	6,759
	2019	0	0	8,166	8,166
Heating sold (TJ)	2020	0	Not applicable	Not applicable	0
	2019	0			0
Cooling sold (TJ)	2020	Not applicable	Not applicable	Not applicable	Not applicable
	2019				
Steam sold (TJ) ¹	2020	60	Not applicable	Not applicable	60
	2019	76			76

¹ The steam at the Moa Nickel Site is generated by burning fossil fuels and sulphur on site. The steam is consumed internally on site in the process and to generate electricity.

Topic: Water Management


(1) Total fresh water withdrawn
 (2) Total fresh water consumed
 (3) Percentage of each in regions with high or extremely high baseline water stress

Quantitative

Thousand cubic metres (m³),
 Percentage (%)

EM-MM-140a.1

[Demonstrating Environmental Responsibility – Water](#)

[View Data Table](#) 

Disclosure Components ¹	Year	Fort Site	Moa Nickel Site	OGP
Total water withdrawal (m ³)	2020	2,260,000	15,178,062	5,124,111
	2019	2,370,000	14,882,947	4,906,977
Surface water, including water from wetlands, rivers and lakes (m ³)	2020	2,170,000	13,330,421	0
	2019	2,270,000	13,319,368	0
Saltwater (m ³)	2020	0	0	4,896,383
	2019	0	0	4,452,956
Groundwater (m ³)	2020	0	0	49,635 ²
	2019	0	0	62,008
Rainwater collected directly and stored by the organization (m ³)	2020	0	0	0

	2019	0	0	0
Waste water from another organization (m ³)	2020	0	0	0
	2019	0	0	923
Municipal water supplies or other water utilities (m ³)	2020	100,000	1,847,641	178,093
	2019	100,000	1,563,579	195,983

¹ Data is collected from meters and some estimates; collection methodologies differ between sites.

² The decrease in groundwater use at OGP was due to a decrease in production at Boca; therefore, not as much water makeup was required.

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Waste water (m ³) ¹	2020	1,460,000	Not available	29,462
	2019	1,500,000		28,772
Discharges to water (m ³)	2020	Not available	Not available	3,809,907
	2019			3,313,646
Chemical oxygen demand of discharges (metric tonnes)	2020	95	Not available	Not available
	2019	117.4		
Biological demand of discharges (metric tonnes)	2020	6.6	Not available	Not available
	2019	23.6		

¹ The total volume of water discharged by the company after use in business activities, including water effluents.

Disclosure Components	Year	Fort Site ¹	Moa Nickel Site	OGP ²
Total volume of water recycled (m ³)	2020	0	4,899,992	0
	2019	0	4,873,787	0
Total volume of water recycled and reused as a percentage of total water withdrawal	2020	28.32%	32.00%	81.00%
	2019	29.11%	33.00%	80.56%
Reclaimed water use (m ³)	2020	0	0	0
	2019	0	0	0
Process water use (m ³)	2020	2,260,000	14,614,090	179,904
	2019	2,370,000	13,954,936	196,030
Cooling water inflow (m ³)	2020	640,000	948,061	4,435,500

	2019	690,000	966,596	4,006,698
Total water withdrawal (m ³)	2020	2,260,000	15,178,062	5,124,111
	2019	2,370,000	14,882,947	4,906,977

¹ The reduction in cooling water diverted in 2019 at the Fort Site may have been partially due to a rental compressor that used less water than the Sherritt-owned compressor that was inoperative for much of 2019.

² At OGP, the total volume of water recycled and reused increased significantly in 2019 because cooling water was not included in the calculation in 2018.

Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	EM-MM-140a.2	Demonstrating Environmental Responsibility – Tailings Management Demonstrating Environmental Responsibility – Water Demonstrating Environmental Responsibility – Environmental Liabilities, Closure and Reclamation
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Topic: Waste and Hazardous Materials Management

(1) Total weight of tailings waste (2) Percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	EM-MM-150a.1	Demonstrating Environmental Responsibility – Tailings Management
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[View Data Table](#) 

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Total Sherritt
Total amounts of waste rock (tonnes)	2020	Not applicable	183,867	Not applicable	183,867
	2019		253,449		253,449
Total amounts of overburden (tonnes)	2020	Not applicable	4,034,738	Not applicable	4,034,738
	2019		2,432,948		2,432,948
Total amounts of liquid tailings and sludge (tonnes)	2020	Not applicable	12,348,254	Not applicable	12,348,254
	2019		12,652,052		12,652,052

(1) Total weight of mineral processing waste
 Quantitative
 Metric tonnes (t), Percentage (%)
 EM-MM-150a.2

(2) Percentage recycled

Number of tailings impoundments, broken down by MSHA hazard potential
 Quantitative
 Number
 EM-MM-150a.3

Topic: Biodiversity Impacts

Description of environmental management policies and practices for active sites
 Discussion and Analysis
 Not applicable
 EM-MM-160a.1
[Demonstrating Environmental Responsibility – Biodiversity and Land](#)
[2020 Annual Information Form – Description of the Business](#)

Percentage of mine sites where acid rock drainage is:
 (1) predicted to occur
 (2) actively mitigated
 (3) under treatment or remediation
 Quantitative
 Percentage (%)
 EM-MM-160a.2

Topic: Security, Human Rights and Rights of Indigenous Peoples

Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Quantitative	Percentage (%)	EM-MM-210a.1	<p>Providing a Safe and Rewarding Workplace – Site Security</p> <p>Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement</p>
Percentage of (1) proved reserves and (2) probable reserves in or near Indigenous land	Quantitative	Percentage (%)	EM-MM-210a.2	
Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict	Discussion and Analysis	Not applicable	EM-MM-210a.3	

Topic: Community Relations

Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion and Analysis	Not applicable	EM-MM-210b.1	<p>Engaging Stakeholders and Benefitting Communities – Stakeholder Engagement</p> <p>Engaging Stakeholders and Benefitting Communities – Community Development</p>
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Number and duration of non-technical delays

Quantitative

Number, Days

EM-MM-210b.2

[View Data Table](#) 

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Number and duration of non-technical delays (number and days)	2020	0	0	0
	2019	0	0	0

Topic: Labour Relations

Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees

Quantitative

Percentage (%)

EM-MM-310a.1

[Providing a Safe and Rewarding Workplace – Employee Relations](#)

[View Data Table](#) 

Disclosure Components	Year	Fort Site ¹	Moa Nickel Site	OGP	Corporate	Total Sherritt ²
Percentage of total employees covered by collective bargaining agreements	2020	49.5%	In Cuba, all organized labour considerations are mandated by the Cuban state, and many systems and tools common in other jurisdictions are not employed there.		0	40.3%
	2019	54.3%			0	42.2%

¹ Hourly employees as a percentage of total employees at the Fort Site only.

² Calculated as a percentage of headcount (permanent employees), excluding Cuban local nationals.

Number and duration of strikes and lockouts

Quantitative

Number, Days

EM-MM-310a.2

[Providing a Safe and Rewarding Workplace – Employee Relations](#)

[View Data Table](#) 

Disclosure Components	Year	Fort Site	Moa Nickel Site ¹	OGP ¹	Corporate ¹
Total number of strikes and lockouts that exceeded one week's duration during the reporting period, by country	2020	0	Not applicable	Not applicable	Not applicable
	2019	0			


¹ There are no unionized employees at these locations or no unionized employees that Sherritt exercises any control or reporting over.

Topic: Workforce Health and Safety

(1) MSHA all-incident rate
 (2) Fatality rate
 (3) Near miss frequency rate (NMFR)
 (4) Average hours of health, safety and emergency response training for (a) full-time employees and (b) contract employees

Quantitative Rate EM-MM-320a.1

[Providing a Safe and Rewarding Workplace – Health and Safety](#)

[View Data Table](#) 

Disclosure Components ¹	Year	Fort Site	Moa Nickel Site	OGP		Corporate	Total Sherritt
				(O&G)	Power		
Number of work-related fatalities							
Employees	2020	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Contractors and other workers	2020	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Third party	2020	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Total	2020	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Number of lost time incidents							
Employees	2020	0	4	0	0	0	4

	2019	1	2	0	0	0	3
Contractors and other workers	2020	0	1	0	0	0	1
	2019	0	0	0	0	0	0
Total	2020	0	5	0	0	0	5
	2019	1	2	0	0	0	3

Lost time incident (LTI) index²

Employees	2020	0	0.19	0	0	0	0.12
	2019	0.14	0.1	0	0	0	0.09
Contractors and other workers	2020	0	0.18	0	0	0	0.12
	2019	0	0	0	0	0	0
Total	2020	0	0.19	0	0	0	0.12
	2019	0.12	0.08	0	0	0	0.07

Number of total recordable injuries

Employees	2020	0	4	0	0	0	4
	2019	7	7	0	2	0	16
Contractors and other workers	2020	2	1	0	2	0	5
	2019	0	1	2	1	0	4
Total	2020	2	5	0	2	0	9
	2019	7	8	2	3	0	20

Total recordable incident (TRI) index³

Employees	2020	0	0.19	0	0	0	0.12
	2019	0.58	0.34	0	0.60	0	0.32
Contractors and other workers	2020	1.23	0.18	0	5.3	0	0.60
	2019	0	0.23	1.66	1.47	0	0.38
Total	2020	0.23	0.19	0	0.56	0	0.22
	2019	0.87	0.32	0.47	0.74	0	0.33

¹ All sites are applying the U.S. Occupational Safety & Health Administration (OSHA) general recording criteria. Reference Standard 29 CFR section 1904.7. The Sherritt standard is aligned with this system of rules. We did not track occupational disease rates in 2019 or 2020, and we currently do not track this data by gender.

² LTI index = # LTI * 200,000/SUM (exposure hours for the year).

³ Minor (first-aid level) injuries are not included in the TRI index.

“Employees” include Sherritt and GNC employees seconded to the Moa Joint Venture (100% basis) and employees of the entities through which the Corporation carries on its Oil & Gas business, and employees of Energas.


“Contractors and other workers” include contractors and other workers not included in the “Employees” category.

Note: MSHA all-incident rate, near miss frequency rate and average hours of health, safety and emergency response training for 2020 are not available.

Data not available for items 3 and 4.

Topic: Business Ethics and Transparency

Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	Not applicable	EM-MM-510a.1	Operating Ethically – Business Conduct 2020 Annual Information Form – Description of the Business
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Production in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index	Quantitative	Metric tonnes (t) saleable	EM-MM-510a.2	Operating Ethically – Business Conduct View Data Table 
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Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP	Corporate
Total number and percentage of operations assessed for risks related to corruption	2020	100%	100%	100%	100%
	2019	100%	100%	100%	100%
Significant risks related to corruption identified through the risk assessment	2020	0	0	0	0
	2019	0	0	0	0

On a quarterly basis, the Corporation assesses its operations across all divisions for risks related to corruption and, to date, has not identified any significant risks.


Note: Sherritt does not have production in countries with the 20 lowest rankings in the [Corruption Perceptions Index](#).

Topic: Activity Metrics

(1) Production of metal ores Quantitative Metric tonnes (t) saleable EM-MM-000.A [About Sherritt – 2020 Key Indicators](#)

(2) Finished metal products [2020 Financial Results](#)

(1) Total number of employees Quantitative Number, Percentage (%) EM-MM-000.B [About Sherritt – 2020 Key Indicators](#)

(2) Percentage contractors [View Data Table](#) 

Disclosure Components	Year	Canada	Cuba ²	Other ³	Total Sherritt
Full-time					
Men	2020	625	2,236	4	2,865
	2019	619	2,312	4	2,935
Women	2020	155	214	12	381
	2019	148	209	12	369
Unknown	2020	0	0	0	0
	2019	0	0	0	0
Part-time					
Men	2020	9	0	0	9
	2019	11	0	0	11
Women	2020	4	0	0	4
	2019	9	0	0	9
Unknown	2020	0	0	0	0
	2019	0	0	0	0
Permanent					
Men	2020	634	2,236	4	2,874
	2019	630	2,312	4	2,946
Women	2020	159	214	12	385
	2019	157	209	12	378
Unknown	2020	0	0	0	0
	2019	0	0	0	0

Temporary¹					
Men	2020	2	0	2	4
	2019	5	0	1	6
Women	2020	4	0	0	4
	2019	5	0	0	5
Unknown	2020	22	0	0	22
	2019	39	0	0	39

1 Temporary employees included consultants or positions currently filled by contractors.

2 Includes the office in Havana, Sherritt and GNC employees at the Moa Nickel Site, as well as employees of the entities which make up the OGP businesses (including Energas).

3 “Other” includes our Bahamian marketing office, which services the Moa Joint Venture and OGP Spain.

Disclosure Components	Year	Canada	Cuba²	Other³	Total Sherritt
Permanent employees (%)	2020	24%	74%	0%	99%
	2019	23%	75%	0%	99%
Temporary employees (%) ¹	2020	1%	0%	0%	1%
	2019	1%	0%	0%	1%

1 Temporary employees included consultants or positions currently filled by contractors.

2 Includes the office in Havana, Sherritt and GNC employees at the Moa Nickel Site, as well as employees of the entities which make up the OGP businesses (including Energas).

3 “Other” includes our Bahamian marketing office, which services the Moa Joint Venture and OGP Spain.

UNITED NATIONS GLOBAL COMPACT (UNGC)

This report serves as our annual Communication on Progress for the UNGC. Please see www.unglobalcompact.org for more information.

UN Global Compact Principles Reference	Location/Description
<p>PRINCIPLE 1: HUMAN RIGHTS</p> <p>Businesses should support and respect the protection of internationally proclaimed human rights.</p>	<p>Operating Ethically – Human Rights</p> <p>102-41</p> <p>406-1</p> <p>410-1</p> <p>411-1</p> <p>412-1</p> <p>413-1</p>
<p>PRINCIPLE 2: HUMAN RIGHTS</p> <p>Businesses should make sure that they are not complicit in human rights abuses.</p>	<p>Operating Ethically – Human Rights</p> <p>Providing a Safe and Rewarding Workplace – Site Security</p> <p>Case Study – Implementing the Voluntary Principles Initiative</p>
<p>PRINCIPLE 3: LABOUR</p> <p>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	<p>Providing a Safe and Rewarding Workplace – Employee Relations</p> <p>102-41</p> <p>402-1</p> <p>407-1</p> <p>MM4 – Number of strikes and lock-outs</p>
<p>PRINCIPLE 4: LABOUR</p> <p>Businesses should uphold the elimination of all forms of forced and compulsory labour.</p>	<p>Operating Ethically – Business Conduct</p> <p>Providing a Safe and Rewarding Workplace – Employee Relations</p> <p>409-1</p>

UN Global Compact Principles Reference	Location/Description
<p>PRINCIPLE 5: LABOUR</p> <p>Businesses should uphold the effective abolition of child labour.</p>	<p>Our Approach – Sustainability Framework – Management Systems</p> <p>Operating Ethically – Human Rights</p> <p>408-1</p>
<p>PRINCIPLE 6: LABOUR</p> <p>Businesses should uphold the elimination of discrimination in respect of employment and occupation.</p>	<p>Providing a Safe and Rewarding Workplace – Employee Relations</p> <p>102-8</p> <p>202-2</p> <p>405-1</p> <p>406-1</p> <p>Case Study – Committed to Pay Equity and Promotion</p>
<p>PRINCIPLE 7: ENVIRONMENT</p> <p>Businesses should support a precautionary approach to environmental challenges.</p>	<p>Demonstrating Environmental Responsibility</p> <p>201-2</p> <p>302-1</p> <p>303-1</p> <p>305-1</p> <p>305-2</p> <p>305-7</p> <p>MM2 – Sites Requiring Biodiversity Management Plans</p> <p>MM10 – Number and Percentage of Operations with Closure Plans</p> <p>Case Study – Rehabilitation and Reclamation in Moa, Cuba</p> <p>Case Study – Cleaning the Ocean as We Go in Cuba</p> <p>Case Study – Tarea Vida – Tackling Climate Change</p>

UN Global Compact Principles Reference	Location/Description
<p>PRINCIPLE 8: ENVIRONMENT</p> <p>Businesses should undertake initiatives to promote greater environmental responsibility.</p>	<p>Demonstrating Environmental Responsibility</p> <p>302-1</p> <p>303-1</p> <p>304-1</p> <p>304-2</p> <p>304-3</p> <p>305-1</p> <p>305-2</p> <p>305-7</p> <p>306-3</p> <p>307-1</p> <p>MM1 – Amount of Land Disturbed</p> <p>MM2 – Sites Requiring Biodiversity Management Plans</p> <p>Case Study – Cleaning the Ocean as We Go in Cuba</p> <p>Case Study – Tarea Vida – Tackling Climate Change</p> <p>Case Study – Rehabilitation and Reclamation in Moa, Cuba</p> <p>Case Study – Volunteering Program in Moa – Serving the Communities Around Us</p> <p>Case Study – Innovating for a Low-Carbon Future and Circular Economy</p>
<p>PRINCIPLE 9: ENVIRONMENT</p> <p>Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Case Study – Innovating for a Low-Carbon Future and Circular Economy</p> <p>Case Study – Cleaning the Ocean as We Go in Cuba</p> <p>Case Study – Tarea Vida – Tackling Climate Change</p> <p>Supplying a Sustainable Future</p>

UN Global Compact Principles Reference	Location/Description
<p>PRINCIPLE 10: ANTI-CORRUPTION</p> <p>Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Operating Ethically – Business Conduct</p> <p>102-16</p> <p>205-1</p> <p>205-2</p>

We have identified in this report where we align with the OECD Due Diligence Guidance for Responsible Business Conduct and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Please see www.oecd.org and <https://www.oecd.org/corporate/mne/mining.htm> for more information on these OECD Guidelines.

OECD DUE DILIGENCE GUIDANCE FOR RESPONSIBLE BUSINESS CONDUCT

OECD	Location
OECD IV. Human Rights	Operating Ethically – Human Rights
	102-41
	406-1
	410-1
OECD V. Employment and Industrial Relations	412-1
	Providing a Safe and Rewarding Workplace – Employee Relations
	102-8
	202-2
	405-1

OECD DUE DILIGENCE GUIDANCE FOR RESPONSIBLE BUSINESS CONDUCT

OECD VI. Environment

Demonstrating Environmental Responsibility

303-1

304-3

305-1

305-7

306-3

307-1

MM1 – Amount of Land Disturbed

MM2 – Sites Requiring Biodiversity Management Plans

OECD VII. Combatting Bribery, Bribe Solicitation and Extortion

Operating Ethically – Business Conduct

205-1

205-2

OECD VIII. Consumer Interest

2020 Annual Information Form

2020 Financial Results

OECD IX. Science and Technology

About Sherritt – Divisions and Products

2020 Annual Information Form – Section 3.4 (Technologies)

Supplying a Sustainable Future

OECD X. Competition

Operating Ethically – Business Conduct

2020 Annual Information Form – Section 3.7 (Risk Factors)

OECD XI. Taxation


Engaging Stakeholders and Benefitting Communities

201-1

2020 Annual Information Form – Section 3.7 (Risk Factors)

OECD **Location**

OECD STEP 1: 103

Establish strong company management systems [View Data Table](#) 

ESTABLISH STRONG COMPANY MANAGEMENT SYSTEMS

Disclosure Components	Sherritt 2020
Human Rights and Environment, Health, Safety and Sustainability Policy	Yes
Subsidiary mineral feed policy	Yes
Mineral feed supplier code of conduct	Yes
Subsidiary implementation of due diligence for mineral supply chain	Yes
Subsidiary surveys of relevant suppliers	No
Subsidiary review of due diligence information received from suppliers against the company's expectations	Yes
Due diligence process includes correction action management	Yes
Require subsidiaries and subsidiary suppliers to exercise due diligence over the cobalt supply chain in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains	Yes
Require subsidiaries and subsidiary 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 labor	Yes
The company provides a grievance mechanism	Yes

OECD STEP 2: 102

Identify and assess risks in the supply chain
 102-9
 308
 308-1
 308-2

[View Data Table](#) 

IDENTIFY AND ASSESS RISKS IN THE SUPPLY CHAIN

Disclosure Components	Sherritt 2020
What percentage of relevant suppliers have provided a response to your supply chain survey?	Not available
Do any of the smelters in your supply chain source minerals from a conflict-affected or high-risk area?	No
Have you identified all of the smelters supplying cobalt to your supply chain?	Yes
Have you assessed whether the smelters/refiners in your supply chain have carried out all steps of due diligence?	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, through the RMI RMAP
Have you identified the presence of Annex II risks in the supply chain?	No
Number or percentage of suppliers implementing OECD Due Diligence Guidance	Not available
Percentage of suppliers with a Risk Readiness Assessment completed	Not available

OECD STEP 3:

102

Design and implement a strategy to respond to identified risks

102-9

308

[View Data Table](#) 

DESIGN AND IMPLEMENT A STRATEGY TO RESPOND TO IDENTIFIED RISKS

Disclosure Components	Sherritt 2020
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
Does your review process include corrective action management?	Yes
What are the established procedures or guidelines that determine the response to findings of human rights/child labor violations?	The supplier code of conduct outlines a 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
Are upstream suppliers utilizing or supporting an upstream verification and due diligence system that provides components of risk assessment and mitigation, or has the company implemented concerted capacity-building efforts with measured outcomes that target upstream suppliers?	Unknown

OECD STEP 4:

[View Data Table](#) 

Carry out independent third-party audit of smelter/refiner's due diligence practices

CARRY OUT INDEPENDENT THIRD-PARTY AUDIT OF SMELTER/REFINER'S DUE DILIGENCE PRACTICES

Disclosure Components	Sherritt 2020
Percentage of smelters that have been validated by an independent third-party audit program	Not available
Percentage of smelters that are active in an independent third-party audit program but are not yet conformant	Not available
Percentage of smelters that are not participating in an independent third-party audit program	Not available

OECD STEP 5:

102

Report annually on supply chain due diligence

102-9

[View Data Table](#) 

REPORT ANNUALLY ON SUPPLY CHAIN DUE DILIGENCE

Disclosure Components	Sherritt 2020
Do you publish audit reports with due regard taken of business confidentiality and other competitive concerns?	Yes
Do you publish an annual report on due diligence for responsible supply chains of minerals from conflict-affected or high-risk areas?	Yes
Do you report on risks identified in the supply chain and how those risks are mitigated?	Yes

About Sherritt



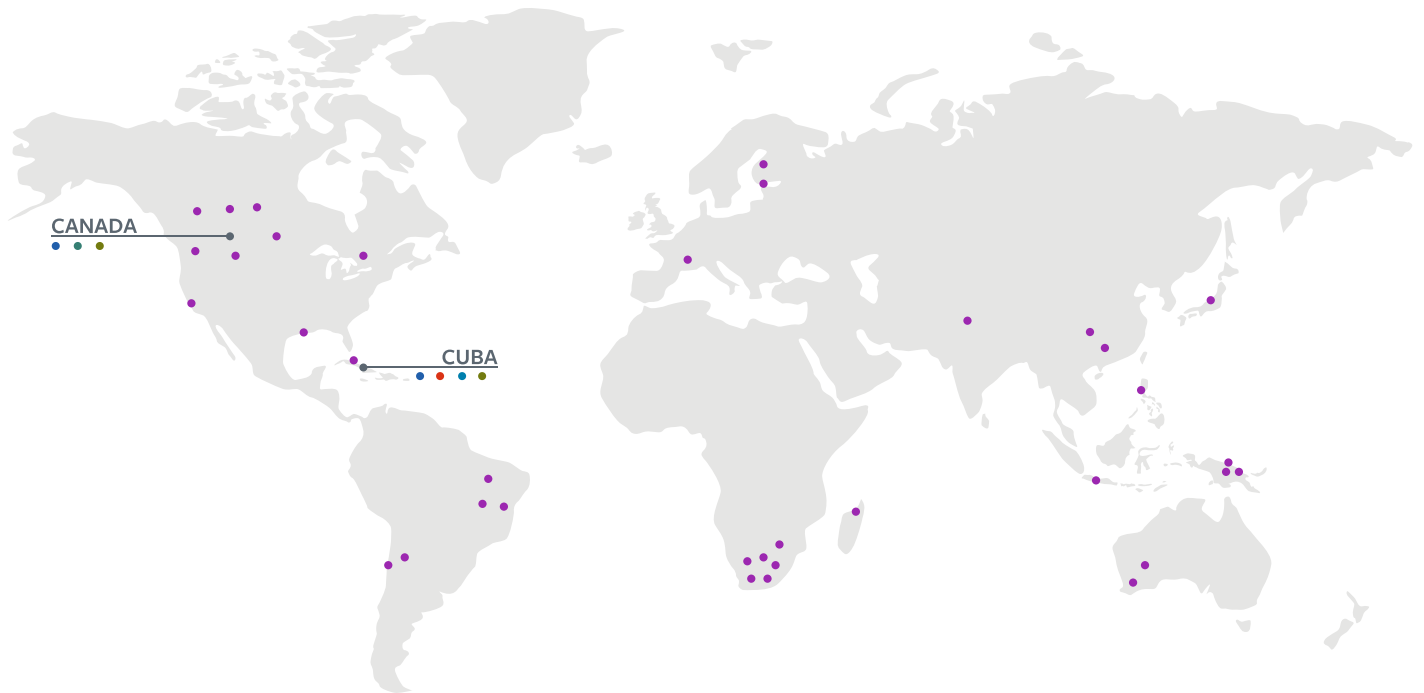
Sherritt is a world leader in the mining and refining of nickel and cobalt – metals essential for the growing adoption of electric vehicles. Its Technologies Group creates innovative, proprietary solutions for oil and mining companies around the world to improve environmental performance and increase economic value. Sherritt is also the largest independent energy producer in Cuba. Sherritt’s common shares are listed on the Toronto Stock Exchange under the symbol “S”.



IN THIS SECTION

- MAP AND DESCRIPTION
- OUR HISTORY
- DIVISIONS AND PRODUCTS
- ECONOMIC PERFORMANCE
- 2020 KEY INDICATORS
- OUR SUPPLY CHAIN

MAP AND DESCRIPTION



METALS	OIL & GAS
POWER	TECHNOLOGIES
OFFICES	● COMMERCIAL OPERATIONS DEVELOPED WITH SHERRITT TECHNOLOGIES

Incorporated in 1927 as Sherritt Gordon Mines Limited, Sherritt has deep Canadian roots; it is one of the oldest Canadian-owned metals producers still in operation. Sherritt International was established in 1995 as the commodity metals and technologies successor to the original Sherritt Gordon Mines Limited. Refer to “[Sherritt’s History](#)”, below, for more information.

SHERRITT'S HISTORY – KEY DATES AND EVENTS

1927



Sherritt Gordon Mines Limited is incorporated to develop resources, principally base metals.

1930

Sherridon Development Company is formed to provide services and build the Town of Sherridon, Manitoba.

1931

Sherridon mine production begins, shipping copper concentrate to the nearby Hudson Bay copper smelter.

1941



First significant discovery of nickel at Lynn Lake, Manitoba.

1946

Sherridon mining and milling equipment is transferred to a new nickel mine site at Lynn Lake.

1947

Sherritt begins to fund the University of British Columbia (UBC) to experiment with hydrometallurgical techniques for ore processing.

1948

UBC discovers a direct ammonia leach method that has the potential to simplify the processing of nickel concentrates.

1949

Sherritt builds a pilot plant in Ottawa to further develop the ammonia leach process.

1950

Sherritt builds a second pilot plant, incorporating the hydrogen-reduction process pioneered by Chemical Construction Corp.

1951

Sherritt provides partial funding for the Canadian National Railway (CNR) to construct a railway line from Sherridon to Lynn Lake. Sherritt builds a third pilot plant in Ottawa to finalize the design for a commercial refinery. Closure of the Sherridon mine takes place.

1952

Construction begins on the refinery at Fort Saskatchewan, Alberta. The site was chosen for its abundant supplies of water and natural gas (required to make the ammonia for the refinery), its location on the CNR line and the availability of skilled labour.

1953

Ore production from the Lynn Lake mine begins and concentrate is shipped by rail from Manitoba to Alberta.

1954

Construction and start-up of the nickel refinery, including production facilities for by-product fertilizer, are completed at the Fort Site.

1955

Sherritt's research division is transferred from Ottawa to Fort Saskatchewan; pilot plant equipment is transferred to form the basis of a cobalt refinery. Inland Chemicals builds a 100 tonnes/day sulphuric acid plant to supply the Fort Saskatchewan refinery.

1957

Sherritt buys hydrometallurgical technology patents from Chemical Construction, including those used in the Moa Nickel Site, then under construction.

1961

Sherritt develops a coinage business, starting with shipments of nickel blanks from Fort Saskatchewan's rolling mill to the Royal Canadian Mint. Within a decade, the rolling mill is producing coin blanks for multiple countries as well as commemorative medallions. Sherritt conducts its first external technologies project, developing a nickel process for Marinduque Iron Mines in the Philippines.

1962–65

Sherritt expands its ammonia plant, constructs two urea production trains (120 and 150 tonnes/day), and expands into the phosphate fertilizer business with a new phosphate plant at the Fort Site, using phosphate rock imported from Florida.

1967

Sherritt licenses its process for acid pressure leaching of nickel-cobalt sulphides to Outokumpo in Finland.

1968–69

Sherritt starts construction on the Fox copper mine and the Ruttan copper-zinc mine in Manitoba.

1969

Sherritt licenses its ammonia pressure leach process for nickel concentrates and mattes to Western Mining Corp. in Australia, and its acid pressure leaching process for PGM-bearing nickel-copper mattes to Impala Platinum in South Africa. Sherritt starts pilot testing its laterite leach process for the Marinduque project.

1970–73

Shipment of concentrates from the Fox mine and the Ruttan mine begins.

1974

Production begins of refined nickel from the Surigao nickel laterite project in the Philippines (the mine was on Dinagat Island and the refinery on Nonoc Island), under licence from Sherritt. This is the first commercial production of refined nickel directly from laterite ore.

1976

Closure of the Lynn Lake mine takes place. Sherritt's nickel refinery becomes a toll processor. Sherritt purchases Thio-Pet Chemicals, a producer of hydrogen sulphide used in the Fort Saskatchewan refinery. Sherritt begins producing nickel-bonded steel coinage products and ultrafine cobalt powder.

1978

Sherritt produces medals and commemorative medallions for the Commonwealth Games.

1979

Sherritt presents the City of Fort Saskatchewan with a clock tower to celebrate 25 years of operation. Sherritt begins production of cobalt-samarium powder for rare-earth magnets.

1980

Sherritt debottlenecks the sulphuric acid plant to achieve a production rate of 600 tonnes/day. (Subsequent work through the 1990s/2000s results in an 800 tonnes/day operation.)

1981

The first zinc pressure leach plant, at Cominco in Trail, British Columbia, is commissioned. Other facilities follow over the next 12 years at Kidd Creek in Ontario, Ruhr-Zink in Germany and Hudson's Bay Mining and Smelting in Manitoba. New NBS coinage plant opens, increasing capacity by a factor of five. TuffStuds enters commercial production.

1982

Commissioning of Rustenburg matte leach refinery takes place in South Africa, under licence from Sherritt.

1983

Sherritt commissions a new world-scale (1,000 tonnes/day ammonia, 900 tonnes/day urea) nitrogen fertilizer plant in Alberta. Impala Platinum cobalt refinery in South Africa and Kidd Creek zinc pressure leach facility in Canada are commissioned, under licence from Sherritt.

1985

Fox mine closes. Sherritt creates and floats SherrGold, retaining a 60% interest. Start-up of Western Platinum matte leach refinery in South Africa occurs, under licence from Sherritt.

1986

The Fort Saskatchewan refinery celebrates one billion pounds of cumulative nickel production. Start-up of SherrGold's MacLellan gold mine occurs. The Surigao nickel refinery is officially closed.

1987

The aureate-bonded nickel coinage plant opens, contracted to supply Canadian "loonie" dollar coin blanks. Sherritt acquires United Chemical Company. Ruttan mine is sold to Hudson's Bay Mining and Smelting.

1988

The company sells its interest in SherrGold and is renamed Sherritt Gordon Limited. Ultrafine copper pilot plant is commissioned.

1989

Sherritt and the governments of Alberta and Canada create Westaim, a co-operative venture designed to develop new advanced-materials technologies. NBS coinage plant capacity is doubled. Ultrafine copper commercial plant is commissioned.

1990

Major investor Ian Delaney leads a successful proxy contest for control of Sherritt.

1991

Sherritt acquires Canada Northwest Energy Limited, a Calgary-based producer of oil and natural gas. The company begins acquiring feed from a nickel mine in Moa, Cuba, for the Fort Saskatchewan refinery.

1993

Sherritt Gordon Limited is renamed Sherritt Inc. Sherritt completes an extensive refurbishment and expansion of its Fort Saskatchewan nickel and cobalt refinery to allow for efficient processing of mixed sulphides from the Moa Nickel Site in Cuba.

1994

Sherritt acquires fertilizer assets from Imperial Oil Limited and becomes the largest producer of nitrogen and phosphate fertilizers in Canada and one of the largest fertilizer producers in the world. Sherritt extends its nickel and cobalt refining business into a vertically integrated mining/refining business in a joint venture with the General Nickel Company of Cuba.

1995

Sherritt Inc. creates Sherritt International Corporation, an independent Canadian public company. Sherritt Inc. retains the fertilizer business, Canadian oil and gas properties and the specialty metals and technology businesses.

1996

Sherritt Inc. changes its name to Viridian Inc., which merges with a wholly owned subsidiary of Agrium Inc. Sherritt International acquires certain utilities, fertilizer and other assets in Fort Saskatchewan, from which it produces and sells fertilizer, and supplies inputs and utilities to the nickel and cobalt refinery.

1997

Sherritt acquires Dynatec International Ltd. and merges it with Sherritt's metallurgical consulting business, creating Dynatec Corporation, which is spun out as a separate public company.

1998

Sherritt creates Sherritt Power Corporation, which constructs and operates power generating facilities in Cuba through a one-third ownership in Energas S.A.

2000

The Fort Site stops effluent discharge to the river; effluent flows to the Alberta Capital Region Wastewater Treatment Facility via the City of Fort Saskatchewan's collection system.

2001

Sherritt and a partner acquire Canada's largest coal producer, Luscar Ltd., creating the Luscar Energy Partnership.

2003

The Luscar Energy Partnership acquires the Canadian thermal coal assets of Fording Inc. The Fort Site's ammonium phosphate plant is converted to produce granular ammonium sulphate.

2004

Sherritt celebrates 50 years of operation at the Fort Saskatchewan refinery (now COREFCO). Through its minority interest in Energas, Sherritt begins construction on an 85 MW expansion in Cuba.

2005

The Fort Saskatchewan refinery (now COREFCO) celebrates two billion pounds of cumulative nickel production. A two-million-tonne expansion of the Coal Valley mine is announced; construction is completed the next year.

2006

The metals expansion project is initiated at the Moa Nickel Site in Cuba. At Energas, an 85 MW power expansion is completed and a new 65 MW expansion begins.

2007

Sherritt acquires Dynatec Corporation, including its 40% ownership in the Ambatovy Nickel Project. Sherritt Technologies is formed, including the former Dynatec Metallurgical Technologies operations, to utilize and license the corporation's 50-plus years of hydrometallurgical research, development and commercial process implementation. The 65 MW power expansion is completed in Cuba.

2008

The 150 MW power expansion at Boca de Jaruco in Cuba commences.

2011

Construction at Ambatovy is completed.

2012

Production of finished nickel and cobalt commences at Ambatovy.

2014

Sherritt achieves commercial production at Ambatovy. Sherritt sells its coal business.

2015

Sherritt achieves a production test milestone and financial completion at Ambatovy.

2017

Sherritt celebrates 90 years in business in Canada.

2019

Sherritt reaches three billion pounds of nickel production at its refinery in Fort Saskatchewan. Sherritt and General Nickel Company S.A. celebrate the 25-year anniversary of the formation of the Moa Joint Venture on December 1, 2019. Ambatovy is deemed non-material for Sherritt's sustainability disclosures, including the 2019 Sustainability Report.

DIVISIONS AND PRODUCTS

Sherritt has three operating divisions, as well as a corporate office and a commercial and technologies group. These operations are accounted for in our financial and sustainability reporting.

Entity	Operations, Products and Markets
Metals	<ul style="list-style-type: none"> • Moa Joint Venture (50% ownership) <ul style="list-style-type: none"> ◦ Moa, Cuba – nickel and cobalt mining and processing (Moa Nickel Site). ◦ Fort Saskatchewan, Alberta, Canada – nickel and cobalt refining for international markets (COREFCO). • Fort Saskatchewan (100% ownership) – ammonia, sulphuric acid and utilities for the Moa Joint Venture’s nickel and cobalt production, and ammonium sulphate fertilizer (a by-product of nickel and cobalt production) for the western Canadian market.
Oil & Gas	<ul style="list-style-type: none"> • Oil & Gas in Cuba (100% ownership) – exploration and production for Cuba’s energy needs.
Power	<ul style="list-style-type: none"> • Energas, S.A. in Cuba (33.3% ownership) – electricity production from natural gas for Cuba’s electricity needs.
Corporate	<ul style="list-style-type: none"> • Corporate Office in Toronto (100% ownership) – corporate administration and management.
Technologies	<ul style="list-style-type: none"> • Technologies (100% ownership) – provides technical support, marketing and bulk commodity procurement services to Sherritt’s operating divisions and identifies opportunities for the Corporation as a result of its international activities and research and development activities.

A more detailed overview of our business and corporate structure can be found in our [2020 Annual Information Form](#).

In this report, references to “our” or “Sherritt” are to Sherritt International Corporation, together with its subsidiaries and joint ventures, and the activities referenced herein may be conducted directly by Sherritt International Corporation, or indirectly by such subsidiaries and joint ventures. Our management approaches and performance are subject to and in accordance with the terms of our joint venture and operating agreements, and include approaches taken by Sherritt International Corporation and the boards, executive committees and management of our subsidiaries and joint ventures.

ECONOMIC PERFORMANCE

The emergence of the electric vehicle market has created optimism about the nickel and cobalt markets as both metals are key components in battery technologies. As a low-cost, high-purity producer of Class 1 nickel primarily in briquette form, our product is ideally suited to battery production, positioning Sherritt to meet this growing demand.

Sherritt successfully completed a balance sheet initiative in 2020 that improved its capital structure and addressed its Ambatovy investment legacy following strong stakeholder support. Sherritt exited this JV in 2020.

In concert with the balance sheet initiative and in response to the economic uncertainty caused by the spread of COVID-19, Sherritt implemented a number of austerity measures that saved or deferred more than \$90 million of capital spend and operating and administrative expenses.

Building on our progress in recent years, Sherritt's 2020 focus will be on the following strategic priorities:

- Preserve liquidity and build balance sheet strength
- Uphold global operational leadership in the finished nickel laterite production
- Optimize opportunities in the Cuban energy business

Please refer to our [2020 Financial Results](#) for detailed information on our economic performance and an overview of how we plan to execute our 2021 strategy.

2020 KEY INDICATORS

Financial

(C\$ millions, except per share data, as at December 31)	2020	Change
Combined revenue ¹	\$497.0	(9)%
Adjusted EBITDA ¹	\$38.9	(15)%
Combined free cash flow ¹	(\$17.9)	174%
Net earnings (loss) from the period	\$22.2	106%
Net loss from continuing operations per share (basic and diluted)	\$(0.22)	39%
Net earnings (loss) per share (basic and diluted)	\$0.06	106%
Cash, cash equivalents and short-term investments	\$167.40	1%

¹ For additional information, please see the Non-GAAP Measures section of the Management's Discussion and Analysis in our [2020 Financial Results](#).

2020 Production

- Nickel: 31,506 tonnes (100% basis)
- Cobalt: 3,370 tonnes (100% basis)
- Oil: 2,947 barrels of oil per day (Gross Working Interest)
- Electricity: 602 gigawatt hours (33⅓% basis)

People

- Full- and part-time employees and permanent contractors: 3,272 (including the Cuban workforce at the Moa Nickel Site)
- Temporary workforce: 30

OUR SUPPLY CHAIN

Sherritt is thinking more and more about what it means to “[supply a sustainable future](#)” and the role commodities play in manufacturing and consumer products. Like most commodity producers, we play the role of a value-adding producer in a long supply chain. We require significant goods and services as inputs (the upstream supply chain) to develop bulk products, which we sell to customers that produce finished products for consumers (the downstream supply chain).

As the table below demonstrates, many of our products contribute materially to global sustainable development. For instance, we provide energy to the Cuban people, we produce fertilizer for agricultural development, and our high-quality metals are used in clean-technology infrastructure and products such as alloys for renewable power applications, batteries for electric and hybrid electric vehicles and grid power storage systems, buildings, airplanes, household goods and appliances, medical devices and much more. For more information on how nickel is used in society, visit the [Nickel Institute’s website](#).

Business	Key Inputs	Sherritt’s Contribution	Key Customers
Metals	Energy products, sulphuric acid, sulphur, limestone	Mining, processing and refining to produce finished nickel and cobalt and a fertilizer by-product	<ol style="list-style-type: none"> 1. Car-component manufacturers 2. Steel producers 3. Battery producers 4. Agricultural producers
Oil & Gas	Current technological drilling practices	Drilling and extraction of oil	<ol style="list-style-type: none"> 1. CUPET, Cuba’s national oil company, for national energy needs
Power	Raw natural gas	Processing of gas to produce electricity and by-products, such as condensate and liquefied petroleum gas	<ol style="list-style-type: none"> 1. UNE, Cuba’s electricity utility, for the national grid 2. CUPET, for industrial processes and domestic needs

Sherritt’s responsible sourcing strategy considers the sourcing, production and supply of minerals. We work collaboratively with our partners, experts, industry consortia, peers and customers to fully understand the properties and potential impacts of our products throughout their supply chains and life cycles.

Refer to [Operating Ethically](#) for a description of how Sherritt applies anti-corruption and human rights requirements to its supply chain.

ABOUT THIS REPORT

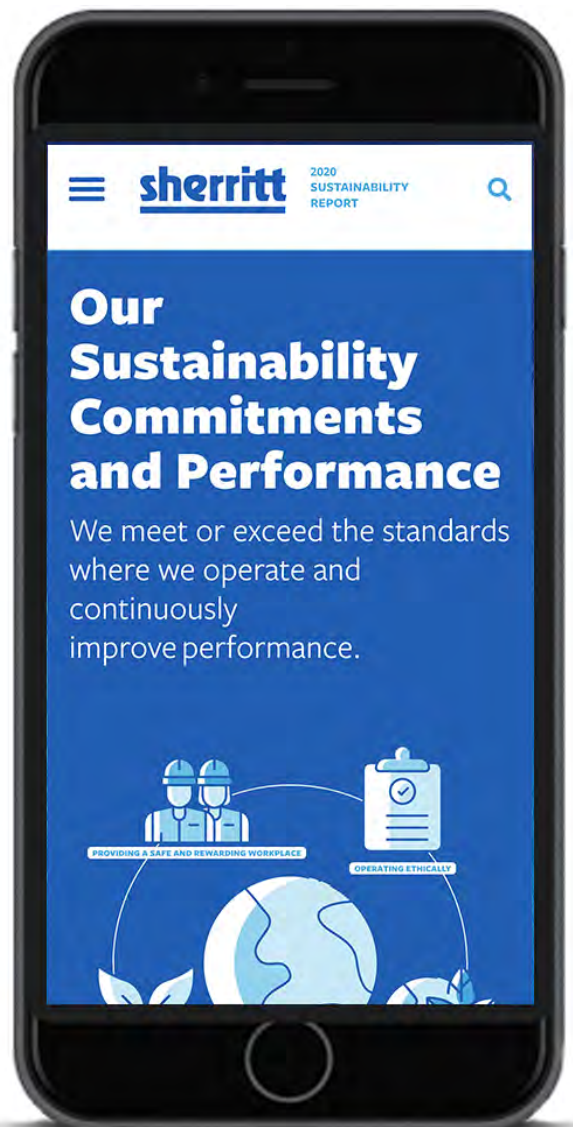
This report describes our sustainability performance for the calendar year January 1, 2020 through December 31, 2020. We report on an annual basis, with any material sustainability information included in our quarterly disclosures through the course of the year. All financial figures are in Canadian dollars unless otherwise stated.

In 2019, due to Sherritt's reduced ownership status and limited operational influence, the Ambatovy Joint Venture was deemed non-material for Sherritt's sustainability disclosures. As of 2020, Sherritt exited the Ambatovy Joint Venture and no longer has any interest or exposure to this operation. All references to Ambatovy have been removed in this public disclosure. This will align Sherritt's Sustainability Report with financial and other reporting.

We have structured this report to align with our Sustainability Framework. For each pillar, we disclose our management approach and performance in relation to our material issues. This report was prepared in accordance with the Global Reporting Initiative's Standards (Core option). A full Global Reporting Initiative index and performance table can be found [here](#).

The 2020 Sustainability Report has not been externally assured.

To contact Sherritt regarding our sustainability performance, please email sustainability@sherritt.com.



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**2020
Climate Report**

We believe that climate change is real and that it is directly influenced by human activity. We recognize that we have a role to play in helping to address the global climate challenge, which includes working to reduce our carbon footprint as well as supporting the transition to a circular and low-carbon economy. At Sherritt, we are responsibly producing and supplying the commodities that advance everyday life. Our minerals and technology are also enabling the transition to global decarbonisation.

This is Sherritt's first Climate Report. We have been developing innovative solutions for a low-carbon world, have been engaged in climate change-related risks mitigation activities, and have had suitable governance structures in place for some time. However, we recently developed a comprehensive climate strategy and targets and have determined to align our disclosures with the recommendations of the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#). These are the first steps in an ambitious journey to do our part to tackle climate change and position the enterprise for success in the low-carbon future.

"The world is facing the unprecedented challenge of radically reducing its carbon footprint and transitioning to a low-carbon future. Sherritt's Board of Directors is pleased to announce its ambition to achieve net-zero emissions by 2050. We plan to achieve this by understanding how climate change is expected to impact our operations and launching adaptation and resilience actions; reducing our total emissions through direct and indirect approaches; allocating resources to prioritize innovative technologies for the low-carbon economy, and that will help improve the environmental footprint of metals produced around the world; collaborating with our customers and supply chains; deploying technology to improve energy efficiency; and transparently communicating on our progress and performance. We believe that these commitments and the path outlined in this report demonstrate how we are part of the solution."

Leon Binedell – President and CEO, Sherritt International

Highlights

Our Targets

- Achieve net zero greenhouse gas (GHG) emissions by 2050;
- Reduce overall GHG emissions intensity from 2019 levels by 10% by 2030;
- Obtain 15% of total energy from renewable sources by 2030; and
- All operations independently verified to have achieved Level A in the Towards Sustainable Mining (TSM) [Climate Change Protocol](#) by 2024.

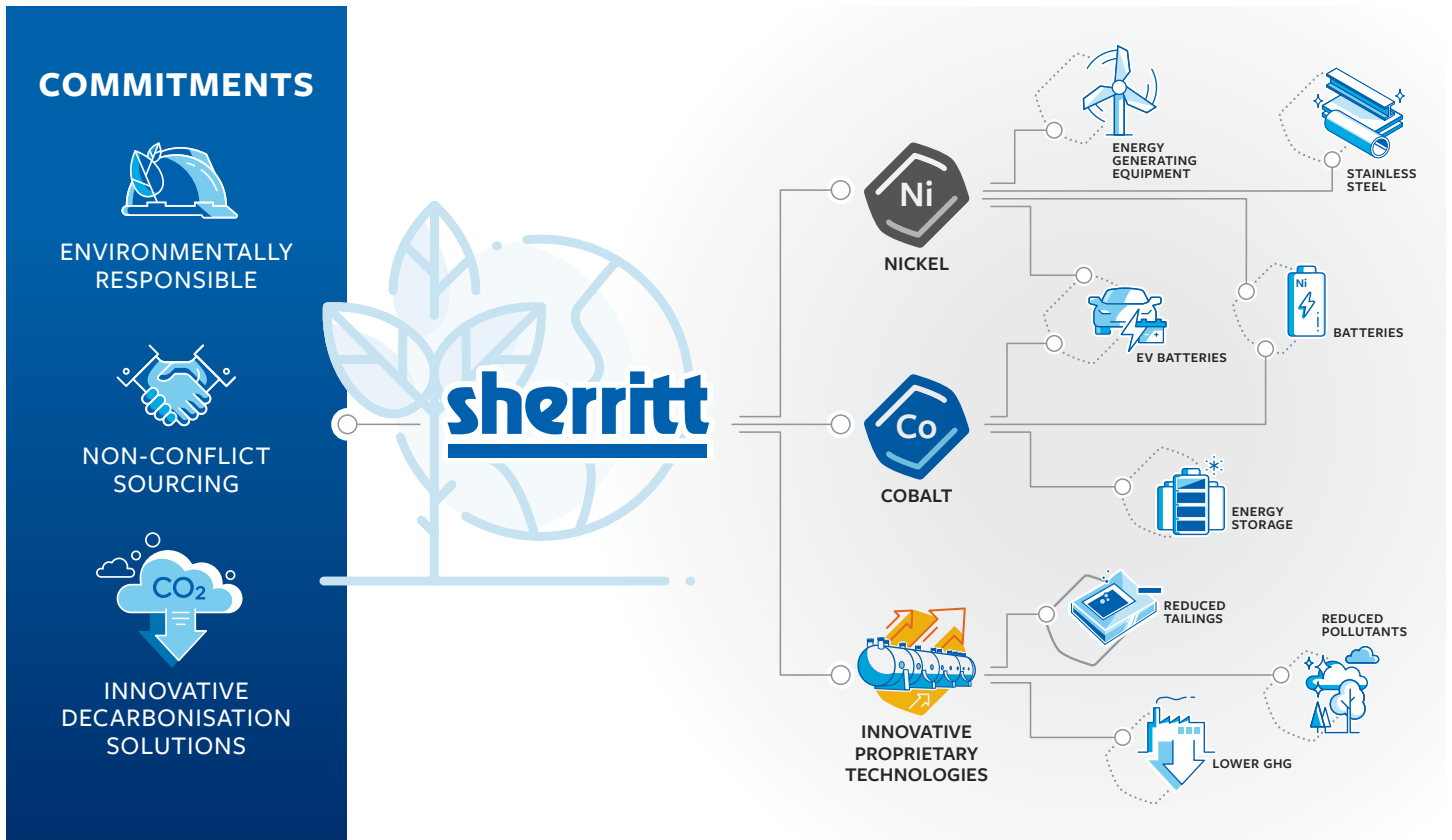
2020 Performance

- Sherritt experienced an overall decrease of 12% in Scope 1 GHG emissions compared to 2019, mainly due to a reduction in gas available for processing in the Oil, Gas & Power (OGP) Division;
- Conducted external benchmarking of climate strategies, plans and disclosures;
- Conducted internal workshops to develop a climate plan;
- Assessed disclosure recommendations related to the [TCFD](#) and started to develop a multi-year alignment plan; and
- Established aspirational and interim targets related to climate change.

How Our Products and Technologies Contribute to Global Decarbonisation

Canada's latest [climate plan](#) indicates that the Canadian mining sector will play a critical role in the clean growth economy. Canada and companies like Sherritt are key producers of many minerals such as nickel and cobalt that will be required for the global deployment of clean technologies.

Transitioning to a low-carbon future implies a significant uplift in demand for metals such as nickel and cobalt. These minerals are used in low-carbon and carbon neutral technologies such as electric vehicle batteries.



Governance TCFD

At Sherritt, we work to ensure that climate-related issues receive appropriate Board and management attention – our Board and senior management consider climate change-related risks and opportunities in the strategic planning process. Sherritt’s climate-related disclosures are reviewed using internal governance processes and disclosure procedures that are similar to those used for financial disclosures.

Sherritt’s **Board of Directors** (the Board) provides oversight on all strategic matters, including the risks and opportunities related to climate change. Sherritt’s Board has an independent chairperson. The Board has established the Environment, Health, Safety and Sustainability (EHS&S) Committee, which is chaired by a member of the Board. Corporate officers and senior managers who establish priorities and plans for environmental, social and governance (ESG) programs provide this committee with quarterly updates on performance. The Committee meets and reports to the company’s Board quarterly. Risk management and assurance activities associated with climate change are conducted through the Audit Committee of the Board. The mandate of the committees can be found on the Corporation’s [website](#). In 2021, changes to the committee structures are being proposed to consolidate several committees, to more clearly include review of climate-related issues and other ESG matters, and to address future assurance of climate-related disclosures.

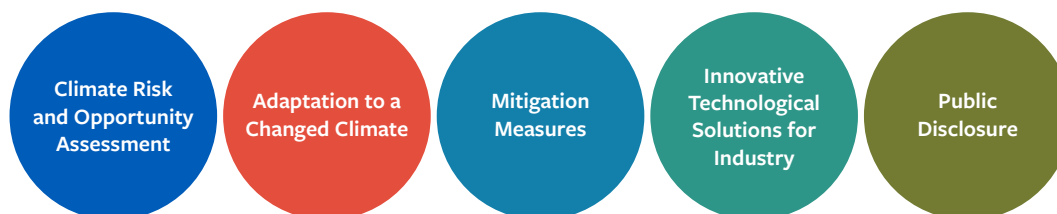
The Executive Vice President and Chief Operating Officer, who reports directly to the President and Chief Executive Officer, is accountable for climate change management. This position is also accountable for ensuring environmental, health, safety and sustainability performance meets corporate requirements, including implementation of the climate plan.

Management Approach

Sherritt supports the global climate change goals outlined in the [United Nations Framework Convention on Climate Change \(UNFCCC\)](#) and the [Paris Agreement](#).

We recognize the important role we can play in the shift to a low-carbon economy and have established a climate plan with targets for reducing our carbon footprint and the mining industry’s carbon footprint, with the ultimate goal of achieving net zero greenhouse gas emissions by 2050.

Figure 1. Sherritt’s Approach to Climate Change



Assurance Related to Climate Change

Table 1 below indicates the types of internal and external assurance conducted on climate change disclosures. Following assurance, applicable management teams use the results to inform future actions and strategic plans. Beginning in 2022, we will report on our progress towards our climate goals on an annual basis in our Sustainability Report.

Table 1. Assurance Measures Related to Climate Change

Assurance Type	Organization	Items Reviewed
External	Mining Association of Canada: Towards Sustainable Mining assurance	<ul style="list-style-type: none"> Energy use and GHG emissions management systems Energy use and GHG emissions reporting systems Energy use and GHG emissions performance targets
External	GHG Regulation Assurance (Alberta, Canada)	<ul style="list-style-type: none"> Validation of GHG data reported and quantification of methodologies
Internal	Corporate internal audit	<ul style="list-style-type: none"> Sustainability reporting systems

Strategy TCFD

The Executive Vice President and Chief Operating Officer is responsible for delivering our climate plan and overseeing the progress of related committees and task forces. In 2020, management established a new strategic initiative focused on building a sustainable organization. As part of this initiative, we initiated development of a climate plan. Management has also established aspirational and interim targets related to climate change.

Our plan to contribute to global climate action, to adapt to a low-carbon economy and to continue to responsibly produce the materials essential for society is built around five pillars:

1. Identify climate change-related risks and opportunities;
2. Adapt to a changing climate;
3. Mitigate impacts by reducing greenhouse gas emissions and improving energy efficiency;
4. Innovate with technological and operational solutions; and
5. Transparently disclose our progress.

Assessing climate change-related risks and opportunities is part of our risk management and strategy development processes. Effective and strategic management of climate change-related risks and opportunities across all aspects of our business is vital to our continued ability to operate.

Operational Implementation

When relevant, meetings chaired by the Executive Vice President and Chief Operating Officer include discussions on operational approaches to decarbonisation, including capital investments to improve energy efficiency and reduce GHG emissions, and strategies to incorporate more renewables into our energy mix. Our capital allocation processes prioritize the production of commodities essential to the transition to a low-carbon economy. Our [2020 Financial Results](#) details our approach to capital allocation.

We work with industry associations and partners to support predictable policy mechanisms aimed at achieving cost-efficient emissions reductions. We continue to strengthen our processes to incorporate changes in local regulations and carbon pricing sensitivities into our business planning for existing assets, innovation pipelines, new investments and as part of our marketing activities. Our ongoing work plan and the increasing requirements we place on our operations give substance to our corporate approach and commitments on climate change.

Other actions include utilizing technology to improve resource use and better manage our emissions. We are working to better understand the Scope 3 emissions of our products and suppliers through collaboration with our value chains.

All Sherritt operations are implementing the new Towards Sustainable Mining Climate Change Protocol. Plans are in place to complete gap analyses and develop implementation plans in 2021.

The Fort Site operates under a provincial GHG regulatory system. In 2019, the Fort Site created an Energy and Greenhouse Gas Improvement Plan. This plan evaluated several energy reduction projects to assess feasibility and value-add potential to the company.

In 2019, Sherritt joined a strategic energy management (SEM) program in partnership with [CLEAResult](#), a leader in energy efficiency. The program is sponsored by Natural Resources Canada and supported by Energy Efficiency Alberta. The goal of the program is to develop and apply an energy management system to identify and implement energy improvement opportunities. In 2020, Sherritt worked with CLEAResult to create a list of energy initiatives, advance efficiency projects and develop a predictive model linking production and energy use. The SEM program is 24 months in duration and will wrap up in late 2021.

An initiative was launched in 2020 to increase the use of renewable energy at the Moa Nickel Site. To date, two electric vans have been delivered, with two more expected in 2021. Additional opportunities to electrify light vehicles are currently under review.

The Moa Nickel Site purchased electric forklifts and is exploring the use of electric buses for transporting personnel to and from work. Work has commenced on a feasibility study for the installation of a 20 MW solar panel power plant and of solar panels on the administration building. Solar panels are also being installed in remote camps to supply electrical power and lighting needs.

Innovation

Meetings chaired by the Executive Vice President and Chief Operating Officer include reviews of Sherritt's innovation pipeline and discussions on how our technologies can contribute to industrial decarbonisation efforts. Our [Technologies Division](#) is pursuing several promising innovations with a relatively low global warming potential for the mining and oil and gas industries, as described below.

1. Treatment of High-Arsenic Copper

Arsenic is a poisonous element requiring costly treatment and handling. Current processing capabilities increase tailings and carbon emissions and render many copper mines uneconomic, while copper demand is expected to grow 28% in the next 10 years (Moncur, G., October 21, 2020, LME Forum Virtual Edition: Copper, Wood Mackenzie). When compared to traditional copper smelters, the benefits of Sherritt's hydrometallurgical process include extending the life of aging copper mines, making arsenic inert, zero direct carbon emissions, no atmospheric emissions of sulphur or arsenic, and facilitating employment and processing at the source, avoiding transportation emissions associated with exporting concentrates. We believe that this technology has the potential to enable the responsible exploitation of high-arsenic copper deposits, producing a key metal for global electrification – copper.

2. Bitumen Upgrading

Bitumen is a heavy crude oil with limited uses. It requires pre-treatment, the addition of diluent, and post-delivery processing. The addition of diluent uses one-third of pipeline capacity, which costs the oil industry \$13 billion per year. The benefits of Sherritt's full upgrading process include increasing pipeline capacity and eliminating diluent cost, reducing carbon emissions and slag waste, and allowing the introduction of clean hydrogen into the oil value chain. We believe that this technology has the potential to increase the value of oil in pipeline.

3. Other Initiatives

Management is also exploring several shorter-term projects that have the potential to lower the carbon footprint of our products, such as the Moa Nickel economic cut-off grade project. Through improved resource modelling and mine planning at Moa Nickel, this project has the potential to maximize resource utilization and minimize the treatment of material with high acid consumption, thus managing our carbon footprint.

We are also investigating exciting green technologies such as green hydrogen. Stay tuned for more information.

Risk Management TCFD

The following table summarizes the risks and opportunities identified across the business, as well as the mitigating actions.

Table 2. Summary of Climate Change–Related Risks and Opportunities and Mitigation Measures

Risk and Opportunities	Mitigation
<p>Regulatory developments Government regulatory developments in support of emissions reductions has the potential to affect operations due to restrictions in operating permits, energy regulations, or emissions caps.</p>	<p>We play an active and constructive role in public policy development on carbon and energy issues, both directly and through industry organizations such as the Mining Association of Canada, the Nickel Institute and the Cobalt Institute.</p>
<p>Carbon pricing Pricing carbon through direct taxes may create additional costs through the value chain, as well as providing opportunities to promote lower-carbon products. In addition, increasing demand for our mineral commodities is likely to drive higher prices, in turn offsetting increases to processing costs arising from the implementation of carbon pricing instruments.</p>	<p>We believe that, overall, our business remains resilient in the face of increasing carbon prices in Canada. We consider local regulations as part of our ongoing business planning for existing assets. We incorporate carbon price sensitivities into our operating plans and plan to incorporate carbon price sensitivities into capital investments, potential growth, and innovation decision-making processes. We are working with relevant industry organizations on developing life cycle analysis to calculate our commodities' carbon footprint and assess opportunities for reductions.</p>
<p>Changing climate patterns Extreme weather events, such as floods, hurricanes and droughts, as well as changes in precipitation patterns, temperature, sea levels, and storm frequency, can affect our sites' operating processes, related infrastructure and the local communities.</p>	<p>We monitor changing weather conditions and modify our operating processes and emergency preparedness as appropriate. The integrity of our assets is externally reviewed regularly, including operating facilities and tailings storage facilities, against the potential impact of extreme weather events. We plan to incorporate scenario-specific climate risk and adaptation measures into our business plans.</p>
<p>Access to capital Performance against climate objectives may impact our access to capital or insurance, increase the cost of financing or lead to divestment of our shares as investors migrate away from companies with lower ESG performance.</p>	<p>We launched a climate plan to enable us to meet our climate-related objectives and have also launched an ESG improvement task force to ensure that our disclosures and systems align with industry expectations. We maintain strong relationships with our lenders and continue to actively engage on ESG-related issues. We have a number of initiatives and specific targets underway to improve our ESG performance and remain relevant and attractive for investors. Furthermore, we are developing technologies to help the metals industry improve its ESG performance. Not only are our metals going to get greener, we are helping others produce greener metals too.</p>
<p>Product demand Variations in commodity use from emerging technologies, the move towards renewable energy generation, a circular economy, and policy changes may affect demand for our products, both positively and negatively.</p>	<p>We track and respond to downstream regulatory and technology developments. We believe that there are opportunities to continue to positively position our products and technologies to enable global decarbonisation. We work with customers to understand our current and planned ESG performance to remain relevant and participate in ever-improving ESG value chains.</p>

Metrics and Targets TCFD

We are in the process of developing climate and energy management systems that will improve how we manage climate change-related risks and opportunities.

We are committed to reporting transparently on our progress in meeting our climate change objectives and to providing our Scope 1 and 2 emissions data in our Sustainability Reports. Details on our historical performance can be found in the [Performance Data Tables](#) of the 2020 Sustainability Report and in the Data Tables below.

We are considering how our climate change commitments can be further reflected in our governance and assurance structures, disclosure plans, and potentially the design of the relevant remuneration schemes for executive management.

GHG Emissions and Energy Consumption

Table 3 presents our Scope 1 and 2 emissions from our three operations. Multi-year data are provided in the Data Tables at the end of this report.

Table 3. GHG Emissions and Energy Consumption

2020	Year	Fort Site	Moa Nickel Site	OGP	Total
Scope 1 GHG emissions (kt CO ₂ e)	2020	334	602	1,062	1,998
	2019	335	556	1,402	2,293
Scope 2 GHG emissions (kt CO ₂ e)	2020	79	61	7	147
	2019	59	60	0	119

Scope 1 or direct emissions arise from sources owned or controlled by the organization.

Scope 2 emissions refer to indirect emissions generated from the purchase of electricity.

In 2020, Sherritt reported an overall decrease of 12% in Scope 1 GHG emissions compared to 2019, mainly due to the 24% decrease in emissions at OGP.

The [Technology Innovation and Emissions Reduction Regulation \(TIER\)](#) came into force in Alberta on January 1, 2020. Under TIER, Sherritt was given a facility-specific benchmark and assigned a 10% reduction target for 2020 emissions. The reduction target will increase by 1% each year starting in 2021. There are separate facility-specific benchmarks for ammonia production as well as for nickel and cobalt production. In 2020, Sherritt complied with TIER by purchasing technology fund credits paid to the province, supporting further reductions in Alberta.

In 2020, the Fort Site reported GHG emissions of 334 kilotonnes (kt) of CO₂ equivalent, which is comparable to 2019 emissions. Additionally, the Fort Site purchased 43 kt of technology fund credits (>10% of total emissions), paid to the province of Alberta, for its 2020 emissions. The Fort Site recorded a total energy consumption (including purchased electricity, fossil fuel and waste fuel consumption) of 5,033 terajoules (TJ) in 2020, which is a slight decrease from the previous year.

The amount of diesel used in 2020 at the Fort Site decreased by 75%, after seeing an anomaly in 2019. The increased use of diesel in 2019 was largely due to the use of rental air compressors while the electric compressor was being repaired.

The Moa Nickel Site produced 602 kt of CO₂ equivalent during 2020; this amount is comparable to the previous year. Moa Nickel consumed a total of 6,500 TJ of energy in 2020, including generated and purchased electricity as well as fossil fuel consumption (crude oil, diesel and natural gas). This represents a 6% increase over the previous year.

OGP reported the production of 1,062 kt of CO₂ equivalent during 2020 from its Boca de Jaruco, Puerto Escondido and Varadero facilities. This represents a 24% decrease from the previous year, due to a reduction in available gas for processing. The OGP operations reported a decrease in energy usage of 6% compared to 2019. OGP also flared 75 million m³ of hydrocarbons associated with its oil production processes during the year, representing an increase of 14% from 2019.

OGP's preventive maintenance program ensures optimal operation of our equipment, and we conduct quarterly monitoring of emissions from our key sources to verify proper combustion. Our Oil & Gas operations have additional reporting metrics under the Global Reporting Initiative; please refer to the [Performance Data Tables](#) for this information.

Since 2007, Energas has generated well over one million [Clean Development Mechanism \(CDM\)](#) credits at the Varadero combined cycle power generation facility in recognition of its low GHG emissions relative to other sources of electricity in Cuba. While there are many benefits to the program, the relative administrative costs are significant and, due to Sherritt's financial constraints, our participation has diminished in recent years.

Sherritt's Scope 2 emissions are relatively low due to the significant generation of electricity at host sites in Cuba. Therefore, our Scope 2 emissions are of a lower order than our Scope 1 emissions.

2021 Plans

The following actions are already underway to continue progress in 2021:

- Begin work on operational climate risk and opportunity assessments;
- Continue to develop Corporate climate- and energy-related policies, management systems, and metrics;
- Assess opportunities to access clean technology funding; and
- All operations to complete gap analyses against the new Towards Sustainable Mining Climate Change Protocol and develop implementation plans.

Data Tables

The following tables, as well as additional information on key performance indicators, can be found in the 2020 Sustainability Report, within the [Performance Data Tables](#) section.

Table 4: Energy Consumption within the Organization

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Total fossil fuel consumption (TJ)	2020	4,302	6,251	29,031
	2019	4,362	5,873	28,714
Percentage of total fossil fuel consumption (%)	2020	85%	96%	97%
	2019	85%	96%	97%
Total electricity consumption (TJ)	2020	557	240	752
	2019	573	239	815
Percentage of total electricity consumption (%)	2020	11%	4%	3%
	2019	11%	4%	3%
Total waste fuel consumption (TJ)	2020	174	0	0
	2019	196	0	0
Total energy usage (TJ)	2020	5,033	6,491	29,783
	2019	5,131	6,112	29,529
Other sources of energy consumption				
Total coal consumption (TJ)	2020	0	0	0
	2019	0	0	0
Total fuel consumption from renewable fuel sources (solar, wind, etc.)	2020	Not applicable	Not applicable	Not applicable
	2019	Not applicable	Not applicable	Not applicable
Heating consumption	2020	0	0	0
	2019	0	0	0
Cooling consumption	2020	Not applicable	0	0
	2019	Not applicable	0	0
Steam consumption (tonnes) ¹	2020	0	4,602,000	0
	2019	0	4,383,666	0

¹ The steam at the Moa Nickel Site is generated by burning fossil fuels and sulphur on site. The steam is consumed internally on site in the process and used to generate electricity.

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Energy sold				
Electricity sold (TJ)	2020	0	0	6,759
	2019	0	0	8,166
Heating sold (TJ)	2020	0	Not applicable	Not applicable
	2019	0	Not applicable	Not applicable
Cooling sold (TJ)	2020	Not applicable	Not applicable	Not applicable
	2019	Not applicable	Not applicable	Not applicable
Steam sold (TJ) ¹	2020	60	Not applicable	Not applicable
	2019	76	Not applicable	Not applicable

¹ The steam at the Moa Nickel Site is generated by burning fossil fuels and sulphur on site. The steam is consumed internally on site in the process and used to generate electricity.

Table 5: Types of Fuel Use

Disclosure Components	Year	Fort Site	Moa Nickel Site	OGP
Fuel use of coal/lignite (metric tonnes)	2020	0	0	0
	2019	0	0	0
Fuel use of natural gas (m ³)	2020	112,158,000	9,473	708,798,600 ²
	2019	111,923,000	9,042	770,666,000
Fuel use of crude oil/diesel (m ³) (includes crude oil, fuel oil, jet fuel, heavy fuel oil, kerosene, etc.)	2020	580 ³	135,076	1,731 ⁴
	2019	2,397	122,935	3,119
Alternative fuel use (%)	2020	0%	0%	0%
	2019	0%	0%	0%
Biomass fuel use (%)	2020	0%	0%	0%
	2019	0%	0%	0%

² The decrease in the use of natural gas at OGP in 2020 was due to a lack of available gas.

³ The amount of diesel used in 2020 at the Fort Site decreased by 75%, after seeing an anomaly in 2019. The increased use of diesel seen in 2019 was largely due to the use of rental air compressors while the normal electric compressor was being repaired.

⁴ The decrease in diesel consumption at OGP in 2020 was due to a reduction of staff and liquidity; diesel usage is linked to production.

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2020 Responsible Production and Supply

Sherritt is committed to producing and supplying minerals that meet our stakeholders’ social, ethical, environmental and human rights expectations, and to advancing that commitment with its joint venture partners, subsidiaries, and their suppliers and customers. In particular, Sherritt is committed to understanding and addressing social, ethical, environmental and human rights risks in its mineral supply chain.

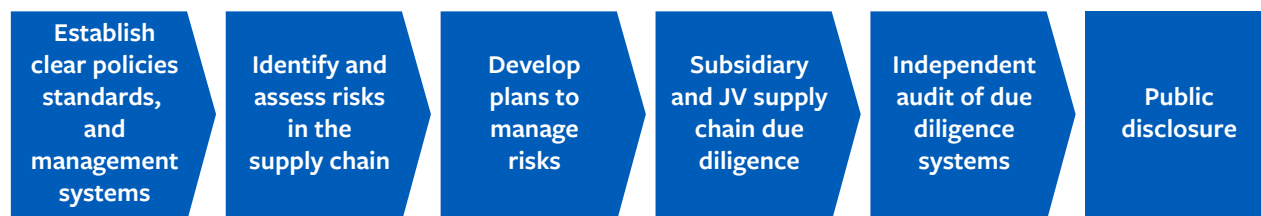
Management Approach

Sherritt’s responsible sourcing strategy considers the sourcing, production and supply of minerals. Our [Human Rights Policy](#) and [Environment, Health, Safety and Sustainability Policy](#) identify our commitments and expectations. We work collaboratively with our partners, experts, industry consortia, peers and customers to fully understand the properties and potential impacts of our products throughout their supply chains and life cycles.

We continue to make progress against plans to ensure we have the appropriate policies and due diligence management systems in place to address the requirements of the Organisation for Economic Co-operation and Development (OECD) [Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#). Sherritt remains engaged with the [Mining Association of Canada](#), the [Responsible Minerals Initiative](#), the [London Metal Exchange](#), the [Nickel Institute](#) and the [Cobalt Institute](#) in order to align with recognized responsible sourcing initiatives, standards and frameworks. Sherritt advocates for the adoption of all of these requirements by its partners, subsidiaries and joint venture organizations.

Sherritt has a robust management system in place to manage environmental and social risks and to meet or exceed performance targets.

Figure 1. Sherritt’s Responsible Production and Supply Due Diligence Approach



Governance

Sherritt’s Board of Directors (the Board) has an independent chairperson, and three sub-committees that provide support with respect to environmental, social and governance (ESG) and responsible production and supply matters: the Audit Committee, the Human Resources Committee and the Environment, Health, Safety and Sustainability (EHS&S) Committee. The EHS&S Committee assists Sherritt’s Board in its oversight of ESG issues by providing direction and by monitoring and reviewing the Corporation’s performance related to responsible production and supply, among other areas. The mandate of the EHS&S Committee can be found on the Corporation’s website.

The [Moa Joint Venture \(JV\)](#) has a Board of Directors that provides oversight of its responsible sourcing performance. Members of Sherritt’s executive team represent Sherritt on the Moa JV Board. The Moa JV has chartered a task force to develop, action and maintain a plan to drive alignment with recognized responsible sourcing initiatives, standards and frameworks.

As part of a baseline assurance process, the JV task force commissioned an independent OECD-aligned audit of its responsible production and supply policies and due diligence management systems. The scope of the audit covered the Cobalt Refinery Company (COREFCO) in Fort Saskatchewan, Alberta, as the choke point in the mineral supply chain.

Performance

2020 and recent highlights:

- Updated the **Conflict-Affected and High-Risk Areas (CAHRA)** assessment of the Moa JV feed supplies, which concluded that the JV does not source from, operate in, or transit through any conflict-affected or high-risk areas;
- Completed an **independent OECD-aligned audit** of subsidiary and Moa JV responsible sourcing policies and due diligence management systems;
- Updated the **Mineral Feed Policy**, which establishes Moa JV commitments to responsible feed sourcing that are aligned with OECD requirements and industry best practice;
- Developed a **Supplier Code of Conduct**, which identifies expectations of subsidiaries and suppliers to the Moa JV in order to provide responsibly sourced minerals and to implement policies and management systems that are aligned with OECD requirements and with good industry practice;
- Developed a subsidiary **Supplier Declaration** document that requires suppliers to declare their commitments to the Code of Conduct and identify risks in their supply chain;
- Developed a subsidiary **Grievance Standard** to ensure that grievances that may occur across the mineral supply chain will be addressed anonymously and appropriately;
- Completed an independent **Towards Sustainable Mining (TSM) verification audit** at the COREFCO refinery that validated the refinery's implementation of policies and management systems that align with TSM (conducted in early 2021);
- Remained an active upstream member of the **Responsible Minerals Initiative**, the **Cobalt Institute** and the **Nickel Institute**;
- Improved conformance with the [OECD 5-Step Framework](#) from 9/16 requirements to 11/16 requirements; and
- Improved conformance with the **Cobalt Industry Responsible Assessment Framework (CIRAF)**.

The Moa JV participates in regular due diligence assessments against customer responsible sourcing requirements.

Supply Chain Due Diligence

While Sherritt sources the majority of its cobalt from its own Moa JV operations, the COREFCO refinery also toll-refines cobalt from a select group of third-party suppliers. Recognizing the heightened human rights risks for cobalt, Sherritt updated the CAHRA assessment and continues to implement policies and risk-based management systems at COREFCO. We are pleased to report that the independent OECD-aligned audit of the Moa JV validated Sherritt's assessment that Sherritt and the Moa JV do not source from conflict-affected or high-risk areas and that no other significant problem areas were identified.

The [Sherritt Supplier Code of Conduct](#) identifies expectations of subsidiaries and suppliers to the Moa JV to provide responsibly sourced minerals and to implement policies and management systems that are aligned with OECD requirements and with good industry practice. It was designed to ensure that ethical, environmental and human rights risks in our mineral supply chain are identified and mitigated. Our approach will support the identification, prevention and mitigation of potentially adverse impacts that could negatively impact people, the environment or the company's reputation.

Sherritt subsidiaries and the Moa JV are incorporating responsible production and supply requirements into the supply chain, and the JV continues to refine and develop its supply chain due diligence process.

As mentioned above, Sherritt completed an independent OECD-aligned audit in 2020. A summary report, consistent with OECD Step 5 requirements, is being developed and will be disclosed in 2021. We plan to utilize the learnings from this assessment to further develop our risk-based approach and to collaborate with our key suppliers in addressing and managing the opportunities for improvement identified.

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 Conflict-Affected and High-Risk Areas and the OECD 5-Step Framework, the recognized industry standard for responsible supply chains. Sherritt and the Moa JV conform with 13 of the 16 applicable sub-requirements, and we expect the JV to be fully conformant with applicable sub-requirements by 2022. Table 1 below outlines the details of Sherritt's and the Moa JV's conformance with the sub-requirements of the OECD 5-Step Framework.

Table 1. Sherritt and Moa Joint Venture 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	
	Communicate policy to suppliers and incorporate due diligence expectations into contracts	No	In progress. To be completed in 2021.
	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	
	For red flag locations, suppliers or circumstances, undertake on-the-ground assessments to identify risks of contributing to conflict or serious abuses	Not applicable	CAHRA assessment completed. No red flags were identified.
3. Manage risks	Report identified risks to senior management and fix internal systems	Yes	
	Disengage from suppliers associated with the most serious impacts	Not applicable	The CAHRA assessment did not identify any suppliers with serious risks
	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	
	Prepare all documentation for audit (e.g., chain of custody or traceability documentation, risk assessment and management documentation for red-flagged sources)	Yes	
	Allow auditors to access company documentation and records	Yes	Audit completed in 2021
	Facilitate auditor access to sample of suppliers as appropriate	Yes	Audit completed in 2021
	Publish summary audit report with audit conclusions	Yes	Summary audit report published in 2021
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	No	Summary audit report to be published in 2021
	Make report publicly available, in offices and/or on company website	No	Summary audit report to be published in 2021

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the OECD 5-Step Framework are the basis for the Cobalt Refiner Due Diligence Standard, which is the recognized cobalt industry standard. These standards/frameworks form the basis of the Responsible Mineral Initiative’s (RMI) due diligence processes, including the Risk Readiness Assessment (RRA) and the Responsible Minerals Assurance Process (RMAP). Although Sherritt is an active member of the RMI, Sherritt was informed by the RMI that the organization is not able to offer RMAP assessment services to the COREFCO refinery because the RMI is not legally able to assess companies involving restricted persons as identified by the United States Government. As such, the COREFCO refinery cannot be listed as an RMI-conformant smelter even if it conforms with all the standards and frameworks required by the RMI. Nonetheless, RMI did agree to accept an equivalent OECD-aligned audit, and the independent auditors that performed the audit are accredited and recognized by the RMI to perform RMAP audits.

Alignment with the Cobalt Institute and the Cobalt Industry Responsible Assessment Framework

Sherritt is committed to maintaining its alignment with the Cobalt Industry Responsible Assessment Framework (CIRAF). From the framework’s initiation in 2018, Sherritt worked with the Cobalt Institute on the development of CIRAF. The framework strengthens the ability of cobalt producers to assess, mitigate and report on responsible production and sourcing risks in their operations and supply chain. CIRAF enables a more coherent and consistent approach to cobalt due diligence and reporting by the cobalt industry, and also functions as a management tool that allows participants to demonstrate that they are aligned with global good practice in responsible production and sourcing.

The following table outlines Sherritt’s and the Moa JV’s conformance with the core elements of CIRAF:

Table 2. Sherritt/Moa Joint Venture Conformance with CIRAF

Level	Step	Requirements	Sherritt/Moa JV Conformance	Comments
Level 1 – General Requirements and Human Rights	Step 1 – General Requirements	Agreement with the CIRAF Statement of Commitment, signed by senior management	Yes	
		Provide a Statement of Legal Compliance (or equivalent document, such as a business or mining licence) in country of operation	Yes	
		Materiality assessment of the risk categories; review through a credible mechanism is only required if material risks are different from the material risks listed in the CIRAF decision tree	Yes	
		Public disclosure of the material risks is required	Yes	
	Step 2 – Human Rights	Evidence of risk-specific policy	Yes	
		Evidence of risk-specific management system aligned with OECD Due Diligence Guidance and third-party assurance of the management system	Yes	
		Evidence of public reporting	Yes	

In 2020, Sherritt materially improved its conformance with CIRAF by providing statements of commitment and compliance endorsed by officers of the company and by completing the OECD-aligned third-party assurance of the management system.

Sherritt has identified material risks in the Moa JV’s cobalt supply chain. Sherritt has a policy and due diligence management system to address human rights risks and at least three other material risks in the cobalt supply chain. Since neither Sherritt nor the Moa JV sources cobalt from conflict-affected or high-risk areas, the following risk areas have been identified as material according to the CIRAF decision tree:

1. Environmental Impacts	Tailings Energy and greenhouse gas emissions Climate change
2. Occupational Health and Safety (OHS)	OHS and working conditions (including diversity and inclusion) Public safety
3. Community	Livelihoods Stakeholder engagement

Sherritt has implemented internal policies and due diligence management systems for each of these risk areas through its Sustainability Framework, which is aligned with the Mining Association of Canada’s Towards Sustainable Mining (TSM) framework and other internationally recognized frameworks. An independent TSM verification audit was recently completed at the COREFCO refinery. The audit largely validated the self-assessment scores for the TSM protocols being implemented to manage key risk areas. The results of the verification audit will be made public on the Mining Association of Canada’s website. Sherritt is working with its partners to implement management systems in the Moa JV and to implement due diligence requirements in the mineral supply chain.

Alignment with the London Metal Exchange Framework

In 2019, the London Metal Exchange (LME) announced its responsible sourcing requirements, which align with the OECD Due Diligence Guidance. The LME expects producers of registered brands to establish frameworks that comply with this requirement by 2023. The LME requires registered brands to undergo a number of assessments, including red flag assessments, and independent third-party audits of supply chain due diligence. It also requires ISO 14001 and ISO 45001 certifications, or equivalent, by the end of 2023.

Sherritt and the Moa JV are aligning their due diligence management systems with the LME requirements. We are pursuing a plan towards alignment with LME Track B that will require alignment with the Copper Mark’s Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc, a red flag assessment, independent validation of the red flag assessment, and implementation of management systems. Plans are in place to supplement TSM-based management systems with ISO 14001 (environmental management systems) and ISO 45001 (occupational health and safety management systems) implementation at COREFCO and the Moa Nickel Site.

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. In the past three years, the organization has gone from one REACH registration for the E.U. to adding two additional REACH registrations, for the U.K. and Korea, with more on the horizon, including India and Taiwan. Every program has its own requirements for classification and labelling.

Sherritt products are assessed on their whole product life cycle 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 2020, major engagements related to product stewardship included 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 Nickel Institute Polar Risk Assessment group; the CI Government Affairs Committees, Chemical Management Committee, and Sustainability Committee; and the Cobalt Institute Consortia Occupational Exposure Limit (OEL) Task Force – and is represented on both organizations’ boards of directors, with previous leadership roles on both board executive committees. Sherritt has contributed to many REACH and scientific studies, including upcoming participation in a sampler comparison project from Safeworks British Columbia.

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.

Other major achievements in 2020 included improving Sherritt’s nickel steel-grade product purity specification, publishing online versions of specification sheets, eliminating wooden pallets from some of our shipments, and double stacking by-products to improve shipping efficiency. Continual improvement to satisfy our customers’ requests and anticipate their needs is Sherritt’s highest priority.

Product Life Cycle Assessment

Sherritt participated in the 2014 Cobalt Life Cycle Assessment (LCA) led by the Cobalt Institute and the 2017 Nickel LCA led by the Nickel Institute, and is currently participating in the 2020 Cobalt LCA study led by the Cobalt Institute. Sherritt is currently in the process of reviewing the 2017 Nickel LCA dataset to work with those involved in the life cycles of our products to improve environmental performance throughout the value chain and to promote the responsible use of our products. This includes research to support the energy-efficient and environmentally sustainable production of our products.

Next Steps for 2021

- Prepare and disclose an OECD Step 5 report that summarizes the results of the independent OECD-aligned audit;
- Continue to implement Sherritt and Moa JV policies and management systems, such as Sherritt’s Sustainability Framework, TSM, and ISO 14001 and 45001, that mitigate identified risks and align with OECD requirements;
- Action the recommendations from the OECD-aligned audit;
- Complete an LME red flag assessment; and
- Continue to align supplier due diligence systems with the GRI Guidelines on Reporting on Responsible Mineral Sourcing.

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



The following tables are intended to conform with the GRI and RMI Guidelines on Reporting on Responsible Mineral Sourcing. Sherritt’s work in this area also supports U.N. Sustainable Development Goal 12, Responsible Consumption and Production.

Disclosure Components	Sherritt 2020
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 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

OECD Due Diligence Guidance for Responsible Supply Chains

OECD Step 1: Establish Strong Company Management Systems

[GRI 103: Management Approach](#)

Disclosure Components	Sherritt 2020
Human Rights and Environment, Health, Safety, and Sustainability Policy	Yes
Subsidiary mineral feed policy	Yes
Mineral feed supplier code of conduct	Yes
Subsidiary implementation of due diligence for mineral supply chain	Yes
Subsidiary surveys of relevant suppliers	No
Subsidiary review of due diligence information received from suppliers against the company’s expectations	Yes
Due diligence process includes correction action management	Yes
Require subsidiaries and subsidiary suppliers to exercise due diligence over the cobalt supply chain in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains	Yes
Require subsidiaries and subsidiary 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
The company provides a grievance mechanism	Yes

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

GRI 102: General Disclosures (2016)

GRI 102-9: Supply Chain

GRI 308: Supplier Environmental Assessment (2016)

Disclosure Components	Sherritt 2020
What percentage of relevant suppliers have provided a response to your supply chain survey?	Not available
Do any of the smelters in your supply chain source minerals from a conflict-affected or high-risk area?	No
Have you identified all of the smelters supplying cobalt to your supply chain?	Yes
Have you assessed whether the smelters/refiners in your supply chain have carried out all steps of due diligence?	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, through the RMI RMAP
Have you identified the presence of Annex II risks in the supply chain?	No
Number or percentage of suppliers implementing OECD Due Diligence Guidance	Not available
Percentage of suppliers with a Risk Readiness Assessment completed	Not available

GRI 308-1: New Suppliers That Were Screened Using Environmental Criteria

Disclosure Components	Sherritt 2020
Percentage of new suppliers that were screened using environmental criteria	100%

GRI 308-2: Negative Environmental Impacts in the Supply Chain and Actions Taken

Disclosure Components	Sherritt 2020
a. Number of suppliers assessed for environmental impacts	Not available
b. Number of suppliers identified as having significant actual and potential negative environmental impacts	Not available
c. Significant actual and potential negative environmental impacts identified in the supply chain	Not available
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	Not available
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	Not available

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

[GRI 102: General Disclosures \(2016\)](#)

[GRI 102-9: Supply Chain](#)

[GRI 308: Supplier Environmental Assessment \(2016\)](#)

Disclosure Components	Sherritt 2020
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
Does your review process include corrective action management?	Yes
What are the established procedures or guidelines that determine the response to findings of human rights/child labor violations?	The Supplier Code of Conduct outlines a 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
Are upstream suppliers utilizing or supporting an upstream verification and due diligence system that provides components of risk assessment and mitigation, or has the company implemented concerted capacity-building efforts with measured outcomes that target upstream suppliers?	Unknown

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

Disclosure Components	Sherritt 2020
Percentage of smelters that have been validated by an independent third-party audit program	Not available
Percentage of smelters that are active in an independent third-party audit program but are not yet conformant	Not available
Percentage of smelters that are not participating in an independent third-party audit program	Not available

OECD Step 5: Report Annually on Supply Chain Due Diligence

[GRI 102: General Disclosures \(2016\)](#)

[GRI 102-9: Supply Chain](#)

Disclosure Components	Sherritt 2020
Do you publish audit reports with due regard taken of business confidentiality and other competitive concerns?	Yes
Do you publish an annual report on due diligence for responsible supply chains of minerals from conflict-affected or high-risk areas?	Yes
Do you report on risks identified in the supply chain and how those risks are mitigated?	Yes

Forced or Compulsory Labour

GRI 409: Forced or Compulsory Labour (2016)

GRI 408: Child Labour (2016)

Disclosure Components	Sherritt 2020
Operations and suppliers at significant risk for incidents of forced or compulsory labour	0
Presence of worst forms of child labour	0

GRI 409-1: Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labour

Disclosure Components	Sherritt 2020
a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour, either in terms of:	0
i. type of operation (such as manufacturing plant) and supplier; or	Not applicable
ii. countries or geographic areas with operations and suppliers considered at risk	Not applicable
b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labour	Communication of expectations

Reporting on the Impacts of Mineral Sourcing

GRI 205: Anti-corruption (2016)

GRI 403: Occupational Health and Safety (2018)

GRI 406-1: Incidents of Discrimination and Corrective Actions Taken

GRI 410-1: Security Personnel Trained in Human Rights Policies or Procedures

GRI 411-1: Incidents of Violations Involving Rights of Indigenous Peoples

GRI 412-1: Operations That Have Been Subject to Human Rights Reviews or Impact Assessments

GRI 412-2: Significant Investment Agreements and Contracts That Include Human Rights Clauses or That Underwent Human Rights Screening

Disclosure Components	Sherritt 2020
Incidents of bribery and fraudulent misrepresentation of origin of minerals (by entities in the supply chain like smelters or refiners), monetary impact	0
Incidents of money laundering, monetary impact	0
Occurrences of sexual violence	0
Incidents of torture, cruel, inhuman or degrading treatment	0
Occurrences of war crimes, crimes against humanity, genocide	0
Direct or indirect support to non-state armed groups	0
Number of incidents/types of child labour (focus on worst forms of child labour) occurring in mining areas	0
Number and types of incidents (armed groups, criminal activity)	0
Number of deaths from mining accidents (types – cave-ins)	0

GRI 411-1: Incidents of Violations Involving Rights of Indigenous Peoples

Disclosure Components	Sherritt 2020
a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period	0
b. Status of the incidents and actions taken with reference to the following:	Not applicable
i. Incident reviewed by the organization	Not applicable
ii. Remediation plans being implemented	Not applicable
iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes	Not applicable
iv. Incident no longer subject to action	Not applicable

GRI 412-2: Significant Investment Agreements and Contracts That Include Human Rights Clauses or That Underwent Human Rights Screening

Disclosure Components	Sherritt 2020
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	Not available
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	Not available

Mineral Sourcing–Related Positive Impacts

GRI 413: Local Communities (2016)

Disclosure Components	Sherritt 2020
Positive economic benefits imparted on communities	C\$581,000,000
Jobs created	Not available
Infrastructure created	Not applicable

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**2020 Tailings
Management Report**

Sherritt’s goal is that each joint venture operates and maintains its tailings management facilities in accordance with global best practices for safety. We continually review our facilities and procedures and are committed to pursuing the highest standards at our operations.

Sherritt’s tailings management facilities (TMFs) are located at the Moa Nickel Site and are a part of our Moa Joint Venture (JV). The Moa Nickel Site is operated by the Moa JV’s management, reporting to the Moa JV Board of Directors. The Moa JV is a 50/50 joint venture between Sherritt and a Cuban government agency. Accordingly, while the following reflects Sherritt’s approach to tailings management, Sherritt by itself cannot unilaterally control outcomes in relation to tailings management at the Moa Nickel Site. Sherritt remains committed to working with its Moa JV partner to advocate that global best practices are followed.

1. Governance and Assurance

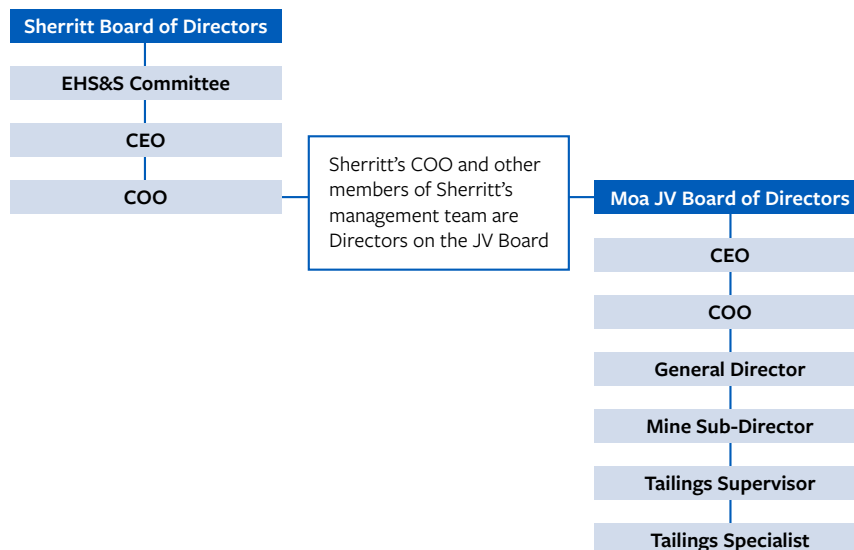
Accountability and Resourcing

The Sherritt Board of Directors (the Board), through its Environment, Health, Safety and Sustainability Committee (EHS&S Committee), oversees implementation of our Sustainability Framework and Tailings Standard, including policies, systems, performance and auditing functions. Assurance activities associated with tailings management are conducted through the Sherritt Board Audit Committee. In 2021, changes to the committee structures are being proposed to consolidate several committees, to more clearly include review of environmental, social and governance (ESG) matters including tailings, and to address future assurance of tailings disclosures.

The following senior leaders are involved in the management of tailings:

- The Executive Vice President and Chief Operating Officer reports directly to the President and Chief Executive Officer and is responsible for sustainability, health and safety, environment, community, and Indigenous affairs, including tailings management.
- The Moa JV Chief Operating Officer chairs the regular internal tailings review meetings and reports directly to the Executive Vice President and Chief Operating Officer. Members of the internal tailings review team include members of the Moa Nickel Site senior management team and tailings management subject matter experts from the Moa JV operations. The group actions recommendations from the Independent Tailings Review Board (ITRB) and other audits and provides updates on operations, maintenance, monitoring and emergencies as applicable.

Tailings Management Structure



The mandate of Sherritt's EHS&S Committee, which can be found [here](#), includes the following:

- (k) Ensure adequate and effective tailings management systems are in place and utilized, ensure compliance is monitored, (including through external verification on such periodic basis as the Committee considers to be appropriate), and offer advice and recommendations to the Board in connection herewith.

The organization employs an independent Engineer of Record (EoR) to provide oversight and review of TMF design, construction and operation. The EoR for the Moa Nickel Site TMFs is Knight Piésold, one of the world's leading consulting firms.

The Moa Nickel Site also has an Independent Tailings Review Board made up of independent experts who conduct annual third-party reviews of design, operation, surveillance and maintenance.

Risk Management

Dam failure is the greatest risk for our TMFs, located at the Moa Nickel Site and part of our Moa JV. Sherritt's dam safety assurance program assesses the Moa JV's tailings against international leading practice.

Sherritt's operations are required to assess natural phenomena such as extreme flooding and seismic events, as well as operational criteria, and incorporate these factors into their TMF designs.

There are at least five levels of governance and assurance that Sherritt advocates its operations undertake on TMFs:

1. **Regular surveillance** – Operations are expected to monitor their TMFs on an ongoing basis using piezometers, inclinometers, pressure gauges, remote sensing and other technologies to monitor tailings dams, abutments, natural slopes and water levels. The results are assessed by the management team of the operation.
2. **Annual dam safety inspections (DSI)** – Formal dam safety inspections are conducted annually by an external EoR, Knight Piésold, for all operations. A DSI evaluates and observes potential deficiencies in a TMF's current and past condition, performance and operation.
3. **Independent Tailings Review Boards** – The ITRB, comprising two senior subject matter specialists, meets at least once a year, depending upon the nature of the facility and the issues being considered, to conduct a third-party review of design, operation, surveillance and maintenance of our TMFs. The results from the ITRB assessments are reported to the Moa JV management and Board of Directors, Sherritt's senior management and the EHS&S Committee of Sherritt's Board of Directors. Recommendations are tracked to completion by management internal reviews.
4. **Internal reviews** – Sherritt's COO conducts internal management reviews of Sherritt's tailings facilities on a regular basis. Summaries are reported to the EHS&S Committee of Sherritt's Board of Directors.
5. **Staff inspections** – Tailings management facilities are inspected by trained operators and expert technical staff as frequently as several times daily, with formal staff inspections occurring at the Moa Nickel Site at least once a month.

The different levels of assurance are undertaken on the basis of national regulations, as well as, where appropriate, criteria aligned with international guidelines from the [Canadian Dam Association](#) and the [International Commission on Large Dams](#).

In addition, where appropriate, the Moa Nickel Site conducts periodic dam safety reviews, which include reviewing maintenance, surveillance and monitoring, failure impact assessments, emergency management procedures, public safety and environmental management. The results are shared with the operation's management and reviewed as part of the dam safety audits.

Tailings Management Standard

Sherritt has had an internal tailings management standard in place since 2018. Management at the Moa Nickel Site has adopted this standard and is in the process of implementing it. The standard aligns with the Mining Association of Canada's Towards Sustainable Mining [Tailings Management Protocol](#), and supports Sherritt's goal of designing, constructing, operating, decommissioning and closing tailings facilities in such a manner that all structures are stable, all solids and water are managed within designated areas, and all management practices conform with regulatory requirements, sound engineering principles and good practice. Sherritt continues to review and evaluate monitoring systems and risk assessments to ensure the approach is robust and current.

Engaging with Communities

Sherritt advocates that its operations undertake proactive stakeholder and community engagement across a broad range of operational topics, including TMFs where appropriate.

We require that our operations, and those of our joint ventures, develop and maintain emergency preparedness and response plans, and communicate these plans with relevant stakeholders. Where appropriate, operations may also engage with local and regional emergency response services in scenario planning and practice exercises.

In Cuba, engagement with communities with respect to tailings management is conducted by Sherritt's joint venture partners. This can include, but is not limited to, grievance resolution, risk management, and emergency response.

Continuous Improvement

Sherritt is committed to continually reviewing its joint venture facilities and procedures to maintain the highest standard of dam safety at its operations. Sherritt also works in partnership with local, national and international organizations to support improvements in tailings management across the industry, including the Mining Association of Canada (MAC). With the assistance of MAC, Sherritt is implementing the Towards Sustainable Mining (TSM) program, including the Tailings Management Protocol, in wholly owned operations and is working with its partners to implement it in the Moa JV. Through MAC and updates to the TSM Tailings Management Protocol, Sherritt plans to align with the new [Global Industry Standard on Tailings Management](#).

2. Tailings Management Facilities

There are several TMFs at Sherritt's joint venture operation in Cuba – the Moa Nickel Site. The site is operated by the Joint Venture's management, reporting to the joint venture Board of Directors. A geotechnical engineer is employed to provide oversight of design, construction and operation of the tailings facilities. Third-party engineering firms are utilized in the design and monitoring of tailings facilities. The design and operation of existing facilities meet or exceed all applicable regulatory requirements. There are no tailings produced at the Fort Site or at the Oil & Gas and Power (OGP) sites.

At the Moa Nickel Site in Cuba, [upstream and downstream](#) designs have been used throughout the mine life. Stability is monitored as per the operating practices manual. Based on internal and third-party reviews of structural integrity and management systems, the facilities are operating to design specifications and are stable.

Sherritt works with its Cuban joint venture partner, the General Nickel Company S.A. of Cuba (GNC), to continually improve tailings management and achieve alignment with international best practices. As a member of the Mining Association of Canada, Sherritt has influenced its partner to begin implementing Sherritt's Tailings Management Standard, which is aligned with MAC's Tailings Management Protocol, at the Moa Nickel Site in Cuba, and to apply Canadian Dam Association criteria.

Sherritt and its joint venture partner also began investigating options for tailings management so that we can continue to support future mining operations. Throughout this process, Sherritt will strive to minimize environmental impacts and meet international good practice in tailings management. A rehabilitation plan has also been developed at the Moa Nickel Site and is underway in a section that is no longer active.

3. Performance

2020 Highlights

Indicator	2020
Significant tailings-related environmental incidents	0
Percentage of TMFs with completed annual evaluations performed by a third-party Engineer of Record	100%
Percentage of TMFs reviewed by Independent Tailings Review Board	100%

TMF	Annual Dam Safety Inspection ¹	Review by ITRB ²	Comment
Acid Leach Tailings Facility	Yes	Yes	Next review in 2021
North Extension	Yes	Yes	Next review in 2021
Area 22	Yes	Yes	Next review in 2021

¹ The Engineer of Record performs a detailed examination of the facility, its related infrastructure and the records relating to these, to identify any conditions or changes that might contribute to, or signal the potential for, a compromise to the safety and reliability of the structure.

² Review by a team of independent subject matter experts who review the facility design approach, surveillance results and a site's overall approach to tailings.

The TMFs at the Moa Nickel Site are reviewed regularly, both internally and by third parties, for structural integrity and the effectiveness of management systems, and all recommendations are reviewed by Moa Nickel Site management and plans are developed to address them. There have been no incidents at the tailings management facilities. Sherritt management continues to work with its joint venture partners to ensure employees have the skills required to manage the facilities effectively.

In 2020, the Independent Tailings Review Board recommended the following:

1. North Extension: Implement stabilizing measures in critical sections of the North Extension and perform an assessment of failure risks;
2. Area 22, Stage 3: Provide the final configuration and staged construction plan to the ITRB for review; and
3. Future tailings storage: Make a decision on the preferred site promptly and proceed with feasibility design and planning.

Moa Nickel Site management has started to action the recommendations, all of which are targeted for completion in 2021.

In 2020, the Moa Nickel Site also updated its self-assessment against MAC's Towards Sustainable Mining Tailings Management Protocol and assessed itself at Level B. This means that some actions are not consistent or documented and also that systems/processes are planned and being developed. The self-assessment identified some management system gaps, including the need to complete an external evaluation of annual tailings management reviews, the Operations Maintenance and Surveillance manual, and Emergency Preparedness Plan.

Long-Term Tailings Disposal

Subsequent to the end of 2020, Los Lirios was selected by management as the preferred long-term storage option in early 2021. In addition, conceptual studies of future tailings disposal sites were updated by Knight Piésold. As shown in Figure 1 below, a proposed sequence of tailings management projects has been developed that will allow tailings disposal as follows:

- North Extension – 2021 to 2022
- Area 22, Stage 3 – 2022 to 2025
- Los Lirios – 2024, for up to 15 years

Figure 1: Proposed Sequence of Tailings Management Facility Development at the Moa Nickel Site

Project	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030-2039
ALTF Closure		Closure										
North Extension		Operation			Closure or Future Stages							
Area 22, Stage 3			Phase 1	Phase 2	Phase 3							
			Construction	Construction	Construction							
			Operation			Closure						
Long Term - Los Lirios						Construction						
						Operation						

Acid Leach Tailings Facility (ALTF): Closure and stabilization work continued in 2020. Monitoring activities are ongoing and informing the closure plans.

North Extension: As the ALTF approached capacity, the Moa JV retained Knight Piésold, to design an extension that would ensure continued capacity to store tailings. In 2020, operations, staged construction, and additional stability analyses on the North Extension occurred.

Area 22: Detailed design and permitting of this multi-phased short-term tailings solution were completed in 2020. Construction has begun, with completion of phase 1 expected by December 2021. Additional analyses have resulted in an increase to the size of the Area 22 catchment and an extension to the length of the estimated storage capacity from two years to three and a half years.

Los Lirios: Permitting and studies are underway for this long-term solution.

4. Church of England Disclosure

Sherritt is committed to being open and transparent with communities of interest and other stakeholders regarding the construction and management of the TMFs operated by the Moa JV in Cuba. Although Sherritt did not receive a letter from the Church of England requesting greater disclosure on its TMFs, Sherritt understands that this is good management practice.

Below are tables that contain disclosure information requested by the Church of England, as applied to Sherritt's joint venture's TMFs.

Table 1. Facility #1: Acid Leach Tailings Facility

Disclosure	Instructions	2020 Response	2019 Response	Comments
1. "Tailings Dam" identifier	Please identify every tailings storage facility and identify if there are multiple dams (saddle or secondary dams) within that facility. Please provide details of these within question 20.	Acid Leach Tailings Facility North Extension: Extension of ALTF Area 22, Stage 3: South Extension of ALTF	Acid Leach Tailings Facility North Extension: Extension of ALTF Area 22, Stage 3: South Extension of ALTF	
2. Location	Please provide longitude/latitude coordinates.	70.0000° E 22.1000° N	70.0000° E 22.1000° N	
3. Ownership	Please specify: Owned and Operated, Subsidiary, JV, NOJV, as of March 2019	Moa JV	Moa JV	
4. Status	Please specify: Active, Inactive/Care and Maintenance (C&M), Closed, etc. We take "closed" to mean: a closure plan was developed and approved by the relevant local government agency, and key stakeholders were involved in its development; a closed facility means the noted approved closure plan was fully implemented or the closure plan is in the process of being implemented. A facility that is inactive or under C&M is not considered closed until such time as a closure plan has been implemented.	Acid Leach Tailings Facility: Inactive/C&M North Extension: Operational Area 22, Stage 3: Construction Project (ongoing)	Acid Leach Tailings Facility: Inactive/C&M North Extension: Operational Area 22, Stage 3: Construction Project (ongoing)	Closure plan of ALTF is on hold pending further analysis of water levels.
5. Date of initial operation		1979	1979	
6. Is the dam currently operated or closed, as per currently approved design?	Yes/No. If "No", more information can be provided in the answer to question 20.	No	No	The ALTF was operated as per the design and will be closed according to the design.
7. Raising method	Note: Upstream, Centreline, Modified Centreline, Downstream, Landform, Other	Upstream	Upstream	
8. Current maximum height	Note: Please disclose in metres.	40 m	40 m	
9. Current tailings storage impoundment volume	m ³ as of March 2019	53,700,000 m ³	53,700,000 m ³	
10. Tailings storage impoundment volume in five years' time	m ³ as planned for January 2024	0	0	
11. Most recent independent expert review	(Date) For this question, we take "independent" to mean a suitably qualified individual or team, external to the operation, that does not direct the design or construction work for that facility.	December 2020	December 2019	Annual independent review. It was performed online due to COVID-19 restrictions.

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Disclosure	Instructions	2020 Response	2019 Response	Comments
12. Do you have full and complete relevant engineering records, including design, construction, operation, maintenance and/or closure?	(Yes or No) We take the word “relevant” here to mean that you have all necessary documents to make an informed and substantiated decision on the safety of the dam, be it an old facility, an acquisition, or a legacy site. More information can be provided in your answer to question 20.	Yes	Yes	All documents are stored on site.
13. What is your hazard categorization of this facility, based on consequence of failure?		Extreme	Extreme	Change in consequence categorization recommended by the ITRB in 2019.
14. What guidelines do you follow for the classification system?		CDA Hazard Potential Classification	CDA Hazard Potential Classification	
15. Has the facility, at any point in its history, failed to be confirmed or certified as stable, or experienced notable stability concerns, as identified by an Independent Engineer (even if later certified as stable by the same or a different firm)?	(Yes or No) We note that this will depend on factors, including local legislation, that are not necessarily tied to best practice. As such, and because remedial action may have been taken, a “Yes” answer may not indicate heightened risk. Stability concerns might include toe seepage, dam movement, overtopping, spillway failure, piping, etc. If “Yes”, have appropriately designed and reviewed mitigation actions been implemented? We also note that this question does not bear upon the appropriateness of the criteria, but rather the stewardship levels of the facility or the dam. Additional comments/information may be supplied in your answer to question 20.	Yes. The facility experienced a slump along one of its embankments in January 2014. No impact to population or to the environment was incurred as a consequence of the slump. Corrective actions were put in place, additional buttressing and drains were installed. Engineers of Record provided the remediation designs and were on site for the duration of the work. There have been no other incidents on record before or since.	Yes. The facility experienced a slump along one of its embankments in January 2014. No impact to population or to the environment was incurred as a consequence of the slump. Corrective actions were put in place, additional buttressing and drains were installed. Engineers of Record provided the remediation designs and were on site for the duration of the work. There have been no other incidents on record before or since.	
16. Do you have internal/ in-house engineering specialist oversight of this facility? Or do you have an external engineering support for this purpose?	Note: Answers may be “Both”.	Both	Both	The Moa Nickel Site has a tailings specialist engineer expat on site full time and also contracts the Engineer of Record (Knight Piésold) to complete a full review of the facility every six weeks.
17. Has a formal analysis of the downstream impact on communities, ecosystems and critical infrastructure in the event of a catastrophic failure been undertaken, and to reflect final conditions? If so, when did the assessment take place?	Note: Please answer “Yes” or “No”, and if “Yes”, provide a date.	Yes. The Hazard, Vulnerability and Risks Study was reviewed and updated in 2019.	Yes. The Hazard, Vulnerability and Risks Study was reviewed and updated in 2019.	

Disclosure	Instructions	2020 Response	2019 Response	Comments
18. Is there: a) a closure plan in place for this dam? b) does it include long-term monitoring?	Please answer both parts of this question (e.g, “Yes” and “Yes”).	a) Yes b) Yes	a) Yes b) Yes	
19. Have you assessed, or do you plan to assess, your tailings facilities against the impact of more regular extreme weather events as a result of climate change (e.g, over the next two years)?		Yes. These considerations were included in the review and update of the Hazard, Vulnerability and Risks Study in 2019.	Yes. These considerations were included in the review and update of the Hazard, Vulnerability and Risks Study in 2019.	
20. Any other relevant information and supporting documentation. Please state if you have omitted any other exposure to tailings facilities through any joint ventures you may have.	Note: This may include links to annual report disclosures, further information in the public domain, guidelines or reports, etc.	No	No	

Table 2. Facility #2: North Extension

Disclosure	Instructions	2020 Response	2019 Response	Comments
1. “Tailings Dam” identifier	Please identify every tailings storage facility and identify if there are multiple dams (saddle or secondary dams) within that facility. Please provide details of these within question 20.	North Extension	North Extension	
2. Location	Please provide longitude/latitude coordinates.	70.1000° E 22.2000° N	70.1000° E 22.2000° N	
3. Ownership	Please specify: Owned and Operated, Subsidiary, JV, NOJV, as of March 2019	Moa JV	Moa JV	
4. Status	Please specify: Active, Inactive/Care and Maintenance (C&M), Closed, etc. We take “closed” to mean: a closure plan was developed and approved by the relevant local government agency, and key stakeholders were involved in its development; a closed facility means the noted approved closure plan was fully implemented or the closure plan is in the process of being implemented. A facility that is inactive or under C&M is not considered closed until such time as a closure plan has been implemented.	Active	Active	Will be active until end of 2022.
5. Date of initial operation		2017	2017	
6. Is the dam currently operated or closed, as per currently approved design?	Yes/No. If “No”, more information can be provided in the answer to question 20.	Yes	Yes	The North Extension is being operated as per the design and specifications.

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Disclosure	Instructions	2020 Response	2019 Response	Comments
7. Raising method	Note: Upstream, Centreline, Modified Centreline, Downstream, Landform, Other	Upstream	Upstream	
8. Current maximum height	Note: Please disclose in metres.	14 m	11 m	
9. Current tailings storage impoundment volume	m ³ as of March 2019	6,950,000 m ³	4,230,000 m ³	
10. Tailings storage impoundment volume in five years' time	m ³ as planned for January 2024	10,580,000 m ³	10,580,000 m ³	Operations to cease at end of 2022.
11. Most recent independent expert review	(Date) For this question, we take "independent" to mean a suitably qualified individual or team, external to the operation, that does not direct the design or construction work for that facility.	December 2020	December 2019	Annual independent review. It was performed online due to COVID-19 restrictions.
12. Do you have full and complete relevant engineering records, including design, construction, operation, maintenance and/or closure?	(Yes or No) We take the word "relevant" here to mean that you have all necessary documents to make an informed and substantiated decision on the safety of the dam, be it an old facility, or an acquisition, or a legacy site. More information can be provided in your answer to question 20.	Yes	Yes	All documents are stored on site
13. What is your hazard categorization of this facility, based on consequence of failure?		Extreme	Extreme	Change in consequence categorization recommended by the ITRB in 2019.
14. What guidelines do you follow for the classification system?		CDA Hazard Potential Classification	CDA Hazard Potential Classification	
15. Has the facility, at any point in its history, failed to be confirmed or certified as stable, or experienced notable stability concerns, as identified by an Independent Engineer (even if later certified as stable by the same or a different firm)?	(Yes or No) We note that this will depend on factors, including local legislation, that are not necessarily tied to best practice. As such, and because remedial action may have been taken, a "Yes" answer may not indicate heightened risk. Stability concerns might include toe seepage, dam movement, overtopping, spillway failure, piping, etc. If "Yes", have appropriately designed and reviewed mitigation actions been implemented? We also note that this question does not bear upon the appropriateness of the criteria, but rather the stewardship levels of the facility or the dam. Additional comments/information may be supplied in your answer to question 20.	No	No	

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Disclosure	Instructions	2020 Response	2019 Response	Comments
16. Do you have internal/ in-house engineering specialist oversight of this facility? Or do you have external engineering support for this purpose?	Note: Answers may be “Both”.	Both	Both	The Moa Nickel Site has a tailings specialist engineer expat on site full time and also contracts the Engineer of Record (EIPH Camaguey) to complete a full review of the facility every 15 days.
17. Has a formal analysis of the downstream impact on communities, ecosystems and critical infrastructure in the event of a catastrophic failure been undertaken, and to reflect final conditions? If so, when did the assessment take place?	Note: Please answer “Yes” or “No”, and if “Yes”, provide a date.	No	No	The EIPH will complete this by the end of 2020. No communities or infrastructure have been identified downstream of the facility.
18. Is there: a) a closure plan in place for this dam? b) does it include long-term monitoring?	Please answer both parts of this question (e.g, “Yes” and “Yes”).	No	No	A closure plan will be completed in 2021.
19. Have you assessed, or do you plan to assess, your tailings facilities against the impact of more regular extreme weather events as a result of climate change (e.g, over the next two years)?		Yes	Yes	
20. Any other relevant information and supporting documentation. Please state if you have omitted any other exposure to tailings facilities through any joint ventures you may have.	Note: This may include links to annual report disclosures, further information in the public domain, guidelines or reports, etc.	No	No	

Table 3. Facility #3: Area 22

Disclosure	Instructions	2020 Response	2019 Response	Comments
1. "Tailings Dam" identifier	Please identify every tailings storage facility and identify if there are multiple dams (saddle or secondary dams) within that facility. Please provide details of these within question 20.	Area 22	Area 22	
2. Location	Please provide longitude/latitude coordinates.	70.0500° E 22.0500° N	70.0500° E 22.0500° N	
3. Ownership	Please specify: Owned and Operated, Subsidiary, JV, NOJV, as of March 2019	Moa JV	Moa JV	
4. Status	Please specify: Active, Inactive/Care and Maintenance (C&M), Closed, etc. We take "closed" to mean: a closure plan was developed and approved by the relevant local government agency, and key stakeholders were involved in its development; a closed facility means the noted approved closure plan was fully implemented or the closure plan is in the process of being implemented. A facility that is inactive or under C&M is not considered closed until such time as a closure plan has been implemented.	Inactive/C&M	Inactive/C&M	Inactive while third raise is designed and constructed.
5. Date of initial operation		2016	2016	
6. Is the dam currently operated or closed, as per currently approved design?	Yes/No. If "No", more information can be provided in the answer to question 20.	No	No	Area 22, Stage 2 is inactive and construction of Stage 3 continues.
7. Raising method	Note: Upstream, Centreline, Modified Centreline, Downstream, Landform, Other	Centreline	Centreline	
8. Current maximum height	Note: Please disclose in metres.	15 m	15 m	
9. Current tailings storage impoundment volume	m ³ as of March 2019	4,680,000 m ³	4,680,000 m ³	
10. Tailings storage impoundment volume in five years' time	m ³ as planned for January 2024	4.8M m ³ total for two years of tailings storage	4.8M m ³ total for two years of tailings storage	The final capacity will be updated. A two-phase design is being conceptualized to ensure tailings storage capacity at the end of 2021.
11. Most recent independent expert review	(Date) For this question, we take "independent" to mean a suitably qualified individual or team, external to the operation, that does not direct the design or construction work for that facility.	December 2020	December 2019	Annual independent review. It was performed online due to COVID-19 restrictions.

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Disclosure	Instructions	2020 Response	2019 Response	Comments
12. Do you have full and complete relevant engineering records, including design, construction, operation, maintenance and/or closure?	(Yes or No) We take the word “relevant” here to mean that you have all necessary documents to make an informed and substantiated decision on the safety of the dam, be it an old facility, or an acquisition, or a legacy site. More information can be provided in your answer to question 20.	Yes	Yes	All documents are stored on site.
13. What is your hazard categorization of this facility, based on consequence of failure?		Extreme	Extreme	Change in consequence categorization recommended by the ITRB in 2019. Construction activities are underway to address this.
14. What guidelines do you follow for the classification system?		CDA Hazard Potential Classification	CDA Hazard Potential Classification	
15. Has the facility, at any point in its history, failed to be confirmed or certified as stable, or experienced notable stability concerns, as identified by an Independent Engineer (even if later certified as stable by the same or a different firm)?	(Yes or No) We note that this will depend on factors, including local legislation, that are not necessarily tied to best practice. As such, and because remedial action may have been taken, a “Yes” answer may not indicate heightened risk. Stability concerns might include toe seepage, dam movement, overtopping, spillway failure, piping, etc. If “Yes”, have appropriately designed and reviewed mitigation actions been implemented? We also note that this question does not bear upon the appropriateness of the criteria, but rather the stewardship levels of the facility or the dam. Additional comments/information may be supplied in your answer to question 20.	No	No	
16. Do you have internal/in-house engineering specialist oversight of this facility? Or do you have external engineering support for this purpose?	Note: Answers may be “Both”.	Both	Both	The Moa Nickel Site has a tailings specialist engineer expat on site full time and also contracts the Engineer of Record (EIPH Camaguey) to complete a full review of the facility every 15 days.
17. Has a formal analysis of the downstream impact on communities, ecosystems and critical infrastructure in the event of a catastrophic failure been undertaken, and to reflect final conditions? If so, when did the assessment take place?	Note: Please answer “Yes” or “No”, and if “Yes”, provide a date.	Yes. A Hazard, Vulnerability and Risks Study was commenced in 2019 and finalized and approved in 2020.	Yes. A Hazard, Vulnerability and Risks Study was commenced in 2019 and finalized and approved in 2020.	

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Disclosure	Instructions	2020 Response	2019 Response	Comments
18. Is there: a) a closure plan in place for this dam? b) does it include long-term monitoring?	Please answer both parts of this question (e.g, “Yes” and “Yes”).	No	No	
19. Have you assessed, or do you plan to assess, your tailings facilities against the impact of more regular extreme weather events as a result of climate change (e.g, over the next two years)?		Yes. The current Hazard, Vulnerability and Risks Study was commenced in 2019 and finalized and approved in 2020.	Yes. The current Hazard, Vulnerability and Risks Study was commenced in 2019 and finalized and approved in 2020.	The Study includes designs considering extreme weather events (such as rainfall and seismic failures).
20. Any other relevant information and supporting documentation. Please state if you have omitted any other exposure to tailings facilities through any joint ventures you may have.	Note: This may include links to annual report disclosures, further information in the public domain, guidelines or reports, etc.			