
2021–2022 OECD STEP 5 DUE DILIGENCE REPORT

Responsible Production and Supply



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This report was modelled on the Responsible Minerals Initiative (RMI) Public Due Diligence Report Writing Guidance 2018 indicated in [blue font](#).

Company Information

Company name: The producer is the Cobalt Refinery Company Inc. (“COREFCO”). The COREFCO refinery is part of a joint venture (“JV”) called the Metals Enterprise (“Metals JV”) of which Sherritt International Corporation (“Sherritt”) is a 50% owner. For the purposes of demonstrating the responsible production and supply of minerals, the Metals JV and COREFCO rely on Sherritt, Metals JV and COREFCO-level policies, due diligence and management systems. Sherritt discloses this information on behalf of these entities.

Canada Revenue Agency Business Number: 13958 3942 RC0001

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

Materials processed: COREFCO produces finished nickel and cobalt products

Time period covered by this report: 2021–2022

Assurance Assessment Summary

Sherritt is a member of the Responsible Mineral Initiative (“RMI”). The RMI has informed Sherritt that COREFCO cannot legally participate in the RMI’s Responsible Minerals Assurance Process (“RMAP”) because the RMI is incorporated in the U.S. and must abide by U.S. law and sanctions on Cuban entities. Sherritt has consulted with the RMI and the parties agreed that Sherritt would pursue an OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“OECD Guidance”)-aligned audit using an RMI-approved auditor in lieu of a RMAP assessment. The OECD Guidance is the source of the criteria referenced in the RMI’s RMAP.

Date of last OECD-aligned assessment at COREFCO: April 2021

Assessment period: 09/14/2019 – 09/14/2020

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

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

The assessment concluded that Sherritt and COREFCO’s due diligence management system conforms, in all material aspects, to the OECD Guidance requirements.

The audit identified non-conformances between Sherritt and the Metals JV’s systems, processes and practices and the requirements of the OECD Guidance. The non-conformances were related to OECD Step 1: Establish strong company management systems and OECD Step 2: Identify and assess risks in the supply chain.

In response to the non-conformances, Sherritt and COREFCO committed to complete the following actions in 2021–2022:

	Action	Completion Status
1	Include company expectations for third-party feed suppliers in binding agreements	100%
2	Develop a training program that covers responsible sourcing and due diligence	100%
3	Formalize responsibilities and decision-making process for due diligence	100%
4	Ensure the grievance mechanism is easily accessible to all stakeholders	100%
5	Update the grievance policy	100%
6	Formalize and document the Know-Your-Supplier (KYS) process	100%
7	Ensure that information on the location of the mine from which material is sourced is collected from all mineral suppliers	100%
8	Develop a Sherritt-level responsible production and supply policy that aligns with OECD guidelines and publicly disclose it	100%
9	Update the CAHRA assessment methodology	100%
10	Publish an OECD Step 5 report.	100%

Sherritt notes that with the disclosure of this report, 100% of the non-conformances identified in the audit have now been completed.

Mineral Supply Chain Policy

Company policy: Sherritt’s Responsible Production and Supply Policy is publicly available [here](#). It is consistent with the standards set forth in the OECD due diligence guidance model supply chain policy in Annex II.

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

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

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

The Responsible Production and Supply Policy and the Supplier Code of Conduct are supported by Sherritt’s [Environment, Health, Safety and Sustainability Policy](#) and [Human Rights Policy](#). These policies articulate Sherritt’s overarching commitments and expectations for our employees, contractors and suppliers in these areas.

Management System

i. Management Structure

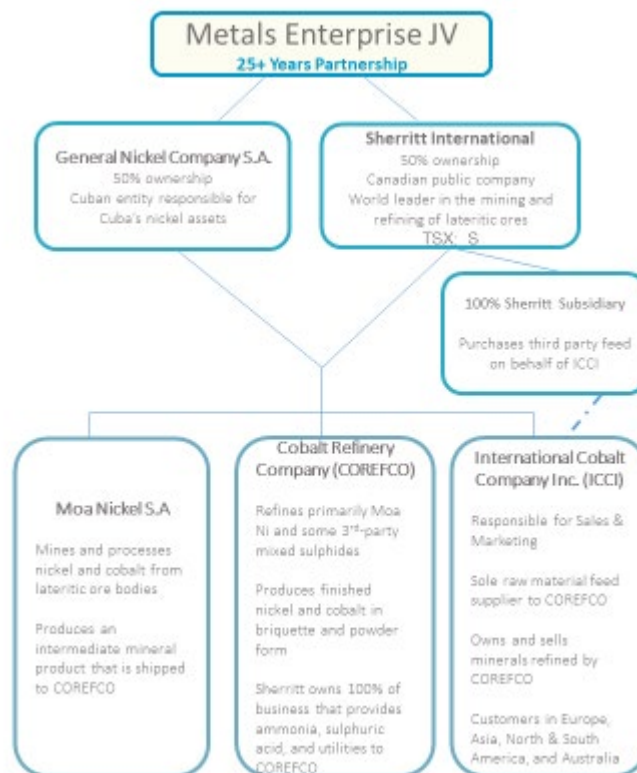
ii. Describe the senior management structure assigned to oversee due diligence including roles and responsibilities.

Sherritt and the Metals JV’s governance structures cover COREFCO. 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 Reserves, Operations, and Capital (“ROC”) Committee. The ROC 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 Board can be found on Sherritt’s [website](#).

The Metals JV has a similar Board structure and approach. Sherritt’s senior vice-president of Metals sits on the Metals JV Board committees and is directly responsible for the mineral supply chain policy and due diligence management system.

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

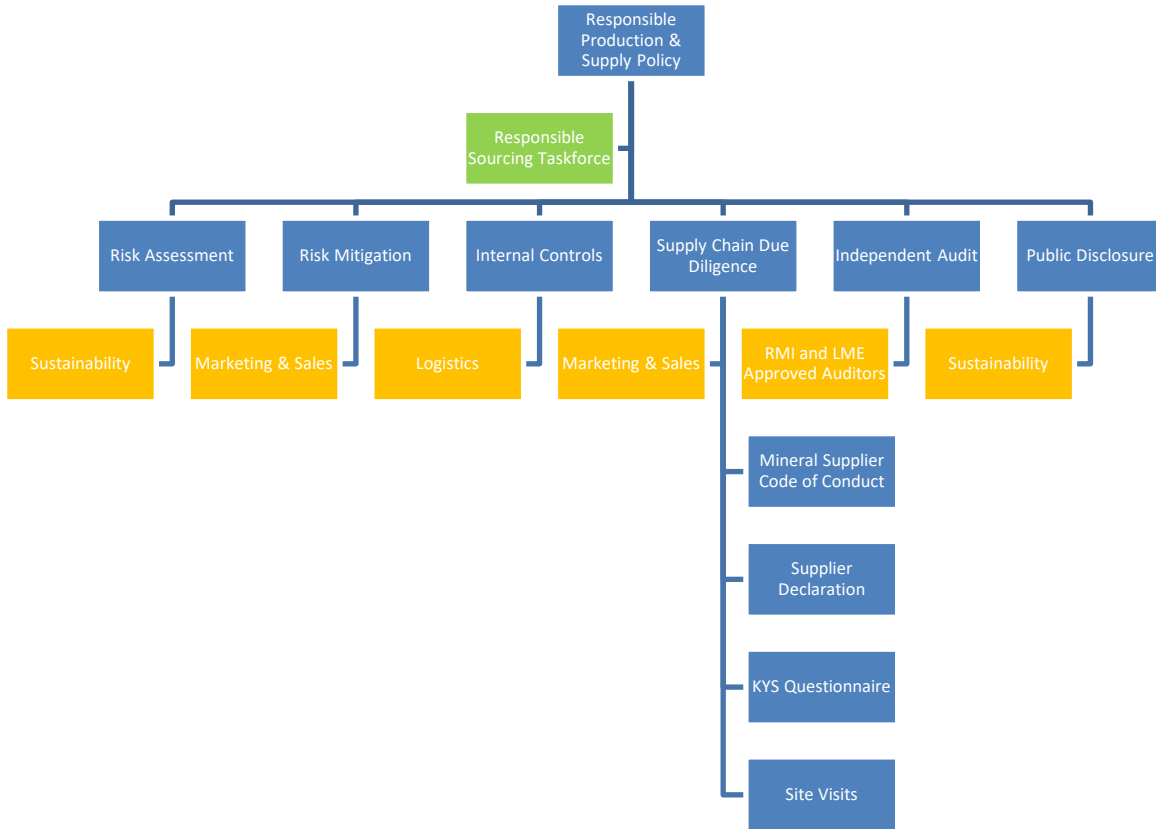
Figure 1. Metals JV Organizational Structure



Sherritt and the Metals JV have chartered a task force to develop, action, and maintain a plan to drive alignment with recognized responsible sourcing initiatives, standards and frameworks.

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

Figure 2. Responsible Sourcing Management System & Accountabilities



Responsible sourcing management system component = ■

Accountability = ■

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

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

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

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

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

Evidence of the training of relevant personnel and roles and responsibilities defined in the due diligence program is available upon request.

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

In 2021 Sherritt published a responsible sourcing report that provided a summary of Sherritt's progress and performance with respect to responsible production and supply for the 2020 calendar year. This is the first year that Sherritt is publishing an OECD Step-5 report that conforms with the requirements of the RMI's public due diligence reporting guidelines and template. Actions and reporting have improved from previous years as follows:

- In 2022 Sherritt developed and publicly disclosed its Responsible Production and Supply Policy;
- In conformance with OECD guidelines Sherritt updated its CAHRA assessment on behalf of COREFCO in 2021. This assessment did not identify any CAHRA sources in the supply chain. In 2021 an independent OECD-aligned audit validated Sherritt's assessment that COREFCO does not source from conflict-affected or high-risk areas. Following the audit the CAHRA methodology was updated based on external guidance and Sherritt updated its CAHRA assessment in 2022. Once again Sherritt did not identify any CAHRA sources. This assessment was externally validated by TDI Sustainability in 2022 as part of an independent red flag assessment;
- As a member of the Mining Association of Canada, Sherritt and COREFCO are implementing the Towards Sustainable Mining ("TSM") protocols, which are a series of management systems that cover key mining related risks. Sherritt's objective is for COREFCO to achieve a minimum of 'Level A' scoring in all protocols by 2024. At the time of writing the COREFCO refinery has achieved 'Level B' in all protocols and is on track towards the 2024 objective;
- COREFCO is also implementing ISO 45001 and ISO 14001 and expects to achieve certification by the end of 2023.

Internal Systems of Control

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

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

Sherritt subsidiaries and its joint-venture operations continue to incorporate responsible production and supply requirements into the supply chain, and the JV continues to improve its supply chain due diligence process.

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

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

In 2021–2022 COREFCO sourced the majority (>95%) of its minerals from its own joint-venture mine. However, COREFCO also toll-refines a relatively small amount of minerals from a select group of third-party suppliers.

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

Sherritt’s approach to mineral feed supplier risk management is represented in Figure 3.

Figure 3. Supplier Risk Management



Below is a summary of the data the due diligence system has yielded in the 2021–2022 reporting period:

	2021	2022
Number of mineral suppliers	4	3
% Completed KYS questionnaires	25%	67%
% Completed supplier due diligence declarations	50%	67%
% Mineral supply chain risk assessments completed	100%	100%
Quantity of CAHRA mineral sources	0	0
Quantity of red flags identified	0	0

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

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

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

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

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

The process to address and resolve grievances includes:

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

Sherritt's grievance standard includes:

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

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

Record Keeping System

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

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

ii. Describe records retention time per document type.

Below is a list of key records and retention periods

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

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

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

Risk Identification

Methodology

i. Summarize the procedure to define conflict-affected and high-risk areas (CAHRAs), including the resources used, criteria applied and the frequency for review.

Sherritt has implemented a procedure for CAHRA assessments. CAHRA assessments cover the minerals produced, transported, and mined by Sherritt, Metals JV, the JV refinery (COREFCO), and JV subsidiaries as well as the small amounts of minerals purchased for refining from third-party sources.

Sherritt has completed CAHRA assessments on behalf of COREFCO, all of which to-date have determined that the minerals produced by COREFCO are not sourced from or transit through conflict-affected or high-risk areas. Independent audits in 2021 and 2022 reviewed Sherritt's CAHRA assessments and validated them.

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

Sherritt has elected to use the third-party resources identified on the RMI website and the European Commission Recommendation (EU) 2018/1149 on non-binding guidelines for the identification of conflict-affected and high-risk areas and other supply chain risks, such as:

- Heidelberg Conflict Barometer
- Geneva Academy Rule of Law in Armed Conflicts
- Global Peace Index
- INFORM world map
- Fund for Peace Fragile States Index
- The RMI's Country Risk Assessment Tool
- RMAP or E.U. CAHRA lists
- TDI Sustainability CAHRA Index

The general steps followed to complete a CAHRA assessment include:

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

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

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

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

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

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

- Responsible and ethical production policies and systems;
- Mineral type and point of origin, including the location of the mine from which the mineral is sourced;
- The methods of extraction;
- CAHRA and red flag identification;
- Legal status;
- Beneficial ownership and/or ownership or other controlling interests in other entities

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

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

The scope of the risk assessment includes the following:

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

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

No risks or incidents were identified in the reporting period.

Payments Made to Governments

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

Alignment with Industry Frameworks and Organizations

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

Sherritt and the Metals 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, which is the recognized industry standard for responsible supply chains. Sherritt and the Metals JV conform with 100% of the applicable sub-requirements. Table 1 outlines the details of Sherritt’s and the Metals 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 & 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	Yes	Expectations incorporated into agreements
	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	Yes	CAHRA and red flag assessments completed. No CAHRA or red flags 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	No serious impacts identified
	Mitigate risk; monitor and track progress	Yes	
4. Audit of smelter/refiner due diligence practices	Smelters/refiners should participate in industry programs to have their due diligence practices audited against an auditing standard aligned with OECD Guidance	Yes	2021 OECD-aligned audit 2022 LME-aligned red flag assessment audit
	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	
	Facilitate auditor access to sample of suppliers as appropriate	Yes	
	Publish summary audit report with audit conclusions	Yes	
5. Publicly report on due diligence	Annually describe all due diligence efforts (steps 1 to 4 – e.g., risk assessment and mitigation) with due regard for business confidentiality and other competitive or security concerns	Yes	
	Smelters should publish a summary of their independent audit report	Yes	
	Make report publicly available, in offices and/or on company website	Yes	

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the OECD 5-Step Framework are the basis for the responsible sourcing frameworks for nickel and cobalt such as those articulated by the [London Metals Exchange](#) (“LME”), Copper Mark’s [Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc](#), and the Responsible Mineral Initiative’s [Responsible Minerals Assurance Process](#) (“RMAP”).

Alignment with the London Metal Exchange Framework

In 2022 Sherritt’s conformance with the first phase of the LME’s responsible sourcing requirements Track B was validated by an independent LME-approved auditor and the LME. Sherritt is also on track to comply with phase 2 requirements, which include ISO 45001 and ISO 14001 certification at COREFCO by the end of 2023 and other requirements.

Product Stewardship

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

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

In 2021, 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 NI Polar Risk Assessment group; the CI Government Affairs Committees, Chemical Management Committee, and Sustainability Committee; and the CI 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 continued funding of the NI and the CI to advance the ecological and toxicological science associated with its products, which helps develop appropriate regulations that are protective of human and environmental health.

Product Lifecycle Assessment

In 2021 Sherritt completed an internal summary report based on the Nickel Institute’s 2020 LCA Report and established a task force for executing the recommendations. In 2022 Sherritt participated in the Cobalt Life Cycle Assessment (“LCA”) led by the Cobalt Institute and the Nickel LCA led by the Nickel Institute. Sherritt works with those involved in the lifecycles of our products to improve environmental performance throughout the value chain and to promote the responsible use of our products. This includes conducting research to enhance energy-efficiency and environmentally sustainable production of our products.

Next Steps for 2023

- ISO 45001 and 14001 certification at the COREFCO refinery;
- Update the CAHRA and red flag assessments;
- Complete the annual LME-aligned independent audit of the red flag assessment;
- Update the risk assessment;
- Prepare and disclose an updated OECD Step 5 report that summarizes the results of the independent OECD-aligned audit;
- Continue to implement Sherritt and Metals JV policies and management systems, such as Sherritt’s Sustainability Framework and Towards Sustainable Mining which mitigate identified risks; and
- Continue to require risk-based supplier due diligence in the mineral supply chain.

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

The following tables are intended to conform with the 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. Data provided in these tables is focused on activities associated with mineral feed suppliers and is not inclusive of all of Sherritt’s supply chain activities.



Disclosure Components	Sherritt 2020–2022
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	2020	2021	2022
Mineral Supply Chain policy	No	No	Yes
Mineral Supply Chain Policy is publicly available	No	No	Yes
Mineral feed supplier code of conduct	Yes	Yes	Yes
Implementation of due diligence for mineral supply chain	Yes	Yes	Yes
Surveys of relevant suppliers	No	Yes	Yes
Review of due diligence information received from suppliers against the company’s expectations	Yes	Yes	Yes
Due diligence process includes correction action management	Yes	Yes	Yes
Require mineral suppliers to exercise due diligence over the mineral supply chain in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains	Yes	Yes	Yes
Require mineral supplier due diligence practices to cover, at a minimum, all risks in the OECD Due Diligence Guidance for Responsible Supply Chains Annex II Model Policy, as well as the worst forms of child labour	Yes	Yes	Yes
The company provides a grievance mechanism	Yes	Yes	Yes

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

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

GRI 102: General Disclosures (2016), Disclosure 102-9: Supply chain
GRI 308: Supplier Environmental Assessment (2016)

Disclosure Components	2020	2021	2022
What percentage of relevant suppliers have provided a response to your supply chain survey?	Not available	25%	67%
Do any of the smelters in your supply chain source minerals from a conflict-affected or high-risk area?	No	No	No
Have you identified all of the smelters supplying cobalt to your supply chain?	Yes	Yes	Yes
Have you assessed whether the smelters/refiners in your supply chain have carried out all steps of due diligence?	No	No	No
Have you supported, including through participation in industry-driven programs, joint spot checks and/or audits at the smelter's/refiner's facilities?	No	Yes	Yes
Have you identified the presence of Annex II risks in the supply chain?	No	No	No
Number or percentage of suppliers implementing OECD Due Diligence Guidance	Not available	Not available	Not available
Percentage of suppliers with a Risk Readiness Assessment completed	Not available	Not available	Not available

GRI Disclosure 308-1: New Suppliers That Were Screened Using Environmental Criteria

Disclosure Components	2020	2021	2022
Percentage of new suppliers that were screened using environmental criteria	100%	100%	100%

GRI Disclosure 308-2: Negative Environmental Impacts in the Supply Chain and Actions Taken

Disclosure Components	2020	2021	2022
a. Number of suppliers assessed for environmental impacts	Not available	1	2
b. Number of suppliers identified as having significant actual and potential negative environmental impacts	Not available	0	0
c. Significant actual and potential negative environmental impacts identified in the supply chain	Not available	0	0
d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	Not available	0	0
e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why	Not available	0	0

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

GRI 102: General Disclosures (2016), Disclosure 102-9: Supply chain
GRI 308: Supplier Environmental Assessment (2016)

Disclosure Components	2020	2021	2022
Do you review due diligence information received from your supplier against your company's expectations? (e.g., third-party audit, documentation review only, internal audit)	Yes	Yes	Yes
Does your review process include corrective action management?	Yes	Yes	Yes
What are the established procedures or guidelines that determine the response to findings of human rights/child labour violations?	The supplier code of conduct outlines a risk-based approach	The supplier code of conduct outlines an engagement and risk-based approach	The supplier code of conduct outlines an engagement and risk-based approach
Was designated senior management briefed on the gathered information and the actual and potential risks identified in the supply chain risk assessment?	Yes	Yes	Yes

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

Disclosure Components	2020	2021	2022
Percentage of smelters that have been validated by an independent third-party audit program	Not available	100%	Not planned for 2022
Percentage of smelters that are active in an independent third-party audit program but are not yet conformant	Not available	100%	100% ¹
Percentage of smelters that are not participating in an independent third-party audit program	Not available	0	0

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

OECD Step 5: Report Annually on Supply Chain Due Diligence

GRI 102: General Disclosures (2016), Disclosure 102-9: Supply chain

Disclosure Components	2020	2021	2022
Do you publish audit reports with due regard taken of business confidentiality and other competitive concerns?	No	No	Yes
Do you publish an annual report on due diligence for responsible supply chains of minerals from conflict-affected or high-risk areas?	Yes	Yes	Yes
Do you report on risks identified in the supply chain and how those risks are mitigated?	Yes	Yes	Yes

Forced or Compulsory Labour

GRI 409: Forced or Compulsory Labour (2016)

GRI 408: Child Labour (2016)

Disclosure Components	2020	2021	2022
Operations and suppliers at significant risk for incidents of forced or compulsory labour	0	0	0
Presence of worst forms of child labour	None	None	None

GRI Disclosure 409-1: Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labour

Disclosure Components	2020	2021	2022
a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour, either in terms of:	0	0	0
i. type of operation (such as manufacturing plant) and supplier; or	Not available	0	0
ii. countries or geographic areas with operations and suppliers considered at risk	Not available	0	0
b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labour	Communication of expectations	Mineral supplier due diligence	Mineral supplier due diligence

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	2020	2021	2022
Incidents of bribery and fraudulent misrepresentation of origin of minerals (by entities in the supply chain like smelters or refiners), monetary impact	0	0	0
Incidents of money laundering, monetary impact	0	0	0
Occurrences of sexual violence	0	0	0
Incidents of torture, cruel, inhuman or degrading treatment	0	0	0
Occurrences of war crimes, crimes against humanity, genocide	0	0	0
Direct or indirect support to non-state armed groups	0	0	0
Number of incidents/types of child labour (focus on worst forms of child labour) occurring in mining areas	0	0	0
Number and types of incidents (armed groups, criminal activity)	0	0	0
Number of deaths from mining accidents (types – cave-ins)	0	0	0

GRI Disclosure 411-1: Incidents of Violations Involving Rights of Indigenous Peoples

Disclosure Components	2020	2021	2022
a. Total number of identified incidents of violations involving the rights of Indigenous Peoples during the reporting period	0	0	0
b. Status of the incidents and actions taken with reference to the following:	Not applicable	Not applicable	Not applicable
i. Incident reviewed by the organization	Not applicable	Not applicable	Not applicable
ii. Remediation plans being implemented	Not applicable	Not applicable	Not applicable
iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes	Not applicable	Not applicable	Not applicable
iv. Incident no longer subject to action	Not applicable	Not applicable	Not applicable

GRI Disclosure 412-2: Significant Investment Agreements and Contracts That Include Human Rights Clauses or That Underwent Human Rights Screening

Disclosure Components	2020	2021	2022
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	0	0
b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations	Not available	0	0