

Sherritt International Corporation

2024 Annual Report

to

The Voluntary Principles on Security and Human Rights



April 2025

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About This Report

Sherritt International Corporation (“Sherritt” or “the Company”) is a Corporate Pillar member of the Voluntary Principles on Security and Human Rights (“VPs”). Since 2014, Sherritt has implemented a management system aligned with the VPs to assist its operations in the identification and mitigation of potential security and human rights-related risks. This report provides information on the implementation of this management system at Sherritt’s joint venture operations in Cuba and Canada for the calendar year January 1, 2024 through December 31, 2024. Additional events or key activities outside of this period may also be specified where relevant.

A copy of this report and previous reports can be found on [Sherritt’s website](#) and the [VP’s website](#). All reports prior to 2022 are historical reports for informational purposes only.

A. Commitment to the Voluntary Principles

1. Public Statement of Commitment or Endorsement of the Voluntary Principles

Sherritt's public statement of commitment to the VPs is reflected in its publicly available [Human Rights Policy](#). The Policy aligns with declarations and guiding principles from the United Nations (UN) and includes clear commitments to the UN's *Rights of the Child*. The Human Rights Policy applies to all Sherritt operations and is communicated to employees, contractors, consultants, suppliers, and joint venture partners. Reference to the Policy is also included in applicable contractor and supplier contracts and agreements. Senior management and the Board of Directors understand and endorse these commitments. Additionally, Sherritt publicly discloses its commitment to the VPs in its [annual Sustainability Report](#) and on its [website](#).

Engagement in the Voluntary Principles Initiative

Throughout 2024, Sherritt actively engaged in VP initiatives and attended VP Implementation presentations by other members and the Secretariat (as defined by the VPs). Sherritt has also used tools and resources provided by the VPs to facilitate discussions with local Cuban security authorities for the purposes of socializing in-country adoption of the VPs. Sherritt is committed to engaging with other VP members to facilitate greater shared understanding of issues related to the VPs' implementation.

Transparency

Sherritt's public annual Sustainability Report and website both include a section on its approach to security and human rights. Sherritt also reports against the Global Reporting Initiative, which includes indicators on grievance mechanisms, security training protocols, and human rights.

2. Promoting awareness of the Voluntary Principles within the organization

Sherritt's joint venture refinery ("COREFCO") requires that any of its raw material feed suppliers, contractors and sub-contractors review Sherritt's [Environment, Health, Safety & Sustainability Policy](#), and Human Rights Policy, which make explicit references to the VPs. These documents are also made available on Sherritt's internal landing page for all employees to access and on Sherritt's external [website](#). In addition, the mandatory site safety orientation for all new employees and contractors, includes reference to Sherritt's commitments to the VPs.

Sherritt's [Raw Material Feed Supplier Code of Conduct](#) and [Responsible Production and Supply Policy](#) clearly require mineral suppliers to confirm that their security management practices align with the VPs. A copy of the Code of Conduct and other relevant Sherritt policies and standards are provided to mineral suppliers before any contracts are signed with the respective parties, and when supplier due diligence assessments are conducted, evidence of the application of these commitments is reviewed.

3. Examples of promoting and advancing implementation of the Voluntary Principles internationally

As a means of promoting the VPs internationally, Sherritt publicly discloses its commitments to the VPs in its annual Sustainability Report, which is made available to the public and publicized through Sherritt's communication platforms (i.e., Sherritt's website, LinkedIn, investor presentations, etc.).

Sherritt's COREFCO refinery is a member of the [Alberta Northeast Region Community Awareness Emergency Response Organization](#) (NRCAER). This is a non-profit mutual aid organization composed of industry and municipal government entities that provides and promotes safety and emergency response support initiatives. Through regular interactions and special presentations, Sherritt management promotes the adoption of the VPs and shares best practices with other members of NRCAER.

Sherritt promotes the VPs to international mineral feed suppliers of Sherritt through the distribution of its Raw Material Feed Supplier Code of Conduct, Responsible Production and Supply Policy, and its Human Rights Policy. Where relevant, Sherritt also references the Company's commitment to the VPs when responding to customer and industry association responsible sourcing surveys and questionnaires.

As a member of the [Mining Association of Canada](#) (MAC), Sherritt is actively implementing the requirements of MAC's Towards Sustainable Mining (TSM) protocols. TSM is a globally recognized sustainability program that supports mining companies in identifying and mitigating key environmental and social risks. Sherritt has committed to implementing a human rights and security approach consistent with the VPs in line with TSM. This commitment is reflected in its publicly available TSM [company performance updates](#) for the COREFCO refinery.

Sherritt's joint venture operations in Cuba, the Moa Nickel Mine and Energas sites, are operated by local Cuban management, who are responsible for the procurement and operationalization of security for these sites in accordance with local laws. In Cuba the Empresa de Servicios Especializados de Protección S.A. ("SEPSA") is the only enterprise authorized to provide physical security to Sherritt's joint venture assets. SEPSA is a state-owned security provider. In January 2024, meetings were held with SEPSA to pursue alignment of their policies, procedures, and systems with the VPs. Awareness and training materials provided by the VPs were shared with SEPSA management and SEPSA described their training programs and procedures. An agreement on continued dialogue and cooperation was achieved, however further engagement during the year was constrained by various other in-country priorities. Further engagement with SEPSA on the VPs is intended in 2025.

B. Policies, Procedures, and Related Activities

4. Relevant policies, procedures, and/or guidelines (or any changes thereto from the previous reporting year) to implement the Voluntary Principles

Corporate Level

Sherritt's public commitments to the VPs are reflected in its Human Rights Policy. The Policy states that *"Sherritt will ensure that the security arrangements for the Company's operations respect human rights and are consistent with the Voluntary Principles on Security and Human Rights"* and *"Sherritt expects contractors, consultants, suppliers, and joint venture partners to share the Company's human rights commitments"*.

This public commitment aligns with declarations and guiding principles from the UNs and includes clear commitments to children's rights. The Human Rights Policy applies to all Sherritt operations in Canada and Cuba, and it is communicated to all employees, contractors, consultants, suppliers, and joint venture partners. It is also included in applicable contractor and supplier contracts and agreements.

In 2024, Sherritt developed and released a Child and Forced Labour Standard. This standard outlines commitments and management system requirements regarding the prevention of child labour and forced labour at Sherritt operations. In 2025, Sherritt will continue rollout efforts, such as training, in relation to this standard to ensure full integration into COREFCO's management system. Additional information on the steps Sherritt and COREFCO have taken during 2024, and in previous years, to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods, in Canada or elsewhere can be found in our second [Annual Report on Fighting Against Forced Labour and Child Labour in Supply Chains](#). This report is submitted to the Canadian Minister of Public Safety under *Bill S-211 An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

Sherritt's Chief Operating Officer is accountable for providing the necessary management systems and resources to strive towards full compliance with these requirements. Sherritt's Corporate Sustainability department is responsible for the maintenance and regular review of relevant policies and procedures. Human rights and security specific key performance indicators are tracked and regularly reported to Sherritt's senior management and Board of Directors.

Site Level

The COREFCO refinery has a mandatory site safety orientation for all new employees and visitors, including the elements specifying commitments to the VPs and applicable site security and human rights practices. This training is further supplemented by training modules such as: respectful workplace, verbal de-escalation and requirements of the Voluntary Principles on Security and Human Rights (introduction and intermediate levels).

Additionally, the security group at COREFCO operates in alignment with several internal security and human rights procedures and work instructions, including:

- Entering Agreements with Private Security Service Providers;
- Entering Agreements with Public Security;
- Reporting and Investigation of Security Related Incidents;
- Use of Force;
- Protection of Providers of Confidential Information;
- Apprehension and Transfer of Suspects to Public Custody;
- Security Post Order documents; and
- Security Guard training and On-Going Review.

As stated in Section 3, Sherritt's joint venture operations, the Moa Nickel Mine and Energas sites, are operated by local Cuban management, who are responsible for the procurement and operationalization of security for these sites with the state enterprise SEPSA. Sherritt advocated for the adoption of the VPs with SEPSA in December 2023 and January 2024.

5. Company procedure to conduct security and human rights risk assessments

The frequency for undertaking security and human rights risk assessments is determined according to the risk profile of each site, and whether any material events within the operation's jurisdictions would materially impact the risk profile determined in the previous assessment. The risk profile of a site is determined using a set of criteria including, but not limited to:

- The host country's control of corruption;
- Local rule of law;
- Political stability; and
- If the operation is in a jurisdiction experiencing a conflict situation.

As part of the security and human rights risk assessment, the sites must analyze both security risks to the Company (e.g. the level of crime and violence around the operation), as well as human rights risks to the rights-holders (e.g. the history of abuse of human rights by security forces). Once the risk assessment is complete, the operations are then required to establish a tailored risk mitigation plan for each identified security and human rights-related risk.

In addition to following Sherritt's internal procedures for conducting security and human rights risk assessments, the Company also completes annual [Conflict Affect and High-Risk Area \(CAHRA\) assessments](#) on behalf of COREFCO. The most recent assessment, completed in 2024, did not identify any CAHRA sources in the supply chain. In 2024, an independent Organisation for Economic Co-operation and Development-aligned audit validated Sherritt's assessment that COREFCO does not source from CAHRAs. Sherritt also regularly conducts risk assessments for its mineral supply chain, which include considerations of security and human rights violation potentials of its mineral suppliers. In 2023 a mineral supply chain risk assessment was completed based on the [RBA/RMI's Risk Readiness Assessment](#) for smelters and refiners. The scope of the risk assessment included 29 issue areas covering environmental, labour and working conditions, community, and business and human rights aspects of mining and refining operations. No significant material mineral supply chain risks were identified.

In addition to operationalizing Sherritt's own security and human rights internal policies and procedures, in Alberta (where COREFCO is located), all security staff must be licensed to function in that role by the province's Solicitor General. The licensing process requires security personnel to demonstrate awareness of all the rules of the law with respect to human rights.

6. Company procedure or mechanism to report security-related incidents with human rights implications by public/private security forces relating to the company's activities

All Sherritt sites are required to adopt the Company's Procedure for Reporting and Investigation of Security Related Incidents. The Procedure includes a classification of security incident levels (from levels 1-5, with 5 being the most critical). Allegations of human rights-related violations fall into incident levels 4 and 5 and require immediate notification to Security Management, the Site General Manager, Divisional Vice President, and corporate Legal Counsel and the Executive Leadership team. Host government authorities must be notified immediately in the case of a fatality, an injury, and/or property damage. Similarly, any allegation of a security and human rights violation involving security forces on site must be documented and reported to authorities. All on-site incidents result in the generation of a report that serves as a formal record of the incident, the investigation, and corrective or preventive actions.

Additionally, Sherritt has a publicly available grievance mechanism on its [website](#). Employees may report security-related incidents or allegations with human rights implications to their immediate supervisor or Human Resources, or anonymously via telephone or electronic reporting mechanisms. External stakeholders can also report security-related incidents or allegations with human rights implications through Sherritt's local grievance mechanisms or through the same anonymous mechanism listed above. In 2024, there were no incidents or allegations of security-related incidents with human rights implications by public or private security forces.

At Sherritt's Cuban operations, there is a formal 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 set up to investigate grievances and develop action plans to address them. As appropriate, investigations of incidents or allegations are handled by the police. In 2024, Sherritt was not advised by its partners of any incidents or allegations of security-related incidents with human rights implications involving the operation's Cuban security forces.

Interactions with Cuba's state security agency has been respectful of Cuban laws, Cuba's support for the UN's declaration of human rights and other human rights standards. Sherritt's engagement with its partners has sought to incrementally improve the alignment of state institutions with the VPs to promote awareness and ensure accountability and respect for human rights as part of the operation.

7. Company procedure to consider the Voluntary Principles in entering into relations with private security providers

In Canada, the COREFCO site is licensed by the Alberta Solicitor General to operate a private security force. This security force is comprised of security licensed Sherritt employees, who oversee contractors from a private third-party security provider. In Cuba, security is provided by a state-owned security company, with oversight from the operation's management teams.

Due to the various security arrangements of its sites, Sherritt has established procedures for entering into agreements with both private and public security. These procedures include specific contractual requirements, such as compliance with Company policies and procedures, relevant host country laws and regulations, international codes of conduct for law enforcement officials, and the VPs.

Sites with private security (either in-house or contractor) are required to demonstrate that security personnel have been screened (to the extent possible) for past human rights abuses and criminal records, and have been trained on security and human rights and the use of force. Sites must also take measures to ensure the proper handling and storage of security equipment. To ensure compliance in these areas, sites are required to measure and report on contractor performance on an annual basis, using a set of agreed-upon key performance indicators.

Sites with public security providers must take measures to ensure that public security administration does not assign public security officers who have been subject to credible allegations or violations of human rights to the sites. Such measures include contractual requirements and the tracking of personnel assigned to the site. Sites must also seek proof of human rights and use of force training completed by personnel assigned to the site. Where training is viewed as inadequate, the sites must provide support for training in these areas. Under no circumstances are sites to transfer lethal equipment to public security and the transfer of non-lethal equipment must be made under an explicit set of conditions regarding how the equipment should be stored, handled, and used.

At Sherritt's COREFCO refinery all contract security guards must complete a training program to achieve their provincial security guard license. Additional training is provided to contract security guards by Sherritt International, which includes site and Company specific requirements including the VPs-related ones.

8. Company procedure or mechanism to address security-related incidents with human rights implications by public/private security forces relating to the company's activities

Sherritt has a Grievance Management Standard that outlines the requirements all operations must follow in the design of their site-specific grievance management processes that receive, investigate, and manage concerns or complaints raised by local external stakeholders. This standard is supported by Sherritt's Grievance Mechanism Guideline. The Guideline stipulates that all grievance mechanisms must be anonymous, consider local customs, have clear definitions, and include processes for tracking, investigation, and resolution.

All grievances or allegations of a human rights violation involving public or private security personnel are reported to the corporate Legal Counsel who will assign an external investigator to understand what occurred, what controls are in place and what additional controls are needed to prevent a similar incident from occurring in the future. The outcomes are reported to the Board of Directors and appropriate corrective action is taken as required.

Employees may report grievances to their immediate supervisor, to Human Resources, or through the anonymous telephone or electronic reporting mechanisms available [here](#). External stakeholders can report grievances through Sherritt's local grievance mechanisms or through the same anonymous mechanism listed above. All Sherritt employees and contractors are made aware of how to report grievances as part of their immediate onboarding, with regular reminders during employee and contractor engagement sessions and internal information sharing platforms (i.e. Employee Townhalls, employee portals - SharePoint, etc).

There were no human rights incidents, violations, or allegations at any of the Sherritt sites in 2024.

C. Country Implementation

9. Overview of country operations selected for reporting

Sherritt's Oil & Gas, and Power (OGP) and mining (Moa Nickel) operations in Cuba, and the nickel and cobalt refinery in Canada are included as part of this report.

10. Engagements with stakeholders on country implementation

In December of 2023 and January 2024, meetings were held with SEPSA, the state-owned enterprise that provides physical security to Sherritt's assets in Cuba. The purpose of the meetings was to promote awareness of the VPs and pursue alignment on their policies, procedures, and systems with the VPs. Awareness and training materials were shared with SEPSA management and an agreement on continued dialogue was achieved. Further engagement with SEPSA on the VPs was intended throughout 2024 however further engagement during the year was constrained by various other in-country priorities. An agreement on continued dialogue and cooperation was achieved and further engagement with SEPSA on the VPs is intended in 2025. In Canada Sherritt's COREFCO engages regularly (e.g., once per month) with the municipality of Fort Saskatchewan, local police, the NRCAER, and the Royal Canadian Mounted Police regarding security arrangements and to coordinate response planning.

11. Voluntary Principles considerations in the selection of private security providers and formulation of contractual agreements with private security providers, as well as an arrangement with public security forces

Due to the various security arrangements of its sites, Sherritt has established procedures for entering into agreements with both private and public security. These procedures include specific contractual requirements, such as compliance with Company policies and procedures, relevant host country laws and regulations, international codes of conduct for law enforcement officials and the VPs.

In Canada, COREFCO is licensed by the Alberta Solicitor General to operate a private security force. This security force is comprised of security licensed Sherritt employees, who oversee contractors from a private third-party security provider. A security staff (employees and/or contractors) must be licensed to function in that role by the Alberta Solicitor General. The licensing process requires security personnel to demonstrate awareness of local rules of the law with respect to human rights, which are consistent with the VPs.

In Cuba, security is provided by SEPSA, a state-owned security company, with local management oversight. Full integration of VPs-related requirements into the working arrangements with the state-owned security provider in Cuba requires further engagement throughout 2025.

12. Examples of supporting outreach, education, and/or training of (i) relevant personnel, (ii) private security, (iii) public security, and/or (iv) civil society (e.g., local NGOs, community groups)

Sherritt's COREFCO refinery engaged with partner organizations of NRCAER. NRCAER is a mutual aid emergency response association which includes emergency management professionals, pipeline companies, chemical transporters, area municipalities, and the local public police. Monthly engagement meetings and knowledge exchanges were also held with the contract security firm.

Sherritt continues to have only a limited ability to influence the adoption of the VPs in Cuba by SEPSA, the state-owned security agency; however, Sherritt will continue to build awareness about the VPs with our Cuban partners and relevant authorities, as appropriate.

13. Company procedure to review progress on implementing the Voluntary Principles at local facilities

The indicators and relevant processes that have been developed to assess and address the Company's implementation of the VPs include the following key performance indicators:

- Number of recorded incidents with the potential to affect social license;
- Number of recorded security incidents, including thefts and attempted thefts; and
- Number of reported grievances, including human rights, social, and community grievances.

Performance against these indicators is evaluated and reported internally on a quarterly basis to the Board of Directors Committee responsible for overseeing these matters, and, where relevant, reported publicly on an annual basis in Sherritt's sustainability disclosures.

Sherritt is not currently participating in the Corporate Pillar Verification Framework.