

SUSTAINABILITY POLICY

IMPROVING PEOPLE'S LIVES TOWARDS
A CLEAN ENERGY FUTURE





CONTEXT

Our ambition to become an important supplier of sustainable and traceable battery materials for the electric vehicle supply chain stems from the realization that the industry in which we operate must evolve towards more efficient processes, more conscientious practices and with a reduced environmental footprint.

We are committed to industry leading Environmental, Social and Governance (ESG) principles. It means being part of the global energy transition through innovation and technology, reducing climate risk, improving quality of life, and upholding responsible activities, mindful of the legacy we want to leave to future generations.



PURPOSE

The purpose of the Sustainability Policy (this “Policy”) is to establish the framework and guidance for the Company’s activities, regarding the Environmental, Social and Governance (ESG) aspects of the business.

For us, operational excellence includes the commitment to balance economic prosperity, environmental stewardship and social responsibility that extends beyond the economic life of our operations.

The Board of Directors’ Technical and Sustainability Committee oversees the application of this, and other standards and policies related to the Company Sustainability approach.



APPLICABILITY

This Policy is mandatory for all our employees, directors, officers, contractors under our direct supervision and applies to all our activities globally.

We encourage our supply chain to apply this Policy to their overall activities, as they are critical partners to ensure we develop our business in a sustainable, respectful and diligent manner.

This Policy is consistent with the Company’s Code of Business Conduct and Ethics, Human Rights, Supply Chain, Environmental, Health and Safety, Anti-Corruption and Whistleblower Policies.



FRAMEWORK

The Company’s utilizes the ESG approach to develop, implement and communicate Sustainability priorities, programs, plans and performance.

We define Sustainability as the ability to develop our business in such a way we positively integrate to the local and global environment, aiming to promote prosperity to communities and society.

Our **Core Values** determine how we develop our business.



CORE VALUES



Respect for the planet and for future generations



Respect for our employees



Respect for the local communities



Respect for our shareholder

Our **Sustainability Framework** builds upon these values, setting the standards and systems that enable the achievement of our commitments and goals. It outlines the Company's most significant ESG topics, based on international standards for the industry, and our priorities as a Company committed to improving people's lives and enabling a zero-carbon future.



SUSTAINABILITY FRAMEWORK





PRIORITIES AND COMMITMENTS

BALANCE

We commit to approach the three main dimensions of our Sustainability Framework in an integrated manner, acknowledging that the Governance dimension should set the framework for the Social and Environmental dimensions to succeed.

We believe that Environmental goals should be achieved in a manner that is not harmful to the Social dimension, and vice-versa. Understanding the interactions across these dimensions is critical for the successful implementation of our Sustainability Framework.



Priorities

Our Commitments



Human Rights

In line with the United Nations Guiding Principles on Business and Human Rights, we commit to the following principles:

- Respect, promote and protect Human Rights throughout our value chain;
- Prevent and, if necessary, mitigate and remedy Human Rights violations associated with our activities;
- Monitor our activities and our value chain adherence to this Policy through the implementation of a due diligence/audit process.
- Ensure transparency and regularly disclose our Human Rights principles and performance updates through our ESG transparency channels.
- Promote dialogue and help advance the Human Rights agenda globally.



Health & Safety

Safety first, last and always. The health and safety of our employees and contractors is our highest priority.

We commit to provide a safe and healthy work environment as we continuously improve all aspects of health and safety performance and strive for the ultimate goal of zero injuries.



Communities Relations

We base our principles on accountability, transparency, ethical behaviour and respect for stakeholder interest.

We commit to respect customs, culture and values in the communities in which we operate, contributing to their socioeconomic sustainable development. For that, we commit to provide local employment, procurement and contracting opportunities, while managing the risks associated with the Company's operations and supply chain.

We commit to work to obtain consent from Indigenous Peoples for new and changing projects, while reaching sustainable benefit agreements through formalized engagement processes.



Diversity & Inclusion

Our activities are guided by respect and appreciation of diversity, as we believe diverse teams are more capable of articulating a broader set of issues, risks and opportunities and finding integrated solutions.

We commit to value the unique views of our employees, neighbor communities and stakeholders, promoting a healthy and inclusive environment for open and transparent dialogue.

We also commit to a zero-tolerance approach to discrimination and prejudice in all forms.



Priorities

Our Commitments



Climate Change

Our ambition is to be a key player in decarbonizing the value chain, supplying low carbon materials that enable the global transition to clean energy.

We commit to achieve Net Zero greenhouse gas (GHG) direct and indirect emissions by 2050, and to develop a decarbonization roadmap, with short- and medium-term goals, within one year of the publication of this Policy.



Water Stewardship

Water availability and quality are critical issues that perpetuate inequality and prevent sustainable development.

We commit to the principles of water stewardship across our operations, minimizing water use and ensuring water availability and quality.



Biodiversity

We respect legally designated areas, such as International Union for Conservation of Nature category I-IV protected areas. We do not operate in World Heritage Sites.

We commit to manage risks and impacts to Biodiversity by adopting prevention, mitigation/ control, offset and monitoring measures.



Waste

We commit to prioritize the best practices available for the optimization of mineral production and processing, along all phases of the project life cycle – exploration, design, operation and closure.



Priorities

Our Commitments



Policies & Systems

Navigating the sustainability landscape, complying with laws, regulations, standards and best practices require a set of Policies and Systems, that apply to the Company, our partners and supply chain. For each of the topics outlined as priorities in this Policy, it is required to develop a policy, guideline, standard and/or system to enable meeting our goals and society's expectations.

We commit to have a set of Standards for the ESG priorities within one year of the publication of this Policy.

We commit to ensure competent and knowledgeable people are in charge of each related process and to provide proper training.



Supply Chain Due Diligence

We prioritize the close monitoring of risks and the ability to trace materials throughout the value chain, ensuring our business practices are compliant to our Policies and to global Standards.

We commit with performing annual supply chain due diligence, covering socioenvironmental impacts consistent with international standards (see References in this Policy), disclosing the results, and working to continuously improve our ESG performance.



Performance Management

It is a priority to set the infrastructure to monitor and achieve the intended goals on key performance indicators (KPIs), to identify and address internal and external issues, risks and opportunities.

We commit to develop and implement an integrated ESMS – Environmental and Social Management System – within one year of the publication of this Policy.



Transparency & Engagement

Open and legitimate dialogue with society is a pre-condition to deliver high ESG performance.

We commit with the continuous development of our Grievances Mechanism and to disclose material issues and risks, along with action plans and results.



DOCUMENT REVIEWS

This document shall be reviewed at least once every three years or by request of our Technical and Sustainability Committee at the Board of Directors level.

REFERENCES

Cobalt Industry Responsible Assessment Framework (CIRAF)

GHG Protocol

International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work;

International Finance Corporation (IFC) Performance Standards

Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct;

OECD Due Diligence Guidance for Responsible Minerals Supply Chains from Conflict-Affected and High-Risk Areas

Responsible Minerals Initiative Assurance Standards

United Nations Declaration on the Rights of Indigenous Peoples;

United Nations Guiding Principles on Business and Human Rights;

United Nations International Covenant on Civil and Political Rights;

United Nations International Covenant on Economic, Social and Cultural Rights;

United Nations Sustainable Development Goals (SDGs);

Universal Declaration of Human Rights;

Voluntary Principles on Security and Human Rights (VPSHR)

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<https://report.whistleb.com/en/electrabmc>