



SUSTAINABILITY REPORT 2022

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1 Sustainability Journey

Environmental, social, and governance (ESG) considerations are embedded in Electra Battery Materials (“Electra”) principles and business practices. In 2022, we made considerable progress in our journey to establish a solid foundation for a sustainable production and a robust supply chain in North America.

Alongside the advances for the development of the battery materials park in Ontario, Canada, and the exploration work at our copper-cobalt mining asset in Idaho, USA, we kicked-off an ambitious ESG agenda and met important milestones, including the appointment of our Vice President, Sustainability and Low Carbon.

Our first Sustainability report is in line with our commitment to transparency and accountability. We will continue to build on the strong foundation we have built by developing content and tools to enhance our culture based on our Value Proposition, starting with our ESG Bulletin and online training for our employees. We are also engaging with internal and external stakeholders through surveys and participation in conferences to discuss our ESG framework, commitments and ambitions moving forward.

2020

June:

Electra, formerly First Cobalt Corp, joins the Cobalt Institute

October:

Electra releases Life Cycle Assessment report for its Canadian refinery which affirms its low carbon footprint

2021

February:

Electra begins study of black mass material from recycled batteries as a feed source to recover cobalt, nickel, and other battery materials

December:

Electra announces that its recycling facility will have a 100% hydrometallurgical process and low carbon power sources, resulting in nearly zero greenhouse gas (GHG) emissions

2022

April:
Appoints VP, Sustainability and Low Carbon, Renata Cardoso

May:
Launches four ESG Policies – Human Rights, Supply Chain, Sustainability and Environmental

May:
Publishes comprehensive ESG Framework and commitments

Whistleblower Channel is live to receive and manage grievances:
report.whistleb.com/en/electrabmc

June:
Electra becomes a member of the Responsible Minerals Initiative (RMI)

July:
Signs Benefits Agreement with the Métis Nation of Ontario (“MNO”), providing employment, training, procurement, and business opportunities

November:
VP Sustainability and Low Carbon visits cobalt mining sites in the Democratic Republic of Congo, providing comfort to stakeholders and demonstrating confidence in Electra’s ethical supply chain

January 2023:
Launch of inaugural Sustainability Report

CORE VALUES

-  Respect for the planet and for future generations
-  Respect for our employees
-  Respect for the local communities
-  Respect for our shareholder

MISSION

Provide **low-carbon, ethical and traceable** materials to the **global battery supply chain** while improving **people's lives**

SUSTAINABILITY FRAMEWORK



2 Message from the CEO



I am pleased to share Electra's first Sustainability Report. For us, this is a significant accomplishment that reflects our commitment to transparency in our journey to supply ethical, traceable, and low carbon battery materials that will help promote the global energy transition.

Our ESG agenda is ambitious. As part of our value proposition, we want to meet and exceed our stakeholders' expectations by becoming a reference and pushing forward ESG standards. In terms of strategy, ESG is already a key point of differentiation for Electra relative to our peers in Asia. We will produce very low carbon – and target net-zero – battery materials and benefit from the logistics of

the growing North American market. Being in North America also means we are required to comply with strict regulations, which strengthens our credibility in the industry and our ability to influence the entire supply chain to follow ethical business practices.

In this report, you will get an overview of our Environmental, Social and Governance (ESG) management approach and performance so far. The stories and data we are presenting in this inaugural report relate to the construction phase of our refinery and to the exploration phase of our Idaho properties. Transparency is a commitment that does not need to wait until we are operational, however. We are excited to share our ESG progress with you from the very beginning of our journey.

2 Message from the CEO



In this report you will learn about our Company's strategy, ambitions, and commitments related to ESG matters that our employees and external stakeholders value the most. Before developing this report, we conducted internal and external surveys, and learned more about our stakeholders and their expectations of us. We listened to local communities, indigenous groups, customers, suppliers, and investors on what they believe Electra's priorities should be as we grow our business and operations.

In 2022 we launched our ESG policies, framework, and our Whistleblower channel. We became members of the Responsible Minerals Initiative (RMI), a key partner that provides a platform for responsible sourcing. We signed our first Benefits Agreement with the Métis Nation of Ontario, and we developed studies related to the local biodiversity with other indigenous groups. As we prepare to start our operations in Ontario, we are hiring and training employees from the local workforce. We also developed our first greenhouse gases inventory, and we are working on our decarbonization roadmap.

It has been an exciting journey so far and we invite you to read the report, provide feedback and continue to follow our progress. Our intent is to be an ESG leader in the industry, particularly in North America, but this is only possible through an open and transparent dialogue with you and all of our stakeholders.

Trent Mell
Electra Battery Materials CEO

3 About Us

Electra is a North American refiner and recycler of battery materials using a low carbon hydrometallurgical process. We are building an integrated, localized, and environmentally sustainable battery materials park, north of Toronto. Leveraging the Company's own mining and refining assets, the Electra Battery Materials Park will supplement North American supply of cobalt, nickel, and manganese sulfates as well as recycled battery materials.

Electra's hydrometallurgical refinery located in Ontario, Canada is our flagship asset. It acts as a critical bridge between the North American electric vehicle supply chain and North American sources of raw minerals and recycled materials.

Electra also owns the exploration-stage Iron Creek cobalt-copper project in Idaho. Electra is an integral part of the North American battery supply chain, positioning to provide low carbon, sustainable, and traceable raw materials for the fast growing electric vehicle industry.

The first commercial operation will be the production of battery-grade cobalt sulfate in the spring of 2023, followed by commercial black mass refining in 2024. Nickel and manganese refining are expected to follow in 2025-26. Electra also intends to build a second cobalt sulfate refinery in Bécancour, Quebec.

For more information, please refer [Battery Materials Park](#) | [Electra \(electrabmc.com\)](#)



Electra at a Glance

01

Commercial scale hydrometallurgical refinery to be commissioned in 2023

02

Commercial battery recycling line to be commissioned in 2024

03

Exploration-stage Iron Creek cobalt-copper project in Idaho, USA

05

Supported by an experienced and diverse Board and leadership team

04

Future products portfolio: Cobalt sulfate, Nickel sulfate, Manganese sulfate, and recycled battery materials

4 About the Report

Our inaugural report sets the foundation for Electra's future disclosures on ESG matters. This report provides information on our evolving ESG strategy, along with a commentary on our key activities and highlights in 2021 and 2022. Reporting frameworks, such as the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Standards influenced the development of this report.



We have initiated data collection to measure and report our performance on ESG issues. This includes our impact on the environment, our contribution towards community development and our efforts towards building a diverse and inclusive organization. Our ESG performance scorecard for the construction phase of our operations is available in the Performance Summary.

We encourage you to share any comments, inquiries, or suggestions you may have on our ESG journey to rcardoso@electrabmc.com

5 Our Priority ESG Topics

Recognizing that the 'profit' and 'purpose' of a Company are intrinsically linked, Electra is committed to integrating ESG into our business model and operations. For us, this means being part of the global energy transition by reducing climate risk, improving quality of life, upholding responsible practices, using technology to innovate within our operations, and being mindful of the legacy we want to leave for future generations.

We strive to create lasting value for our stakeholders by minimizing our environmental footprint and promoting prosperity of communities, while driving our business towards profitability. We are guided in this pursuit by our mission and core values.

Vision: Provide low carbon, ethical, and traceable materials to the global battery supply chain while improving people's lives



CORE VALUES



Respect for the planet and for future generations



Respect for the local communities



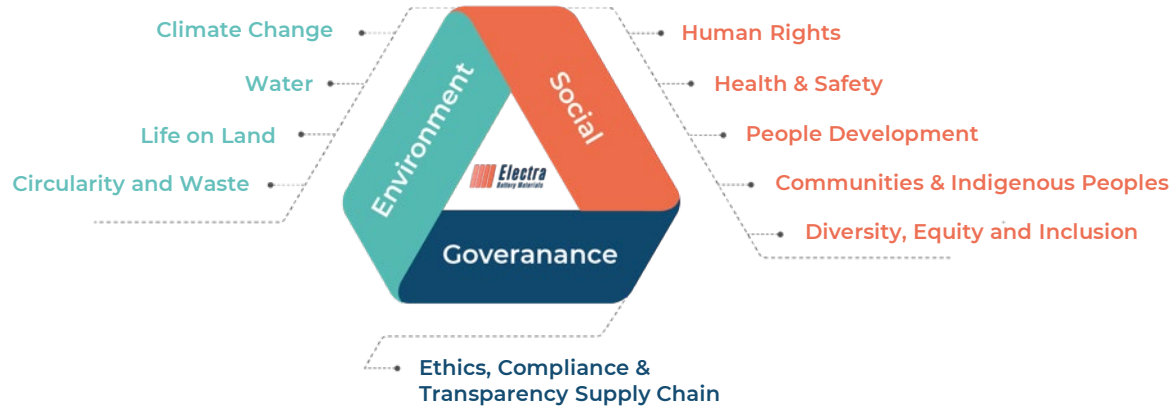
Respect for our employees



Respect for our shareholders

5 Our Priority ESG Topics

Our values, strategy, and commitments are incorporated into our day-to-day operations through our ESG Framework and policies. Our ESG Framework outlines the Company's priority ESG topics, identified through a systematic review of Electra's internal documents and external landscape, and validated by internal and external stakeholders through a survey.



Electra's ESG Framework is in line with global priorities highlighted by the United Nations Sustainable Development Goals (UN SDGs). SDGs provide a useful framework for governments and organizations to tackle the world's pressing challenges and create a positive impact. The goals that we can impact most directly are:



6 Environment



6.1 Climate Change

Introduction

Respect for the planet and future generations is one of Electra's core values that determine how we develop our business. We realize that the industry we operate in must evolve and innovate towards more efficient and environmentally conscientious practices.

At Electra, we believe we are at the forefront of this change. Our focus on enabling the transition towards zero emission vehicles is intentional as we aim to be a leader in providing low-carbon, ethical and traceable critical materials to this emerging industry.



Dave Theurer, from Intermountain Environmental Inc, installing a weather station in Iron Creek

Ambitions and Commitments

Our ambition is to be a key player in decarbonizing the value chain, supplying low-carbon, ethical, and traceable materials that enable the global energy transition and decarbonization efforts.

Our battery materials are the mainstay of the electric vehicles supply chain. We intend to have the lowest carbon footprint of all cobalt sulfate producers in the world and achieve the same for all the other products in our future portfolio.

We will accomplish this through our commitment to Net Zero greenhouse gases (GHG) emissions by 2050, both direct and indirect. We are in the process of developing our decarbonization roadmap, including medium-term goals, which will be published later in 2023.

6.1 Climate Change

Management Approach

Greenhouse gas (GHG) management:

We calculated our GHG scope 1, 2, and 3 emissions, in accordance with the GHG Protocol Standards. Our emissions are disclosed in our ESG performance summary. We worked with Hatch, a global engineering and consulting firm, to quantify greenhouse gas emissions associated with the ongoing construction and exploration work at our sites. We continue to work together to develop our emissions forecast and decarbonization roadmap.

Currently, China dominates the electric vehicles supply chain with more than 80% market share of global cobalt sulfate production. Electra aims to reduce North America's dependence on China and strengthen the supply chain across the continent. Our life cycle assessment indicates our cobalt sulfate will be approximately 50% less carbon intensive than a similar product made in China. This is a "gate-to-gate" approach, meaning that it includes Scope 1 and 2 emissions.

Additionally, when we compare emissions from the transportation of a cobalt sulfate container to a potential customer in the US, Electra's transportation emissions are at least 40% lower than the same product coming from China. It avoids more than one ton of carbon di-oxide equivalent (tCO₂e) emissions per container, equivalent to what 30 growing trees could capture¹.

Low carbon power:

More than 90% of the electricity used by our Ontario refinery is generated from zero or low-carbon sources.

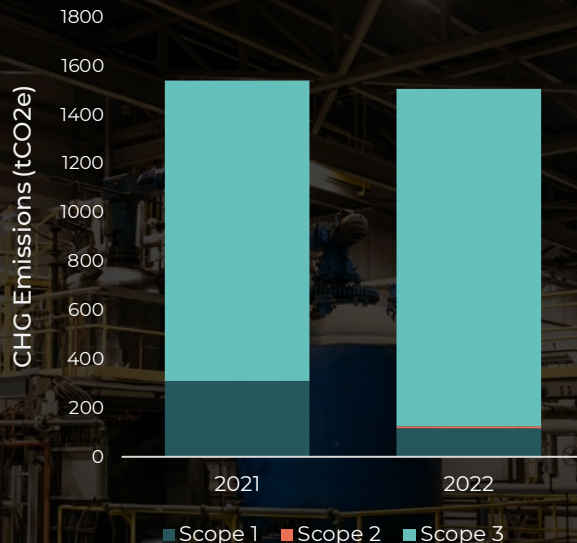
⁽¹⁾ This calculation varies according to the tree species and other natural aspects.

6.1 Climate Change

Highlights

Low carbon operations: Electra's battery materials refinery is on track for commissioning in Spring 2023, becoming North America's only source of low carbon battery grade cobalt sulfate. Electra expects its Ontario-based refinery to have one of the world's lowest carbon footprints in the sector due to the hydrometallurgical process and the reliance on Ontario's clean electricity grid. Keeping our products in North America maximizes our products' ESG credentials for North American manufacturers by minimizing our carbon footprint.

In line with our commitment to transparency, we have calculated our GHG emissions for the construction phase of our operations. As we scale our refinery operations, we will disclose the GHG emissions of our facilities.



**Due to the timeline of our emissions calculation, our 2022 data includes emissions from January 2022 to September 2022. The 2021 data is for the full calendar year. We will update our data in our next report. The emissions calculation of our pre-operational phase was not third party assured.*

Hatch has relied on data provided by Electra and other third-party providers. Hatch has not verified the accuracy, completeness, or validity of any information provided to Hatch by or on behalf of Electra, and Hatch does not accept any liability in connection with such information.

6.1 Climate Change

Climate change risks

For us, the low-carbon agenda is not only about reducing our GHG emissions. We also need to monitor and help address the impacts of climate change that are already affecting our planet in different ways, depending on geography and local resources.

A weather station was installed on the Iron Creek private property in the spring of 2022. The weather station collects baseline data, including precipitation, wind, and temperature data, to develop a baseline for the area. This data will be provided to the United States Forest Service (USFS) and other regional agencies to help establish an environmental baseline of the project and measure changes in environmental characteristics of the local area.

This will help us better understand local vulnerabilities, make our operations more resilient, and support communities to better adapt to extreme climate events, such as tornados, floods, and wildfires.



6.2 Circularity and Waste

Introduction

Electra recognizes the importance of moving towards a circular model for the use of the Earth's resources. We are a Company built on principles of circularity and waste reduction as these are key components of our business strategy and operations. We are building a refinery which will be able to recycle end-of-life batteries and battery materials, and turn them into useable, and valuable products. Our refinery process provides automakers with a circular solution to recycle their batteries and to source new batteries for new electric vehicles, reducing negative environmental impacts. Through our operations, we are minimizing waste and creating value, while also providing net positive solutions.

Ambitions and Commitments

In the coming years, our business plan entails recycling black mass from end-of-life lithium-ion batteries supplied by various black mass suppliers (battery shredders) to our Ontario site.



6.2 Circularity and Waste



Management Approach

Battery recycling:

We have been developing and testing the recycling process flow sheet for approximately two years. In December 2022, Electra launched a full-scale hydrometallurgical black mass recycling demonstration plant to recover lithium, nickel, cobalt, copper, and graphite from lithium cobalt oxide (LCO) and nickel cobalt manganese (NCM) batteries.

Waste management:

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. Data related to our waste management in construction phase is available in the ESG performance summary.



HIGHLIGHTS:

Our hydrometallurgical processing is key to circularity within this industry and enables the extraction and re-use of all key elements. Our current facilities are at the pilot stage, we are scaling our operations to provide the market with low carbon battery materials and to be able to recycle a greater quantity of end-of life materials from manufacturers, amplifying the power of our circular business model. We are expanding our operations using a phased approach. Our first recycling module (Module 1) is expected to process more than 1,000 tonnes per annum of black mass. Module 1 is one of several modules that we expect to build over the next decade.

6.3 Life on Land

Introduction

Biodiversity is a key element of our ESG framework. We recognize the importance of biodiversity to our ecosystems, communities, and the planet. This means that we operate our facilities in a manner that seeks to prevent, mitigate, and offset potential impacts that could harm the ecosystems in which we operate.

Ambitions and Commitments

We are committed to managing risks and impacts to biodiversity through our operations. We have adopted prevention, mitigation, control, offset and are monitoring measures to support this commitment. We commit to engage with stakeholders to meet Global, National, Local and Company goals and regulations related to the environment protection, promotion, and restoration.



6.3 Life on Land

Management Approach

Zero harm:

We take a proactive, risk-based approach to environmental management, with robust measures that help ensure we minimize our environmental impact, while ensuring the viability of the environment for future generations. In line with our overall approach to responsible mining, the 'zero harm' principle will guide our approach to environmental management, including biodiversity protection.

Site restrictions and exclusions:

As part of our commitment to biodiversity, we respect legally designated areas, such as the International Union for Conservation of Nature category I-IV protected areas. We do not operate in World Heritage Sites.



HIGHLIGHTS:

Electra has partnered with the Timiskaming First Nation to conduct a study on the concentration of metals in plants and fungi surrounding the Electra refinery. This study focuses on legacy impact of mining and industry on Timiskaming food sources and culture. Currently, in its second year, the study will span five years, covering baseline information in the period before operations commence and a period when operations are expanded. In the study, plant and mushroom samples are analyzed to determine concentrations of metals and used to produce toxicology maps of the region. These maps will help ensure that Timiskaming foragers know what areas may need to be avoided when foraging. The comparison of baseline data with post scale-up data allows us to hold ourselves accountable and ensures that our operations have a benign impact on the local environment and the health of the surrounding community.



6.4 Water Stewardship

Introduction

Freshwater is a critical resource across the world. An increasingly scarce commodity, water supply remains under significant pressure across the world due to a growing population, competition induced by different factors, increasing demand for energy, and the impacts of climate change. Cognizant of dwindling water resources and related quality issues, we are taking actions to improve water use efficiency across our operations.



Ambitions and Commitments

Poor 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 proper water availability and quality.

6.4 Water Stewardship

Management Approach

Water management:

We are constantly stepping up our efforts to manage our water-related biodiversity risks and impacts associated with our activities, and have prevention and mitigation standards, systems, and controls in place.



HIGHLIGHTS:

Our Iron Creek Cobalt-Copper project (“Iron Creek”) is our exploration project in Idaho that could potentially support the development of the U.S.-based electric vehicle materials supply chain. Electra monitors water chemistry and flow rates at multiple tributaries above and below our exploration project to confirm that exploration activities do not have a negative impact on the creek’s water quality. Our goal is to ensure water used for exploration activities does not have a significant impact on the watershed.

To proactively protect water quality, Electra has built sediment control traps on both Iron Creek private property and on the adjacent U.S. Forest Service roads to minimize sediment runoff into surface waters. Installation was completed in spring and fall 2022 and the effectiveness of the control traps was monitored during storm discharge events.

7 Social



7.1 Human Rights

Introduction

We endeavor to respect and uphold human rights not only at our own sites but also along our supply chain. We follow industry leading practices for human rights and have committed to annual supply chain audits aligned with the Responsible Mining Initiative (RMI) Standards. Furthermore, in line with the United Nations Guiding Principles on Business and Human Rights, we commit to:



Prevent and, if necessary, mitigate and remedy Human Rights violations associated with our activities;



Monitor our activities and our value chain adherence to our standards through the implementation of a due diligence/audit process;



Regularly disclose our Human Rights principles and performance updates through our disclosures; and



Promote dialogue and help advance the Human Rights agenda globally.



7.1 Human Rights

Management Approach

Supply chain human rights:

We encourage and expect our supply chain to adhere to our standards and apply our Human Rights Policy to their activities. Our partners are critical partners to ensure we develop our business in a sustainable, respectful, and diligent manner. We have formally adopted a zero-tolerance policy against Human Rights abuses. We commit to prevent the use of all forms of child labor, whether directly through our business' activities or indirectly through our supply chains.

To further embed respect for human rights in our Company, we organize trainings and awareness sessions for our employees and suppliers. We have also created online and offline platforms, such as the Whistleblower Channel, to listen to our stakeholders' needs and concerns.

7.2 Diversity, Equity & Inclusion

Introduction

Our activities are guided by respect and appreciation of diversity. We believe diverse teams can articulate a broader set of issues, risks and opportunities, and find integrated solutions. We commit to promoting a healthy and inclusive environment for open and transparent dialogue, valuing the unique views of our employees, neighbouring communities and stakeholders, and a zero-tolerance approach to discrimination and prejudice in all forms.

Management Approach

Board diversity:

The Compensation, Governance, and Nominating Committee values diversity of abilities, experience, perspective, education, gender, background, race, and national origin.

Recommendations concerning director nominees are based on merit and past performance as well as expected contribution to the Board's performance, knowledge of the industry and sector in which the Company operates and, accordingly, diversity is also taken into consideration.



7.3 Employee Attraction, Retention & Development

Introduction

As Electra continues to grow, the attraction, retention, and development of our employees will be vital to our success. Canada has a competitive market for experienced trades, making talent retention especially important for Electra. Our vision is to be an organization which encourages and facilitates the personal and professional development of our employees and the realization of their potential. As we transition to our operation phase, the continued learning and skills development of our employees will be important for talent retention.

Management Approach

Attracting and retaining talent:

As the Company prepares for commissioning, we are looking for local talent, attending job fairs and approaching communities and indigenous groups with employment, training, and development opportunities. We see long-term incentive grants as an important retention tool, and a mechanism to align interests with shareholders.



Hayden Fiset,
Site Services
Superintendent

7.3 Employee Attraction, Retention & Development



HIGHLIGHTS:

We acknowledge that retention is a growing concern within our industry and aim to offer benefits to our employees that increase their quality of life. Our Family Assistance Program provides professional, confidential, and proactive service for a wide range of personal, family, and work-related concerns. This service includes short-term counseling, as well as Life Smart Coaching for topics such as life balance, health, and career planning.

When it comes to people development, we are developing a series of resources, either internally or by partnering with expert instructors, to enhance Electra's employees' skillset. Starting with a site skills matrix process, followed by a skills training needs assessment process, we are creating customized training plans for individuals and functions. As the team grows and we approach the operational phase, our priority is to ensure employees have completed all the health and safety training and orientation programs.



7.4 Health & Safety

Introduction

Safety first, last, and always. The health and safety of our employees and contractors is our highest priority and is fundamental to our business. At Electra, we aim to embed a strong safety culture into all our operations. Our approach is guided by the 'zero harm' principle, where every employee goes home safely each and every day.



Management Approach

Embedding health and safety into culture:

We provide a healthy and safe workplace for all employees and third parties, including adequate personal protective equipment. We encourage our employees to be actively involved in the improvement of their health and safety.

Safety policy and procedures:

We provide training to our workforce and have appropriate safety policies, controls, procedures, and standards. All safety procedures must be followed as outlined in our Story Environmental Health and Safety and Environment Plan and Policy.



HIGHLIGHTS:

In 2022, we achieved zero lost time incidents at site, demonstrating our team's commitment to health and safety. Electra is proud of our performance in health and safety and will continue to demonstrate our deep commitment to the health and safety of our workplaces.

7.4 Respect and Engagement of Local Communities and Indigenous People

Introduction

Several of our operations are located near Indigenous Peoples' traditional territories in northern Ontario, Canada. We also share freshwater networks with different Indigenous groups, making it vital to maintain an active and respectful engagement with them.

We abide by our commitment to respect the customs, culture, and values of the communities in which we operate while contributing to their socio-economic development. We demonstrate this by providing local employment, procurement, and contracting opportunities, while managing the risks associated with the Company's operations and supply chain.



7.5 Respect and Engagement of Local Communities and Indigenous People

Management Approach

Community engagement:

Electra is committed to being an industry leader with respect to ESG practices, which is reflected in how we engage with stakeholders. We pursue respectful relationships with host communities, including open and regular dialogue with stakeholders in general, and have an approach to deal with resettlement issues, livelihood strategies and other priorities. Together with communities, we have developed a shared agenda for local sustainable development, respecting freedom of expression and peaceful protest rights.

Indigenous engagement:

We commit to work to obtain consent from Indigenous Peoples for new and changing projects. When applying for regulatory permits to advance construction on our refinery, we began by reaching out to community leaders from the five different indigenous groups whose ancestral homeland is within a 100 km radius of our facility. Based on feedback from our indigenous neighbours, we launched a series of collaborative environmental studies aimed at understanding the impacts of development on the region's flora and fauna.

Community development:

We aim to be a catalyst for local community and economic development. We strive to provide regional economic opportunities, local employment, local procurement opportunities, infrastructure availability, and tax revenues for service implementation.

7.5 Respect and Engagement of Local Communities and Indigenous People



HIGHLIGHTS:

Supporting local communities:

In 2021 and 2022, we awarded five Electra Excellence Bursaries to graduating students in schools near our refinery. We granted each deserving student a \$1,000 bursary based on their commitment to learning and an intention to pursue a post-secondary education. One student was selected from each of the following schools: Englehart High School, Timiskaming District Secondary School, Kirkland Lake District Composite School, and École Secondaire Catholique Sainte-Marie.

Metis Nation of Ontario Mutual Benefits Agreement:

In 2020, we developed an Engagement Plan and started consultation with 5 different indigenous groups in Ontario. From this process, we started negotiating ways to collaborate, including voluntary Benefits Agreements. As a result, in July 2022, we signed a Benefits Agreement with the Métis Nation of Ontario (MNO), providing employment, training, procurement, and business opportunities related to the construction and expansion of the Company's battery materials refinery north of Toronto near Temiskaming Shores. As a part of this agreement, Electra issued 20,000 common shares of the Company to the MNO as a means of providing a measure of economic participation in the success of Electra's business plan. This agreement reflects our commitment to engaging with indigenous groups, developing communities, and achieving economic benefit for all our stakeholders.





8 Governance

8.1 Ethics, Compliance, and Transparency

Introduction






Electra adopts uncompromising ethical business standards across our operations. Our principles are built on a foundation of accountability, transparency, ethical behaviour, and respect for stakeholder interests. We are committed to identifying and complying with all applicable permitting, authorizations, and regulatory requirements for our operations at all jurisdictional levels.

8.1 Ethics, Compliance, and Transparency

Management Approach

Ethical Business Practices:

We have a Code of Conduct, procedures, and practices related to:

-  Anti-corruption and fraud;
-  Anti-money laundering;
-  Prevention of criminal tax evasion;
-  Unfair competition; and
-  Conflicts of interest.

We have zero tolerance for direct or indirect support to non-state armed groups or illegal security forces. We encourage our employees to bring to light any unethical business practices. In 2022, we launched our Whistleblower channel, so that anonymous complaints can be filed through without fear of any repercussions or reprisals.

Compliance:

We comply with all applicable regulations. We have a systematic and comprehensive approach to identify applicable compliance obligations of our operations, plan actions to address these obligations, and to evaluate the effectiveness of these actions.

Complaint Mechanisms:

Electra has developed a Complaint Reporting and Response that outlines reporting and response requirements for complaints made by the public related to air, noise, water or any other activity related to the operations of our Refinery. This is aligned with our permits and environmental approvals.



8.2 Sustainable Supply Chain

Introduction

We approach this topic from two perspectives: how we manage our own supply chain and how we contribute to other supply chains.

Our ambition to become a supplier of ethical, 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 and more conscientious practices with a reduced environmental footprint.

We are also looking at how we engage and collaborate with our supply chain partners to promote our values. We will continue to maintain a strong focus on ESG best practices as we grow as a Company and scale our operations. This includes strengthening our supply chain through strong due diligence practices, as is laid out in our Supply Chain Policy.



8.2 Sustainable Supply Chain



Management Approach

Localization: We will provide an integrated and environmentally sustainable solution to source electric vehicle battery materials in North America. Our North American based operation will enable companies down the value chain to reduce their environment footprint, diversify their supply chain, reduce procurement risks, and enhance traceability for their materials.

Sustainable and Resilient supply chain:

Our supply chain program, aligned with the Responsible Minerals Initiative (RMI) Standards and the OECD Due Diligence Guidance for Response Mineral Supply Chains from Conflict-Affected and High-Risk Areas, lays down the principles and standards we expect our supply chain partners to adopt. In addition to human rights, other focus areas of our program include upholding ethical business practices, ensuring regulatory compliance, providing a healthy and safe workplace for our employees and third parties, managing environmental risks and impacts associated with operations, and developing meaningful relationship with our communities.

Our procurement strategy includes the identification of risks stemming from geopolitical, environmental, human rights, and health stressors. This strategy enables us to identify suppliers in locations that we deem less likely to face interruption and keep us on track for our construction and operation schedules.

Supply chain due diligence:

We work with our suppliers to exchange information on ESG practices, demonstrating our commitment to a transparent supply chain. Our supply chain risk management system will help us identify, assess, and mitigate risks in the supply chain. A key component of our risk management system is the annual due diligence/audits of our suppliers. Going forward, we will disclose information on our due diligence and risk assessment outcomes.

8.2 Sustainable Supply Chain



HIGHLIGHTS:

In 2022, Electra started to track suppliers' adherence to the Company's Supply Chain policy by requesting third party due diligence or audit reports related to the Responsible Minerals Initiative (RMI) assessment. The RMI's Responsible Minerals Assurance Process (RMAP) provides independent third-party assessments through an OECD-aligned industry mechanism for crude and fine cobalt refiners. After receiving the documents attesting conformance, Electra also visited a few cobalt mining sites in the Democratic Republic of Congo, as part of our management system to ensure the responsible sourcing of our products.

9 ESG Performance Summary



9.1 Environmental Performance

Topic	Metric	2022	2021
Climate change	Scope 1 emissions (tCO ₂ e)	118	311
	Scope 2 emissions (tCO ₂ e)	8	1
	Total scope 3 emissions (tCO ₂ e)	1,382	1,228
	Category 1 (Purchased goods & services) (tCO ₂ e)	1,050	860
	Category 2 (Capital goods) (tCO ₂ e)	0	56
	Category 3 (Fuel- and energy- related activities) (tCO ₂ e)	177	199
	Category 4 (Upstream transportation and distribution) (tCO ₂ e)	21	82
	Category 5 (Waste generated in operations) (tCO ₂ e)	74	4
	Category 6 (Business travel) (tCO ₂ e)	Not Included	Not Included
	Category 7 (Employee commuting) (tCO ₂ e)	60	27
	Category 8 (Upstream leased assets) (tCO ₂ e)	Not Included	Not Included



Comments

Categories 9 to 15 were not included in this first exercise.

Hatch has relied on data provided by Electra and other third-party providers. Hatch has not verified the accuracy, completeness, or validity of any information provided to Hatch by or on behalf of Electra, and Hatch does not accept any liability in connection with such information.

9.1 Environmental Performance

Topic	Metric	2022	2021
<p>Climate change</p>	<p>Source of the emission factors and the global warming potential (GWP) rates used</p> <p>GHG emissions intensity ratio (metric tons (t) CO₂e/ number of employees (or revenue))</p>	<ul style="list-style-type: none"> • Ecoinvent 3.08. TRACI 2.1 V1.07 • US-EI 2.2. TRACI 2.1 V1.07 • Industry Data 2.0. TRACI 2.1 V1.07 • USLCI. TRACI 2.1 V1.07 • UK BEIS - conversion-factors-2021-full-set-advanced-users • EPA (US) Category 1 and 2 – SupplyChainEmissionFactorsforUSIndustriesCommodities v1.1. 2016_Summary_Commodity • IPCC, "Climate Change 2013: IPCC Fifth Assessment Report (AR5)" • GWPs: IPCC's Working Group I, "Climate Change 2013: The Physical Science G13Basis" • Annual Carbon Losses in biomass due to disturbances • IPCC 2006: V4, CHAPTER 2 • IPCC 2019: V4, CHAPTER 4 • The Climate Registry 2022 and 2023 	<p>31.4 tCO₂e / employee</p> <p>81.1 tCO₂e / employee</p>



Comments

*2022 emissions correspond to Jan to Sept only



Relevant documents

- Environmental policy
- Sustainability policy

9.1 Environmental Performance

Topic	Metric	2022	2021
Circularity and waste	Total hazardous waste generated (t)	0.06	6.40
	Total hazardous waste generated (L)	59,664	59,065
	Total non-hazardous waste generated (t)	148.24	8.62
	Non-hazardous waste recycled (t)	75.24	8.62



Comments

Metal was the main waste stream generated in late 2021 with limited generation from other streams.

In the summer of 2021, Electra commissioned a clean-up of chemicals discarded by previous operations at the site. This work was completed by a licensed hazardous waste disposal company.

Types of waste by category:

- Hazardous (required to be manifested as per Transportation of Dangerous Good Act): oily solids, aerosol cans, used oil filters, process/lab chemicals, one time cyanide removal in 2022;
- Non-hazardous waste: drywall, wood, insulation, organics, empty feed bags;
- Non-hazardous recycling: used oil, metal, aluminium, paper/cardboard, plastic, glass containers.



Relevant documents

- Environmental policy
- Sustainability policy

9.1 Environmental Performance

Topic	Metric	2022	2021
Water stewardship	Total water withdrawn – Surface water (L)	1,935	834



Comments

Electra is primarily withdrawing and consuming surface water for its operations. We estimate our water consumption to increase once we scale-up our operations. We intend to conduct water risk assessments to understand and mitigate our water-related impacts, including water stress.



Relevant documents

- Environmental policy
- Sustainability policy

9.2 Social Performance

Topic	Metric	2022	2021
Diversity, equity, and inclusion	Percentage of governance body under 30 years of age	0%	0%
	Percentage of governance body between 30 and 50 years of age	40%	40%
	Percentage of governance body over 50 years of age	60%	60%
	Percentage of women in governance body (Board of Directors)	20%	20%
	Percentage of women in senior management	8%	21%
	Percentage of women in staff	6%	0%

9.2 Social Performance

Topic	Metric	2022	2021
Diversity, equity, and inclusion	Percentage of workforce identifying as South Asian	3%	Data not available
	Percentage of workforce identifying as Asian American	3%	Data not available
	Percentage of workforce identifying as Hispanic or Latino	3%	Data not available
	Percentage of workforce identifying as White	88%	Data not available
	Percentage of workforce identifying as Indigenous or Native	0	Data not available
	Percentage of workforce identifying as other ethnicities:	3%	Data not available



Comments

Ethnicity data is based on self-reported employee information. Due to respondents who chose to not self-identify as well as the small workforce size, data may be skewed.



Relevant documents

- Sustainability policy

9.2 Social Performance

Topic	Metric	2022	2021
Employee attraction, retention, and development	Total number of employees	48	19
	Percentage of senior management under 30 years of age	4%	11%
	Percentage of senior management between 30 and 50 years of age	23%	37%
	Percentage of senior management over 50 years of age	15%	37%
	Percentage of staff under 30 years of age	15%	5%
	Percentage of staff between 30 and 50 years of age	27%	11%
	Percentage of staff over 50 years of age	8%	0
	Percentage of contract / temporary workers under 30 years of age	2%	0
	Percentage of contract / temporary workers between 30 and 50 years of age	2%	0
	Percentage of contract / temporary workers over 50 years of age	4%	0

9.2 Social Performance

Topic	Metric	2022	2021
Employee attraction, retention, and development	Total number of new hires	35	10
	Percentage of women hired	20%	20%
	Percentage of men hired	80%	80%
	Percentage of individuals under 30 years old hired	20%	20%
	Percentage of individuals between 30 and 50 years of age hired	54%	20%
	Percentage of individuals over 50 years old hired	26%	60%

9.2 Social Performance

Topic	Metric	2022	2021
Employee attraction, retention, and development	Employee turnover (in number)	7	3
	Employee turnover - women (in number)	1	1
	Employee turnover - men (in number)	6	2
	Turnover of individuals under 30 years old (in number)	2	0
	Turnover of individuals between 30 and 50 years of age (in number)	2	1
	Turnover of individuals over 50 years old (in number)	3	2

9.2 Social Performance

Topic	Metric	2022	2021
Employee attraction, retention, and development	Number of hours of training for women in senior management	1,500	1,600
	Number of hours of training for men in senior management	10,500	2,600
	Number of hours of training for women in staff	3,000	0
	Number of hours of training for men in staff	8,000	0
	Number of hours of training for contract/temporary workers	280	N/A
	Percentage of active workforce covered by collective bargaining agreements	0	0



Comments

Percentage of employees by employee category (senior management, staff, and contract/temporary workers) have been calculated by dividing the total number of employees in each category by the total workforce size.



Relevant documents

- Sustainability policy

9.2 Social Performance

Topic	Metric	2022	2021
Health and safety	Workforce fatalities	0	0
	High-consequence work-related injuries	0	0
	Recordable work-related injuries	0	0
	Average number of hours worked	4,200	N/A
	Types of work-related injury	0	0
	Contractor and temporary workforce fatalities due to ill-health	0	0
	Contractor and temporary workforce work-related ill health	0	0
	Types of work-related ill health	0	0



Comments

We didn't record health and safety data for calendar year 2021.



Relevant documents

- Sustainability policy

9.3 Governance

Topic	Metric	2022	2021
Ethics, compliance, and transparency	Percentage of governance body members that have received training on anti-corruption	100%	0
	Percentage of employees that have received training on organization's anti-corruption policies	100%	0
	Percentage of supply chain partners (suppliers, vendors and clients) that the organization's anti-corruption policies and procedures have been communicated to	100%	0
	Confirmed incidents of corruption	0	0
	Legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant	0	0



Comments

During our initial construction phase in 2021, we did not have all our policies available. Since our mid-2022 Nasdaq listing, we have published and communicated our policies to our supply chain. They are also publicly available on our website.



Relevant documents

- Human Rights policy
- Sustainability policy

9.3 Governance

Topic	Metric	2022	2021
Sustainable supply chain	Percentage of new suppliers that were screened using social criteria	0	0
	Percentage of new suppliers that were screened using environmental criteria	0	0
	Number of suppliers assessed for environmental impacts	3	0
	Number of suppliers assessed for social impacts	3	0
	Number of suppliers identified as having significant actual and potential negative environmental impacts	0	0
	Number of suppliers identified as having significant actual and potential negative social impacts	0	0
	Significant actual and potential negative environmental and social impacts identified in the supply chain	0	0



Comments

Our three biggest suppliers have been screened through a third party.



Relevant documents

- Sustainability policy
- Supply Chain policy



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