



Towards Sustainable Mining
Vers le développement minier durable

TSM Verification Summary Report

Facility Information

Name of company	Glencore
Name of facility	Sudbury Integrated Nickel Operations (INO)
Address	6 Edison Road, Falconbridge, Ontario
Country of operation	Canada
Products/metals produced on site	Nickel
Types of operations included in scope:	
Mining	X
Concentrate blending	X
Smelting	X
Refining	
Other (<i>please explain</i>)	
Types of infrastructure included in scope:	
Roads	
Rails	
Ports	X
Other (<i>please explain</i>)	

Verifier and Verification Information

Verification firm	Deloitte LLP
Confirmation that all verifiers involved in the verification are accredited TSM verifiers	Yes
Date(s) of verification activities (dd/mm/yyyy – dd/mm/yyyy)	14 November – 19 November 2022
Verification period	1 January – 31 December 2021
Summary of the verification methodology	We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) <i>Assurance Engagements other than Audits or Reviews of Historical Financial Information</i> issued by the International Auditing and Assurance Standards Board.



Summary of the verification activities	<ul style="list-style-type: none"> • Opening meeting and introductions from TSM Protocol Leads and Sustainability Management from the facility • Tour of the facility to understand relevant facilities and processes • Held interviews with TSM Protocol Leads, facility management and representatives and other relevant stakeholders • Enquired with management and senior executives to obtain an understanding of the overall internal control environment, risk management, and stakeholder engagement processes relevant to the identification, management and reporting of the 8 Protocol subject matters • Examined and assessed the supporting evidence and documentation shared by the facility to determine whether there is sufficient evidence to support the ratings given by management in the self-assessment. Supporting evidence examined included, but is not limited to: <ul style="list-style-type: none"> ○ Policy and procedure documents ○ Training materials and manuals ○ Audit reports ○ Management reporting and dashboards ○ Communications with stakeholder groups • Documented our review and completed the TSM verification summary report. Please note this verification summary report should be read in conjunction with our assurance opinion.
--	--

Summary of Findings

Criterion	Rating ¹ <i>C, B, A, AA or AAA</i>	Comments
Indigenous and Community Relationships		
1. Community of Interest (COI) Identification	AAA	Sudbury INO has a documented process in place for COI identification, including systems to identify and track priority interests and topics relevant to different COI.
2. Effective COI Engagement and Dialogue	AA	Both formal and informal channels are available for COI dialogue, with a variety of formats to support engagement and accessibility for different groups. Public reporting is undertaken on community engagement activities. Public reporting

¹ Ratings are per the TSM Protocol documents for each subject, available on the TSM website



		does not include disclosures in relation to effectiveness of engagement systems which would be required for an AAA rating.
3. Effective Indigenous Engagement and Dialogue	AA	Relevant employees have received training on effective community engagement dialogue, considering history, traditions, and rights of indigenous people. Relationships with COI are built to foster long-term partnership. This includes opportunity for communities to engage in long-term planning decisions for Sudbury INO's facilities. Awareness and education training is not regularly assessed for effectiveness which would be required for an AAA rating.
4. Community Impact and Benefit Management	AAA	Sudbury INO has processes in place to identify and track impacts and benefits on COI, including opportunities for COI to raise any impacts or concerns. Where any impacts are identified, COI are engaged by the site to collaboratively identify mitigations. Effectiveness of these actions is monitored and evaluated by the site.
5. COI Response Mechanism	A	Formal response mechanisms are in place should grievances be raised by COI. These include requirements on timeliness of responses to COI. The response mechanism has been developed centrally by Sudbury INO and did not involve community groups in its development which would be required for an AA rating.
Safety and Health		
1. Commitments and Accountability	AAA	<p>Sudbury INO has in its Health and Safety policy commitments defined and authorised by the company's senior management that are consistent with the intent of the MAC Safety and Health Framework.</p> <p>Accountabilities and responsibilities are understood and commitments to safety and health have been communicated to employees, contractors, and suppliers at the facility.</p>



		<p>Processes are in place to ensure that employees, contractors, and suppliers who work at the facility are aware of the safety and health commitments.</p> <p>The commitments, accountabilities, and effectiveness of the processes in place have been assessed through an external audit conducted in 2020.</p>
2. Planning and Implementation	AAA	<p>A documented safety and health management system is established, implemented, and maintained.</p> <p>An external audit was conducted in 2020 determine whether planning and implementation of the safety and health management system meets the TSM requirements.</p> <p>An industrial hygiene program is subject to the oversight of a qualified hygienist.</p> <p>Facility-specific tasks have been identified, and critical controls for those tasks have been identified.</p>
3. Training, Behaviour and Culture	AAA	<p>The commitment to safety and health is visibly embedded throughout the facility.</p> <p>Facility management visibly demonstrates commitment with one-on-one interactions with employees.</p> <p>Trainers are assessed for effectiveness.</p> <p>The Employee Assistance Programme is developed to support worker mental health and provide assistance when required.</p>
4. Monitoring and Reporting	AAA	<p>An external audit was conducted in 2020 determine whether the safety and health data and information collection, compilation and reporting meet the requirements of TSM Level A.</p> <p>An internal evaluation of effectiveness is conducted, and a tracking process is in place for continuous opportunities for improvement identified. See external reporting here.</p>
5. Performance	AA	<p>Performance targets are set for both leading and lagging indicators.</p>



		<p>Senior company management reviews performance against facility targets and associated improvement plans.</p> <p>The facility benchmarks its safety and health performance against its peers.</p> <p>However, the facility has not consistently met its continual improvement performance targets.</p>
Crisis Management and Communications Planning (Indicate YES or NO)		
1. Crisis Management and Communications Preparedness	YES	Sudbury INO has a detailed crisis management and communications preparedness plan in place, with trained individuals and teams responsible for delivering the plan should a crisis occur.
2. Review	YES	<p>Scheduled reviews of the crisis management and communications plan take place at a minimum annually. This helps to ensure the plan properly reflects the company and its operations, key risks best practices within the industry.</p> <p>Designated crisis response rooms are audited quarterly.</p>
3. Training	YES	Sudbury INO regularly conducts crisis management training, including the use of crisis simulation exercises, with over 50 drills completed in 2021.
Preventing of Child and Forced Labour (Indicate YES or NO)		
1. Preventing Forced Labour	YES	<p>Sudbury INO has policies and procedures in place to prohibit forced labor. Observations and interviews confirm that no workers appear to be working involuntarily.</p> <p>Supplier standards are incorporated into the supplier due diligence and onboarding processes, that set out expectations for suppliers to develop human rights policies and risk-based approaches for the prevention of forced labour.</p> <p>This was confirmed through discussion with management, review of policies, review of the code of conduct and discussion with Group management.</p>



2. Preventing Child Labour	YES	<p>Sudbury INO has policies and procedures in place to prohibit child labour (e.g., Human Rights, Modern Slavery policies). Sudbury INO operates in a jurisdiction where labour standards and codes including mining codes do not allow child labour or dangerous work under the age of 18.</p> <p>Supplier standards are incorporated into the supplier due diligence and onboarding processes, that set out expectations for suppliers to develop human rights policies and risk-based approaches for the prevention of child labour.</p> <p>This was confirmed through discussion with management, review of policies, review of the code of conduct and discussion with Group management.</p>
Climate Change		
1. Corporate climate change management	AAA	<p>Sudbury INO has energy and emissions management systems in place, with defined accountabilities and responsibilities. These were subject to a ISO14001 external audit in 2022. Energy intensity is considered within operational process design and monitored on an ongoing basis. Initiatives are in place to identify and pilot energy reduction opportunities.</p>
2. Facility climate change management	AAA	<p>Sudbury INO conducts measurement and reporting of energy and GHG emissions indicators. Metrics are clearly defined, and mature measurement systems are in place at the facility level.</p>
3. Facility performance targets and reporting	AAA	<p>Performance targets have been set at facility level for the reduction of energy use and emissions. The data is additionally used for annual budgeting processes with reduction initiatives costed and return on investment considered. Performance is externally verified and publicly reported on an annual basis, see report published here.</p>
Biodiversity Conservation Management		



1. Corporate biodiversity conservation commitment, accountability, and communications	AAA	<p>The Sudbury INO biodiversity plan includes commitments to biodiversity conservation and an ambition of no net loss to the environment in which it operates. Roles, responsibilities and resources have been assigned to support this commitment.</p> <p>The commitment to biodiversity conservation has been communicated to relevant employees, contractors, and facility-level Communities of Interest (COI).</p>
2. Biodiversity conservation planning and implementation	AAA	Biodiversity conservation management is integrated into a broader business planning and strategy. This includes, but is not limited to, investments in research and development, contributing to a greater scientific understanding to the protection of biodiversity and enhancing biodiversity in areas outside of the facility's property.
3. Biodiversity conservation reporting	AAA	<p>Progress made against biodiversity targets and overall performance is reported internally and externally.</p> <p>There is also routine public reporting (see report here) on biodiversity conservation performance, which incorporates Community of Interest (COI) feedback when received.</p>
Tailings Management		
1. Tailings management policy and commitment	AAA	Sudbury INO has a policy in place for the management of tailings facilities. Budget allocation is in place for management of facilities. An external audit was conducted by WSP Golder over the TSM Table of Conformance in 2022.
2. Tailings management system and emergency preparedness	AA	Sudbury INO has a tailings management system in place, including emergency preparedness plans, self-assessed to align with the TSM Table of Conformance. An external audit was conducted by WSP Golder over the TSM Table of Conformance in 2022. The external audit did not consider design effectiveness and implementation of the



		tailings management system which would be required for an AAA rating.
3. Assigned accountability and responsibility for tailings management	AA	The site has defined responsibility and authority at operational and senior levels of management. An external audit was conducted by WSP Golder in 2022. However, the external audit scope did not evaluate the effectiveness of responsibilities and authorities assigned which would be required for an AAA rating.
4. Annual tailings management review	AA	Sudbury INO has conducted periodic reviews of tailings management at individual tailings facilities. These have been subject to internal and external audit conducted by WSP Golder in 2022. External audit did not consider effectiveness of these review processes which would be required for an AAA rating.
5. Operation, maintenance, and surveillance	B	The site has an operation, maintenance, and surveillance manual in place. This has not been subject to internal or external audit which would be required for an A rating.
Water Stewardship		
1. Water Governance	AAA	The site has a commitment to water stewardship in place, commensurate with the intent of the TSM Water Stewardship Framework. Roles, responsibilities, and accountabilities have been defined at both the operational and watershed level. Structures are in place to incorporate water stewardship within business planning and budgeting processes. These were subject to external audit by Blue Heron environmental in 2020.
2. Operational Water Management	A	A systematic approach has been defined to identify and monitor water balances at the watershed scale. This water balance is used in the design of operational processes and monitored on a regular basis. This has been informed by risks identified and tracked through a formal risk management approach. The external audit scope does not cover the design



		and implementation of water balances at the operational level.
3. Watershed-scale Planning	AAA	Sudbury INO has undertaken activities to identify cumulative impacts of its operations on water balance and water quality at a watershed scale. This has included engagement and collaboration with communities of interest where relevant.
4. Water Reporting and Performance	AA	Water performance is monitored by the site, with objectives of water use established and progress tracked. The site provides reporting on water-related initiatives and performance, see report published here . Verification has been undertaken; however, this has not been reported publicly which would be required for an AAA rating.



Statement of Verification

Statement of Verification	
The external verification was conducted in accordance with the <i>Terms of Reference for Verifiers</i> and, accordingly, consisted primarily of interviews, data analysis, and examination (on a sample basis) of other evidence relevant to management's assertion of conformance to the requirements of the TSM performance indicators.	The external verification was conducted in accordance with the <i>TSM Verifier Terms of Reference</i> .
The scores indicated in this report are verified as being accurate based on the evidence reviewed during the external verification of this facility.	The scores in this report are considered accurate based on this verification.
Limitations	None noted
Additional comments	N/A
Name of lead verifier	Katherine Lampen Partner, Deloitte LLP
Date of statement of verification	20/12/2022
Signature of lead verifier	

