

**2022 Nikkleverk Public  
Due Diligence Report**

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## 1 Company information

Company Name	Glencore Nikkelverk AS (Nikkelverk)
Company location	Kristiansand, Norway
Description of Glencore Nikkelverk	<p>Nikkelverk was founded in 1910 by businessmen and engineers, Jacob Børresen, Sam Eyde, Anton Grønningsæter and Viktor Hybinette. The refinery was purchased by Falconbridge Nickel Mines Ltd in 1929 and Falconbridge Nikkelverk A/S was established. Xstrata purchased the operations in 2006 and in 2013 Xstrata and Glencore merged and the name changed to Glencore Nikkelverk AS.</p> <p>The process has improved over time and the refinery can process many different feed materials. Including mined sources of nickel matte, and secondary feed like precipitates and recycled materials.</p> <p>Nikkelverk has two LME listed brands, NIKKELVERK NICKEL (NIKKN) and FHG (FHG).</p> <p>On 6 May 2022 Nikkelverk informed the LME that Track A will be followed for the audit against the 'Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc'.</p> <p>Nikkelverk is listed on the Copper Mark website as 'assessments in progress'.</p> <p>Visit us at <a href="#">Nikkelverk</a>.</p>
Metal/mineral material processed	The main inputs to the Nikkelverk Refinery are the bulk Nickel Matte and Nickel Matte dust produced by Glencore's Sudbury Smelter. The other input materials are from custom feed, purchased from third party suppliers via the

	Glencore Nickel Custom Feeds Team. These materials include, but are not limited to, mined sources of Nickel Mattes (from smelter facilities) and precipitates as well as recycled materials, such as hydroxide, alloys, Nickel Oxides and Sulphates.
Type of operation – e.g., integrated mine and refiner, smelter etc.	Refiner
Ownership structure, including any subsidiaries (if applicable)	Glencore Nikkelverk AS is an indirectly wholly-owned subsidiary of Glencore plc.
Assessment period:	1 January 2022 – 31 December 2022

## 2 Responsible Sourcing Policy

Glencore recognises the imperative of responsible sourcing and supplying metals and minerals that advance everyday life. Responsible sourcing is our commitment to take into account social, ethical and environmental considerations with regards to our products and supply chains and when managing our relationships with our suppliers. We expect our suppliers to share our commitment to ethical, safe and responsible business practices and set requirements and expectations for our suppliers to ensure this is achieved.

To this end Glencore developed a standalone [Responsible Sourcing Policy](#), which was rolled out in June 2022 and is progressively being implemented across the Group. The Responsible Sourcing Policy is a public facing document which sets out Glencore’s commitments to responsible sourcing, whether it is goods, services, metals, or minerals. It applies to all employees, directors, and officers, as well as contractors under Glencore’s direct supervision, working for a Glencore office or industrial asset directly or indirectly controlled and operated by Glencore plc worldwide. The policy sets out the specific requirements we apply to suppliers of metals and minerals and how Glencore is implementing the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, 3<sup>rd</sup> edition (OECD Guidance).

In 2021, Glencore also reviewed, revised and rebranded its Supplier Standards, which was launched as the [Supplier Code of Conduct](#) (Supplier Code) and which defines our requirements and expectations of our suppliers. The Supplier Code is consistent with the standards set out in Annex II of the OECD Guidance. The launch of the Supplier Code was communicated via email to all employees and published

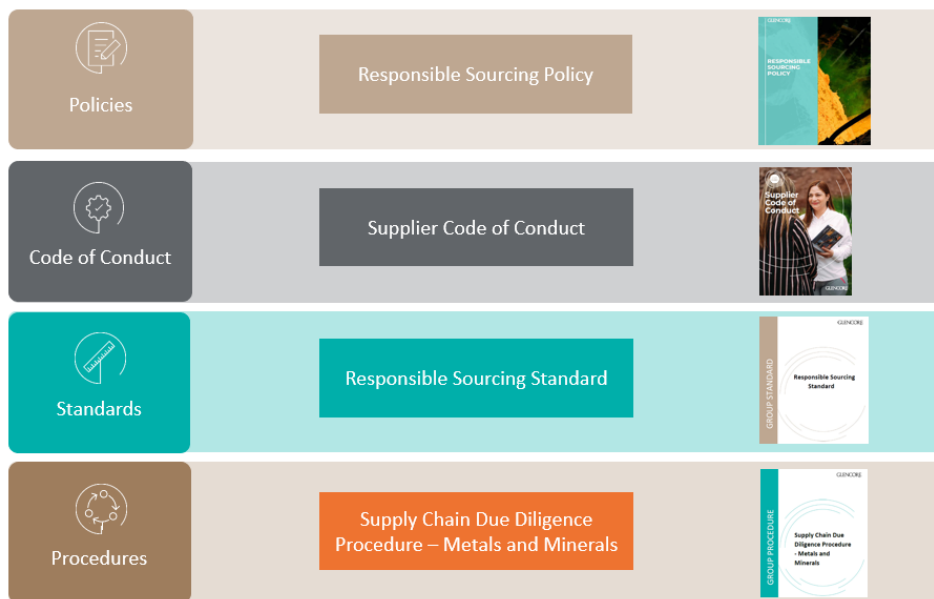
on Glencore’s website in June 2022. The Supplier code is widely disseminated to relevant stakeholders (suppliers, customers, employees, etc) and remains publicly available on the Glencore website.

Both the Supplier Code and Responsible Sourcing Policy are implemented at Glencore through the Responsible Sourcing Standard (Standard) and the Supply Chain Due Diligence Procedure – Metals and Minerals (Procedure).

Glencore’s **Standard** is an inward facing document, which defines mandatory minimum requirements for all Glencore commodity departments to identify, assess and manage the key responsible sourcing risks associated with our suppliers of goods, services, metals and minerals. The Responsible Sourcing Standard is aligned with the requirements of our Responsible Sourcing Policy and, for metals and minerals, with the requirements of the OECD Guidance.

Glencore’s **Procedure** further supports the requirements of the Responsible Sourcing Standard and sets out, for metals and minerals, the due diligence steps including data collection, risk assessment, risk mitigation and the data retention process across Glencore.

Glencore’s Standard Procedure apply to all employees, directors and officers, as well as contractors under Glencore’s direct supervision, working for a Glencore office or industrial asset directly or indirectly controlled or operated by Glencore plc worldwide. An overview of Glencore’s responsible sourcing architecture is given below.



This Sustainability and Ethics and Compliance framework sits within the Glencore [Group policy](#) framework which encompasses the Group’s Values, Code of Conduct and a suite of policies, standards, procedures and guidelines on various key matters and risks to Glencore. This framework reflects Glencore’s commitment to uphold responsible and ethical business practices.

Glencore is continuously developing, reviewing, and updating its suite of policies, standards, and guidelines on a variety of topics including key policies relevant to Responsible Sourcing, Compliance, Finance, Health Safety Environment and Communities (HSEC) and Human Rights, and Risk Management.

This report gives an overview of Glencore’s policies relevant to responsible supply chain management on [Human Rights](#), [Anti-Corruption and Bribery](#), [Anti-Money Laundering](#), [Sanctions](#), and [Whistleblowing](#).

Nikkelverk has developed this Public Due Diligence Report basis adoption and implementation of the Glencore Code of Conduct, Human Rights Policy, Supplier Code and Responsible Sourcing Policy as outlined on Glencore’s website. Nikkelverk’s management systems are certified for conformance with:

- ISO 9001:2015 Quality Management System standard
- ISO 45001:2018 Occupational Health and Safety Management System standard
- ISO 14001:2015 Environmental Management System standard
- ISO 50001:2018 Energy Management System standard

The management systems include documented processes for supplier approval (which includes the supply chain due diligence), material receipt, metals accounting, document management, employee training and grievance process. These processes are described in the internal Nikkelverk Manual for Supply Chain Due Diligence, Metals and Minerals. Our supplier expectations and requirements apply to all of our suppliers.

### 3 Management System

#### 3.1 Management Structure

Glencore’s expectations and requirements of suppliers are supported by senior management who oversee the Responsible Sourcing program and are committed to its implementation.

Glencore’s Board HSEC Committee has oversight and ultimate responsibility for our Group sustainability strategy and framework. It receives regular updates and has oversight of how our business is performing across all our internally defined, sustainability related material risk areas. Oversight and responsibility for our Group sustainability strategy and framework and its implementation across the Group, rests with our senior management team, including the CEO and heads of our Commodity departments. They take a hands-on approach to monitoring and managing sustainability activities around the Group.

Glencore’s Group Sustainable Development function (Group SD) has a dedicated Responsible Sourcing Team who is responsible for the supply chain due diligence (SCDD) programme across the Commodity departments for metals and minerals and who supports Glencore industrial assets with the implementation of the program.

Glencore has a Group Corporate Compliance team responsible for designing, monitoring, and continuously improving our Ethics and Compliance Programme, which includes Know Your Counterparty (“KYC”) assessment of suppliers of metals and minerals. All Glencore employees, directors, officers, and suppliers must comply with our relevant compliance policies, procedures, and guidelines in addition to complying with applicable laws and regulations in the country of operation.

To ensure effective implementation of Glencore’s Responsible Sourcing Standard, Nikkelverk’s General Manager is responsible to oversee the due diligence program. Nikkelverk, has a dedicated HSEC Systems and Quality Manager who is assigned to manage the performance to ensure each department follows up on their roles and responsibilities to implement the due diligence program and report any risks identified.

The Senior Business Controller (Compliance Coordinator) supports employees in day-to-day business considerations, particularly those seeking advice on ethical, lawful behaviour or policy implementation. The compliance coordinators report to Regional Compliance Officers and can escalate cases as necessary to Group Compliance, Legal or Group SD in Baar.

Nikkelverk has a dedicated team who are responsible for implementing the Standard.

### 3.2 Internal Systems of Control

#### Training

Glencore employees receive induction and annual training on a wide range of policies and standards, including Glencore’s Code of Conduct, Responsible Sourcing Policy, and compliance policies. The latter include global anti-corruption, and bribery policies which includes guidance on important topics such as raising concerns, facilitation payments, the giving and receiving of gifts and entertainment and dealings with public officials. Training materials are tailored to make them relevant by including practical questions and hypothetical scenarios illustrating how responsible sourcing and ethics and compliance dilemmas might manifest themselves in an employee's daily work. Training is provided across our marketing activities to raise awareness and inform the respective sourcing teams on our responsible sourcing programme.

In support of the Glencore Code of Conduct, Nikkelverk personnel receive annual training to ensure they conduct activities in a manner that meets behaviour standards Glencore expect from all employees. Nikkelverk reinforce this message by displaying visual material around offices and at the refinery, ensuring new starter employees’ induction programme includes training on Glencore’s annual e-learning, which is applicable to all employees and reinforcing our zero tolerance for breaches of our Code of Conduct, Responsible Sourcing Policy and Supplier Code through the Raising Concerns Programme.

Employees required to process and receive third-party feed metals/minerals or otherwise as part of their role are trained in the Standard, which outlines the mandatory minimum requirements for all Glencore commodity departments and industrial assets to identify, assess and manage key responsible sourcing risks associated with third party suppliers.

Online Compliance training is managed through e-learning, users are assigned risk rating based on their roles and the training curriculum is applied based on the risk rating. An Annual Compliance Training (ACT) campaign is run in October each year to ensure employees are aware and assessed on their knowledge of compliance. Where there is an update of the responsible sourcing requirements Nikkelverk conducts additional training as necessary.

## Contracts

Glencore requires its expectations and requirements of suppliers to be included in its supplier contracts. Suppliers identified with 'red flags' are required to have additional high-risk contract clauses and corrective action plans (CAPs), which will be included as applicable upon completion of enhanced due diligence managed by the Responsible Sourcing Team.

Our Supplier Code is widely disseminated to relevant stakeholders (suppliers, customers, employees, etc.) and is available publicly on the Glencore website. The Supplier Code requires all suppliers, when working with us, to act in a manner consistent with our Supplier Code. Additionally, in respect of certain high-risk areas, including modern slavery and child labour, the Supplier Code requires suppliers to cascade our requirements down to their suppliers and build capacity in their supply chains. In respect of all other areas, the Supplier Code also encourages suppliers to set expectations similar to those in our Supplier Code.

The Glencore Nickel Custom Feeds Team is responsible for sourcing feed materials for Nikkelverk. The Glencore Nickel Custom Feeds Team incorporates the Glencore Supplier Code in its on boarding of new suppliers. The Glencore Nickel Custom Feeds team communicates the requirements of the Supplier Code to suppliers. We require suppliers to adhere to the Supplier Code and we require contractual language to this effect to be included in our existing contracts and standard terms and conditions upon renewal and our new contracts as we engage in business.

## Chain of custody controls

Nikkelverk has controls in place for receiving material including but not limited to checking Bills of Lading, packing lists, certificates of analysis and weight certificates for each delivery. These are checked at every point in the third-party feed supply chain and a final monthly reconciliation is done by the refinery. The movement of material is tracked throughout using sampling and measurement systems for mass and metal content. The data is inputted to metals accounting which produces an on-going metal/commodity balance for the operation.

Applicable supply chain due diligence for third party metals and mineral supplied to Nikkelverk is conducted by Group SD's Responsible Sourcing Team in Baar, Switzerland, results of which are communicated to Nikkelverk and Glencore Nickel Custom Feeds Team and provides evidence/confirmation to the refinery that the respective supply chain due diligence has been carried out.

## Local grievance mechanism

Nikkelverk maintains its own local grievance processes in accordance with Norwegian legislative requirements. Where people have complaints or grievances, we aim to investigate and resolve them at the local level. Nikkelverk local external stakeholders can raise complaints and concerns via the external facing website <https://www.nikkelverk.no/en/contact>, which offers an email address,



post@glencore.no) and phone numbers for emissions, noise and unwanted events and an email address (varsling@glencore.no) for unethical events.

There are internal processes for handling and responding to complaints and grievances, including from employees. If any locally received complaint or grievance qualifies as a concern protected under Glencore's Whistleblowing Policy, then such complaint or grievance must be reported and potentially escalated to Glencore's headquarters in Baar, Switzerland.

There were no grievances related to our supply chain for metals and minerals raised during the assessment period.

### **Raising Concerns Programme**

Glencore is committed to creating a culture where everyone feels free to speak about concerns securely and confidentially. That includes employees, contractors, directors, and officers working in Glencore offices and industrial assets, as well as third parties such as customers, suppliers, or other stakeholders. Other stakeholders may include communities, shareholders, or other business partners. Anyone may raise any situation in which the Glencore Code of Conduct, Responsible Sourcing Policy or Supplier Code, their underlying policies or the law appears to have been breached to local Whistleblowing Contacts or through the '[Raising Concerns Programme](#)', Glencore's corporate whistleblowing programme managed in Baar, Switzerland. The Raising Concerns Investigations Committee (RCIC) comprises Glencore's CEO, CFO, General Counsel, Head of Industrial Assets and Head of Human Resources. The RCIC oversees the operation of the Raising Concerns Programme and the conduct of investigations, ensuring recommendations and sanctions are applied consistently across the Group. If a concern is related to mineral extraction, trade, handling, and export, it would be communicated to and investigated by the Group Responsible Sourcing Team together with Group Legal.

Nikkelverk supports and communicates the Raising Concerns Programme at a local level. Glencore's Raising Concerns Procedure sets out the process for the classification, tracking and reporting of concerns received into the Raising Concerns Programme in a manner consistent with Glencore's Whistleblowing Policy – this intake process is critical and conducted in Baar. The classification process determines how the concern will be managed and investigated, including whether it is handled by Glencore's corporate functions or the relevant Glencore commodity department. If a concern is assessed to be capable of being handled by the commodity department, the details of the concern will be assigned to an appropriate investigator to conduct the investigation of the concern overseen by an appropriate case owner within the commodity department and/or at site level.

### **3.3 Record Keeping System**

Glencore has a Group level [Information Governance Policy](#) which outlines our public commitment and handling of the various types of information and its appropriate protection during its life cycle.

At headquarters in Baar, Switzerland where SCDD and KYC relevant to metals and minerals is conducted on suppliers of third-party feed materials, documents are stored according to the local Retention and Destruction Procedure and a live document Retention Schedule which outlines minimum length of retention basis the types of records.

The Nikkelverk management system requires that records relating to responsible sourcing are maintained as required under local law and in accordance with best retention practice. Documents maintained for a minimum of 10 years; documents are properly used and are safely stored in a combination of physical and electronic records.

## 4 Risk Identification

### 4.1 Glencore Approach

As outlined in the Group Responsible Sourcing Policy, Glencore has a comprehensive framework for identifying and managing key risks in our metals and minerals supply chains, from supplier due diligence, selection, onboarding, and monitoring, through to disengagement. Glencore allocates appropriate resources and assigns clear roles, responsibilities, and accountabilities within Glencore to implement this framework. Suppliers are assessed based on risk and directed to the most appropriate management process for the risk level. For suppliers of metals and minerals, due diligence is conducted in accordance with the 5-Step due diligence framework defined in Annex I of the OECD Guidance.

Glencore's risk assessment process for the procurement of metals and minerals is outlined in the Procedure. As part of the risk identification process, we identify whether our third-party suppliers of metals and minerals are located in, sourcing from or transporting minerals through Conflict Affected or High-Risk Area (CAHRAs) and, if so, have the potential to be associated with human rights abuses. CAHRAs are typically regions or countries with socio-economic and political crises, institutional weakness and weak rule of law, widespread violence including armed conflicts. Such countries are susceptible to widespread human rights abuses - torture, cruel, inhuman, and degrading treatment, child, forced or compulsory labour and sexual violence. The procedure outlines the list of CAHRAs as well as other OECD 'red flags', such as supplier red flags. Where we identify a potential 'red-flag' material origin or supplier, as defined in the OECD Guidance, we undertake further assessment. Tools used in our risk assessments include, checking databases, open-source desk top research, sending out supply chain due diligence questionnaires and on-the-ground assessments.

Glencore's CAHRA list is developed based on reports from governments, international organisations, including World Bank, UN reports and UN Security Council sanctions, think-tanks, NGOs; industry literature relating to mineral extraction, media, as well as internationally recognised indices on conflict, democracy and rule of law, and human rights. The Glencore CAHRA list also considers the US Dodd Frank Act, the EU indicative and non-exhaustive CAHRA list for Tin, Tantalum, Tungsten and Gold, which is updated on a quarterly basis.

Glencore's CAHRA list is generally updated at least annually by Group SD with consultation from an independent external party and published on Glencore's intranet "The CORE". In 2022, Group SD used the following relevant indices to obtain the list of CAHRAs (countries and regions):

#### **Child labour**

- US Department of Labor List of Goods Produced by Child Labor or Forced Labor (updated 23 June 2021)

#### **Modern slavery, forced labour and human trafficking**

- US Department of Labor List of Goods Produced by Child Labor or Forced Labor (updated 23 June 2021)

#### **Gross Violations of Human Rights**

- Fragile States Index (updated 20 May 2021)
- World Governance Indicators – Political Stability and Absence of Violence/Terrorism (updated 30 September 2021)

#### **Conflict**

- Fragile States Index (updated 20 May 2021)
- Global Peace Index (updated 4 June 2021)

#### **Corruption (including illegal taxation or extortion)**

- World Governance Indicators – Control of Corruption (updated 30 September 2021)
- Corruption Perceptions Index (updated 25 January 2022)

## **4.2 Risk Identification of Metals and Minerals Processed by Nikkelverk**

### **Supply Chain Due Diligence**

Where a potential 'red-flag' is identified, Group SD's Responsible Sourcing Team undertakes enhanced due diligence in line with the Procedure. The Responsible Sourcing Team assesses and prioritises supplier transactions on a risk-based approach and gathers and records data. The Responsible Sourcing Team collects supplier data required to identify and mitigate red flags in the supply chains of metals and minerals. Nikkelverk is informed of the outcome of the supply chain due diligence.

Nikkelverk is made aware of the risks related to third-party feed received and/or processed by the refinery during the assessment period. This information may include the number of red flags identified in the supply chain (OECD Guidance 'red flags' and / or adverse news), whether subsequent supplier outreach is required in order to determine CAPs and or the need for on-the ground assessments.

### **Know Your Counterparty**

- As part of KYC procedures, for marketing and industrial assets, Glencore undertakes the following measures:
  - Identification of the ownership (including beneficial ownership) and corporate structure;
  - Identification of the related businesses, subsidiaries, parents, affiliates; and
  - Verification of the identity of the companies.

The extent to which these are carried out is determined on a risk sensitive basis.

- Screening (supported by additional open-source searches) are independently undertaken by relevant Regional or the Group Compliance Team. Suppliers are screened against Sanctions, Law Enforcements, Regulatory Enforcements and Politically Exposed Person (PEP) watch lists for compliance with Anti-Money Laundering (AML), Know Your Counterparty (KYC), Counter Terrorist Financing (CFT) and PEP regulations. Annex II risks identified as part of the screening process get reported to Group SD's Responsible Sourcing Team and contributes towards our risk identification process for responsible sourcing.

#### 4.3 Risk Identification - Results

During the assessment period 2022, Nikkelverk processed feed from other Glencore operations, who have implemented or are in the process of implementing Glencore's responsible sourcing policy as well as from non-Glencore counterparties (third-party feed). Third-party feed was procured by the Glencore Nickel Custom Feeds Team. For this third-party feed procured by the Nickel Custom Feeds Team, the due diligence was conducted by the Group SD's Responsible Sourcing Team, in line with the Procedure. The Responsible Sourcing Team assesses and prioritises transactions and suppliers, gathers and records data on Glencore's due diligence management system. The Responsible Sourcing Team collects supplier data required to identify and mitigate red flags in the supply chains of metals and minerals. All third-party feed has been subjected to this supply chain due diligence process and no OECD Annex II risks have been identified.

During the assessment period, Nikkelverk did not receive third-party feed material that originated from red flag countries/suppliers. Nickel Matte from a supplier located in a CAHRA was put to process in 2022 but the Nickel Matte was delivered in 2018, prior to implementation of the responsible sourcing program.

## 5 Risk Mitigation

We are committed to addressing Annex II risks identified through our supply chain due diligence programme.

Where the Responsible Sourcing Team identifies high risk supplier's basis OECD Guidance red flags, suppliers are engaged, and bespoke CAPs are designed basis the size and complexity of the supplier company. Specific timeframes for measuring objective improvements are detailed in the plan. The CAPs form part of the business relationship/contractual obligations.

Glencore follows the OECD Guidance while sourcing from, or operating in, CAHRAs including the suspension and termination guidance on risks outlined in Annex II of the OECD Guidance which is reiterated in Glencore's Responsible Sourcing Policy.

Where further engagement with a supplier is required, the outcome of this engagement will determine the need for appropriate risk mitigation measures such as on the ground assessments and/or CAPs.

## 6 Extractive Industry Transparency Initiative

Glencore has been an active supporter of the Extractive Industry Transparency Initiative (EITI) since 2011 and engages with the EITI at local and international levels. Glencore supports the EITI Association objective to make the Principles and Standard the internationally accepted standard for transparency in the oil, gas, and mining sectors.

Local EITI disclosures are made in member countries and Glencore participates in local multi-stakeholder groups and engages in policy consultation processes as appropriate. Glencore promotes commodity-trading transparency by disclosing the payments Glencore makes to state-owned enterprises in EITI member countries for the purchases of crude oil, minerals and metals. Glencore includes these EITI commodity-trading disclosures in its annual Payments to Government report, which also includes a voluntary additional report of payments by 'regions and commodity'.