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1- Introduction

Electra Battery Materials Corporation (the “Company”, “Electra”) is committed to upholding human rights and fostering responsible business practices. We recognize the potential risks associated with forced labour and child labour, often referred to as modern slavery, and acknowledge that effectively managing these risks requires a collaborative effort involving our suppliers, workforce, and external stakeholders. This report provides an overview of Electra's governance processes, current initiatives, and progress achieved during the year ended December 31, 2024 in addressing and mitigating the risks of modern slavery within the supply chain we engage with in accordance with section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the Act).

2- Electra’s business and supply chain

Electra was incorporated on July 13, 2011, under the Business Corporations Act of British Columbia. On September 4, 2018, the Company filed a Certificate of Continuance into Canada and adopted Articles of Continuance as a Federal Company under the Canada Business Corporations Act. The Company is in the business of producing battery materials for the lithium-ion battery supply chain. The Company is focused on building a supply of cobalt, nickel and recycled battery materials. The Company’s business number is 810110510 RT0001.

Electra is a public company listed on the Toronto Venture Stock Exchange (“TSXV”) and the NASDAQ, both under the symbol ELBM. The Company’s registered office is Suite 3200, Bay Adelaide Centre, 40 Temperance Street, Toronto, Ontario, M5H 0B4 and the corporate head office is located at 133 Richmond Street W, Suite 602, Toronto, Ontario, M5H 2L3.

The subsidiaries as at December 31, 2024 are presented in the following table:

| Subsidiary | Ownership | Location | Status |
|-------------------------------------|-----------|---------------|----------|
| Cobalt Projects International Corp. | 100% | Canada | Inactive |
| Cobalt Industries of Canada Corp. | 100% | Canada | Inactive |
| Cobalt One Limited | 100% | Australia | Active |
| Cobalt Camp Refinery Ltd. | 100% | Canada | Active |
| Cobalt Camp Ontario Holdings Corp. | 100% | Canada | Inactive |
| Ophiolite Consultants Pty Ltd. | 100% | Australia | Inactive |
| Acacia Minerals Pty Ltd. | 100% | Australia | Inactive |
| US Cobalt Inc. (“USCO”) | 100% | Canada | Active |
| 1086360 BC Ltd. | 100% | Canada | Active |
| Idaho Cobalt Company | 100% | United States | Active |
| Scientific Metals (Delaware) Corp. | 100% | United States | Inactive |
| Orion Resources NV | 80% | United States | Inactive |

Electra is in the business of battery materials refining, including refining material from mining operations and from the recycling of battery scrap and end of life batteries. Electra is focused on building a diversified portfolio of assets that are highly leveraged to the battery supply chain with assets located primarily in North America, with the intent of providing a North American supply of battery materials.

The Company owns two main assets – the Refinery located in Ontario, Canada and the Iron Creek cobalt-copper project located in Idaho, United States. Electra’s refinery is a fully permitted hydrometallurgical refinery complex where it intends to produce cobalt sulfate in the near term, and in the longer-term additional battery materials such as nickel sulfate and manganese sulfate, as well as processing waste and scrap battery materials, also known as Black Mass. The Company has been progressing plans to recommission and expand the Refinery with a view to becoming the first refiner of battery grade cobalt sulfate in North America.

3- Electra Policies & Governance Structure

Electra’s Board and senior management are trusted with overseeing the company's strategic vision, which encompasses sustainability considerations, while also ensuring the efficacy of our risk management protocols and internal controls. The Company’s approach is structured to furnish the Board with a clear understanding of the dynamic interplay between the business landscape and associated risks, fostering robust dialogue around our principal risk factors. All the governance policies applicable to labour rights and human rights can be viewed on the following website: <https://electrabmc.com/about/?scroll=governance>

- Code of Business Conduct and Ethics: Electra’s Code of Business Conduct and Ethics mandates that all representatives, suppliers, and agents must uphold human rights in the communities where Electra operates, with a strict zero-tolerance policy for any violations. This applies to Directors, Officers, Employees, and Contractors.

Employees sign the Code during onboarding and are expected to comply with it, along with all other Electra Policies and relevant laws.

- Human Rights Policy: Electra's human rights policy is in line with the United Nations Guiding Principles on Business and Human Rights. Our operations and supply chain adherence to this Policy will be assessed every year – or by request.
- Supply Chain Policy: The Company standards for the Supply Chain are consistent with the Responsible Minerals Initiative Standards (RMI Standards) and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) and cover seven (7) areas (Human Rights, Ethical Business Practices, Health & Safety, Environment and Greenhouse Gases Emissions (GHG) Management, Environment & Greenhouse Gases Emissions Management, Grievances Mechanisms, and Regulatory Compliance).
- Whistleblower Policy: Electra has in place a whistleblower process to handle reports of misconduct, including concerns about human rights violations like forced labour and child labour. The policy outlines how to report and investigate suspected improper activities. Electra representatives must report violations of the Code of Business Conduct and Ethics, such as unsafe working conditions, improper supplier actions, or potential legal non-compliance. The reporting system is open to all employees, contractors, and suppliers, and allows for anonymous submissions. Everyone is responsible for maintaining proper behaviour and reporting any issues they notice, as stated in the Whistleblower Policy.

Supply chain and human rights due diligences/audits will be performed based on the RMI Assurance Standards, Cobalt Institute's CIRAF or other industry best practices and international principles and standards, and results will be disclosed through our ESG transparency channels.

4- Supply Chain Risk Assessment at Electra and Risk Remediation Measures

- Electra screens all suppliers before entering into contracts, evaluating them against core risk factors such as sanctions, adverse media, and political exposure. Our VP, Commercial oversees Electra's compliance with its policies regarding the procurement of feedstock for the Refinery as well as procurement of feedstock for the black mass recycling project. Feedstock procurement for the Refinery is the highest-risk component of Electra's supply chain.

- Oversight of the supply chain for the Refinery construction falls under the responsibility of our VP, Project Development, who ensures suppliers meet our standards regarding forced labour and child labour as outlined in Electra's supply chain policy.
- The Company employs a centralized supply chain risk management program to gather and monitor significant risks quarterly. The Governance Committee thoroughly assesses these potential risks & remediation measures and presents the findings, along with designated responsible parties for governance and execution, to the Board.

To assess supplier risks, Electra employs a tiered approach based on specific criteria to ensure reliability. Suppliers are categorized as low or high risk, mainly considering operating jurisdiction and origin of goods factors.

In 2024, Electra's construction related supply chain risks were minimal as the refinery construction was temporarily suspended in 2023 in response to a number of market and supply chain factors. Most of the equipment and material was procured within North America and Europe. Only a small portion of equipment was procured from high-risk countries, however these suppliers operate in low-risk regions. While we trust our suppliers to avoid forced labour and maintain ESG standards, we continue to monitor their compliance with Electra's supply chain policies.

As mentioned above, the highest risk in Electra's supply chain is cobalt hydroxide feedstock procurement from Democratic Republic of Congo (DRC). The DRC produces nearly 80% of the global supply of cobalt hydroxide, significantly limiting the options for feedstock agreements. All cobalt hydroxide that Electra buys will be sourced from mines which follow OECD Due Diligence Guidance for Responsible Supply Chains of Materials from Conflict-Affected and High-Risk Areas and are compliant with the RMI. Electra has a long-term contract with Glencore for supply of cobalt hydroxide from the Katanga operation, as well as a contract with ERG for supply from Metalkol RTR — both mines operating in the DRC and meeting Electra's sourcing requirements.

Action Plan

- Employee training holds significant importance for Electra. We intend to introduce training modules covering sustainability, human rights, and supply chain policy for all Electra employees.
- Sustainability reports are also considered to be core to Electra’s business as the company is committed to disclose information on supply chain due diligence and risk assessment outcomes through sustainability reports. Due to funding limitations, Electra paused publication of its sustainability report for the 2023 and 2024 reporting year. Electra aims to resume sustainability reports following the resumption of construction at its refinery project.

For more information and Electra’s 2022 Sustainability Report, visit www.electrabmc.com/sustainability/

5- Attestation

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of CEO, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed within this report.

Name:

Trent Mell

Title:

Chief Executive Officer

Date:

May 29, 2025

Signature:

