

Sustainability and people



As an industry-leading anode and battery materials company we see sustainability as a purpose that threads everything together.

We are determined to advance and set new benchmarks for sustainability in our industry. This is best expressed in our goal of enabling the world's most sustainable batteries and consumer products. We aim to achieve this goal through development of low-carbon battery materials and graphitic materials.

This report communicates our progress on our sustainability initiatives over the last 12 months ("Reporting Period").

We are currently implementing a plan to meet both TCFD and ISSB standards and will continue tracking the emerging sustainability reporting compliance requirements. During the Reporting Period, IFRS released the first two sustainability reporting standards (S1 and S2). Many jurisdictions, including Australia and the EU, have moved towards alignment with IFRS standards.

In coming years, our European operations and entities will be expected to meet the threshold of requirement to report in accordance with the European Sustainability Reporting Standards (ESRS).

Governance

Talga Group has an established corporate governance framework including corporate governance policies, procedures, and charters with reference to the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations. This framework ensures transparent business practices with adequate compliance policies which prevent and minimise adverse impacts on the functioning of public administration.

This framework outlines how we have embedded sustainability in our corporate governance structure.

Good governance is critical to strong sustainability performance



Talga Group Ltd Board

The Talga Group Board provides leadership at the highest corporate level to address and resolve sustainability challenges. The Board has accountability for Talga's long-term resilience with respect to potential shifts in the business landscape that may result from climate change. This is a TCFD and ISSB requirement. Responsibilities of the Talga Group Board include:

- Providing oversight of climate-related risks and opportunities impacting Talga Group.
- Providing oversight on risks and opportunities informed through regular information solicited from interactions with company management, the Sustainability Steering Group, regulators and government bodies on climate mitigation strategies.
- The Talga Group Board's Sustainability Representative supports management and Board oversight of sustainability.

Sustainability Steering Group

The Sustainability Steering Group supports management and oversight of sustainability in a focused and coordinated way across the company. Responsibilities of the Sustainability Steering Group include:

- Providing oversight and/or hands on development of sustainability policies, standards and frameworks.
- Developing a systemised approach to sustainability management.
- Providing operational oversight of implementation of sustainability activities, including Talga's Environmental Management System (EMS).
- Forging close relationships with Sustainability Working Groups and directing activities as appropriate.

Sustainability Working Groups

The Sustainability Working Groups champion the adoption of the Sustainability Policy across Talga sites and create a culture of sustainability at Talga sites.

ISO Certification

As part of our commitment to a broad quality assurance program and globally recognised standards, Talga has secured ISO certifications for our pilot production and R&D facilities in Germany, the UK and Sweden.

Our EMS, which is implemented and maintained in line with ISO 14001 covers safe use, management and transport of chemicals, waste, and dust; safety procedures for emergencies; ongoing monitoring and auditing; and commitment and active support from

leadership. The EMS applies to our operations, as well as contractors and subcontractors. We strive for continual improvement with the EMS.

In addition, we are progressing ISO 27001 certification which provides guidance for establishing, implementing, maintaining and continually improving an information security management system. We are also in the early stages of aligning with ISO 2600, the international standard for social responsibility.

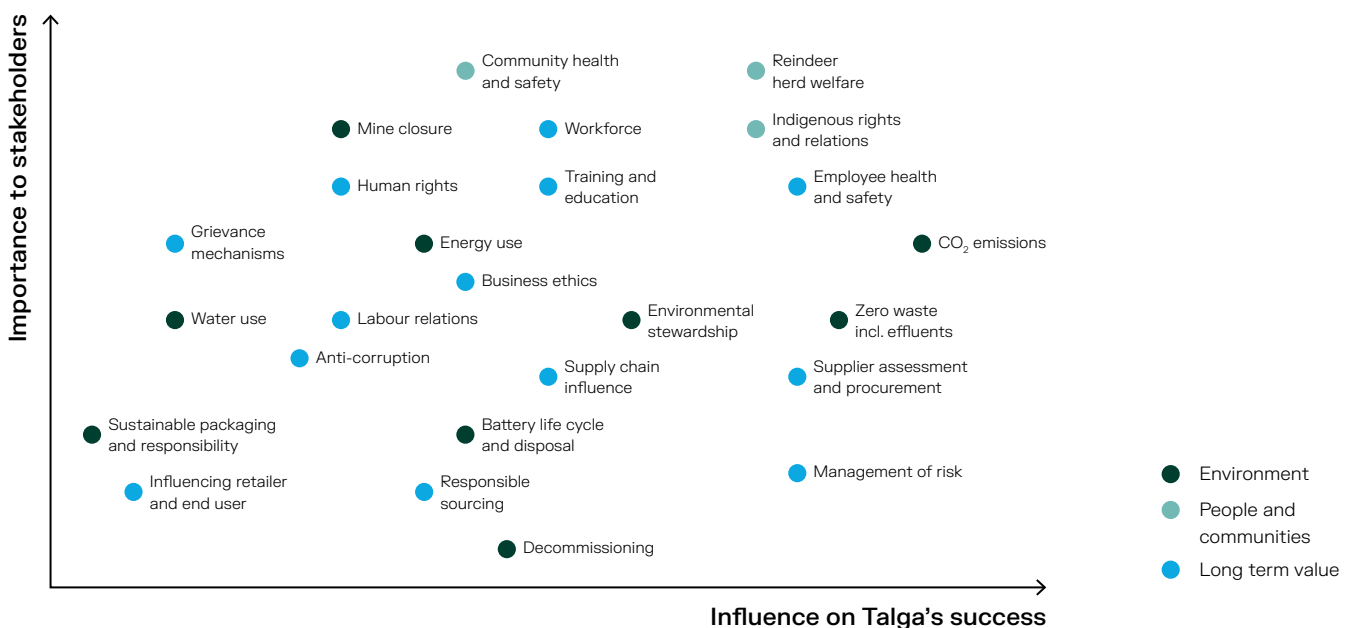
Risk

Our Materiality Matrix, first created in 2022, plots out significant economic, environmental, and social risks and provides a holistic view of the relative significance of our impacts and associated risks and opportunities in line with the Global Reporting Initiative (GRI) framework.

We intend to update the Materiality Matrix with a focus on risk profile and operational portfolio, and external factors such as our regulatory environment, customer, supplier and partner interests, local community and other stakeholder interests, the views of ratings agencies and standards set by emerging sustainability reporting initiatives.

Climate change risk

In developing our projects and operations, we have closely considered the risk of climate change. This work assessed the potential financial impact of these hazards on our potential revenue, costs and overall value; analysed how these scenarios could affect our operations, supply chain and market demand; and assessed the feasibility, cost-effectiveness and benefits of potential mitigation strategies. The risk analysis found no major or fatal risks arising from climate change.



Goals and objectives

Our broad ESG targets and objectives are informed by our materiality assessment and ensure our business strategy operationalises and embeds management of these material issues throughout our business.

	Objective	Opportunity
Environment	Minimise environmental impact and pollution of operations.	Implementation of Environmental and Social Management Systems.
	Minimise GHG/CO ₂ emissions.	Use of low-emission sources of energy.
	Undertake climate action including physical risk assessments.	Voluntary IFRS S2 reporting.
	Explore innovation and circular economy opportunities.	Partnership opportunities.
	Develop Life Cycle Assessment of products.	Life Cycle Assessments and R&D.
	Achieve nature positive outcomes.	Develop nature positive outcomes for Vittangi Anode Project.
People and Communities	Support sustainable community development.	Create positive health and wellbeing, educational and employment outcomes.
	Show leadership in mining and supply chain human rights.	Positively influence entire value chain.
	Zero harm to people.	Deliver industry-leading health and safety performance and public health and safety protection.
Long-term value	Ensure safe and sustainable site operations.	Deliver industry-leading sustainability performance.
	Contribute to local employment and workforce upskilling.	Maximise community employment and upskilling opportunities.
	Be a market leader in battery anode industry.	Positively influence entire value chain.

We remain focused on continual improvement, exploring opportunities and finding tangible solutions to help us achieve our goals in 2025.

Broad target	Our progress
Continue to develop our systems to the requirements of ISO 14001 and ISO 26000. We aimed to achieve ISO 14001 certification for our German and UK facilities and alignment with ISO 26000 across Talga during the 2023/2024 Reporting Period.	ISO 14001 achieved
Demonstrate alignment with ISO 26000 (Social Responsibility) during 2024/2025 Reporting Period.	ISO 26000 ongoing
Continue to use renewable energy in EVA Plant.	Achieved and ongoing
Undertake company-wide greenhouse gas emission inventory.	Ongoing
Implement a plan to meet TCFD standards.	Underway and updated
Implement a plan to meet IFRS S2 (climate related disclosures).	Underway and updated
Continue R&D and partnership building.	Ongoing
Map resource flows within our production processes to identify circular economy opportunities.	Underway
Continue to explore R&D opportunities, undertake new product Life Cycle Assessments and update existing assessments at appropriate times.	Achieved and ongoing
Work with the Swedish biodiversity accounting methodology (CLIMB).	Underway
Continue to build relationships and develop partnerships with local stakeholders.	Ongoing
Sponsor community development opportunities with our host communities.	Ongoing
Demonstrate best practice environmental and social management and assess value chain for partnership opportunities.	Ongoing
Development of a holistic supply chain and governance strategy.	Underway
Make zero harm a priority and part of our culture. Implement best practice health and safety management, and community and worker health and well-being programs.	Ongoing
Implement Safety Management Standard and Framework and staff training. We aimed to achieve ISO 45001 certification (health and safety management system) across our EVA plant, Luleå office, Stockholm office, German facility and UK facility during the 2023/2024 Reporting Period.	ISO 45001 achieved
Continue to investigate the development of community training and development programs.	Achieved and ongoing
Supply battery industry with locally sourced, low greenhouse gas emission battery anode material.	Ongoing

Carbon emissions

We recognise the effects of climate change and accept the Intergovernmental Panel on Climate Change's evaluation of climate science. We endorse the Paris Agreement's goal to keep global warming well under 2 degrees above pre-industrial levels. This recognition is acknowledged in our Environmental Policy, which clarifies our commitment to set greenhouse gas emission reduction targets that support the goals of the Paris Agreement.

Our anode materials will play a crucial role in the worldwide green transition, aligning with Sweden's pledge to achieve net zero emissions by 2045.

Furthermore, our project will establish an eco-friendly, economically beneficial, and socially positive new industry in northern Sweden. We have closely considered the risk of climate change to our projects. These risks have been summarised on page 37.

Our anode materials will play a crucial role in the worldwide green transition

In order to quantify the impact of our operations and products, we conduct life cycle assessments in line with global best practice and account for scope 1 to 3 emissions. We are currently designing systems for data collection which will be used during commercial production of Talnode®-C. During the Reporting Period, we released a Life Cycle Assessment based on industry data and modelled inputs which demonstrated production of Talnode®-C has 92% less greenhouse gas emissions than existing synthetic EV anode material imported into Europe.

At our Battery Centre of Excellence in Cambridge, UK, our research and development team is committed to making sustainability improvements in developing next generation battery materials.

Polestar 0 project

We are proud to support sustainability and reduction of greenhouse gases through innovative research and development into next-generation battery materials.

Talga and Swedish EV maker Polestar entered into a binding research agreement to develop anode material for the Polestar 0 project.

This project is Polestar's ambitious moonshot to develop a climate-neutral production car by 2030¹.

Under the Agreement, Talga and Polestar will collaborate and conduct research on the development of new anode material.

¹ This climate-neutral target has been set by Polestar in relation to Polestar's operations and activities only. It has not been adopted by Talga.



Achieving positive biodiversity outcomes

We acknowledge that our activities have the potential to impact biodiversity and we are committed to take proactive measures across our entire operations to avoid, lessen or offset any impacts.

Our Environment Policy outlines our objective to minimise any adverse impacts on the environment and capitalise on commercial opportunities to have positive impacts on the environment as a result of our business activities. In order to achieve this objective, we commit to contribute to the conservation of biodiversity and integrated approaches to land-use planning.

As a member of Svemin and the Swedish mining and minerals industry, we have adopted the goal of contributing to a biodiversity net gain by 2030 in all regions where mining and minerals operations and prospecting take place. To this end, we will invest in innovative solutions for achieving sustainable land use in harmony with nature.

Project design

Our operations and projects – from our mining activities to downstream anode production – are designed to minimise any impact on biodiversity.

The Nunasvaara South mine site will avoid impacts on high value biodiversity areas, which will be protected during and after our mining operations. These design choices reduce the possibility of impact on the downstream Natura 2000 area, which contributed to Talga being granted an environmental and Natura 2000 permit in April 2023.

We commit to contribute to the conservation of biodiversity and integrated approaches to land-use planning

Offsets

We are committed to identifying and implementing biodiversity offsets (also called compensation measures) to result in at least a net 15% increase in biodiversity value. This will be calculated through CLIMB, a methodology to evaluate biodiversity in a transparent and comparable way.

We are actively looking for suitable areas for these offsets near the Nunasvaara South mine. These areas may include forest restoration areas or areas which have disposed forestry material.

In Luleå, we have engaged Ecogain to draw up an implementation plan for the ecological compensation for the impact from the Luleå Anode Refinery. This plan is being created in consultation with Luleå Municipality and the Norrbotten County Administrative Board.

Rehabilitation

During the Reporting Period we completed finalisation of a rehabilitation program for the 2022/2023 Niska Trial Mine, including a positive inspection by Kiruna Municipality and local Sami reindeer herding cooperatives. We submitted a report to Mining with Nature, a Swedish mining industry program, as part of our commitment to the goal of a net gain in biodiversity at our operations.

We are proud to be participants in the Waste2Place project. This Vinnova-funded project aims to create long-term stable landforms to help to deliver land previously used for mining back to nature and people. We view the Waste2Place project as an important part of our closure plans and future post-mining outcomes.

Rehabilitation with re:moss

We are proud to be a partner in re:moss, a research project that employs moss to accelerate the restoration of natural ecosystems following impacts from mining.

The project will take place at the Niska trial mine sites.

When rehabilitating mining activity, moss can help create the right conditions for other vegetation to establish faster. Mosses form a protective layer on a substrate that prevents erosion, thus reducing dust formation and helping the soil to stay healthy. Mosses are well adapted to harsh environments and conditions, do not compete with other vegetation, and create a natural foundation for other plants to build upon.

It is hoped the re:moss project could create new tools for mining companies to use in their rehabilitation toolkits and help develop more sustainable mining practices.

The project financed by the Swedish Innovation Agency, Vinnova, and mining industry actors. The project will run until June 2025.



Protecting water resources

We are committed to responsible stewardship of the water resources within our operations.

To achieve the objectives of our Environment Policy, we commit to recycle and reuse water, investigate and minimise risks to water and treat excess water prior to discharge.

Our operations are designed to minimise and mitigate any potential impacts on the area's water resources.

Vittangi Graphite Mine

Our mining operation has been carefully designed to minimise any potential impact on local water resources. All activities lie within a catchment area that drains towards Hosiojärvi Lake, which drains via the eastern creek to the Torne River.

We will ensure all water in the area is collected and purified. Process water will be recirculated within the project to the extent possible. When process water cannot be recirculated, it will be purified. The water quality of outgoing water from the treatment plants will be checked regularly.

Sampling has been carried out in the Torne River both upstream and downstream since 2018. The recipient assessment shows that the project will not cause any impact on water quality in the Torne River.

We commit to recycle and reuse water, investigate and minimise risks to water and treat excess water prior to discharge

Luleå Anode Refinery

The Luleå Anode Refinery emits clean treated process wastewater which is purified and conforms with all regulatory requirements. Purification removes more than 99.8% of metal content in the water before being discharged together with the cooling water to Luleå River. Using a recipient model, we have assessed that these emissions will have an insignificant impact on the recipient with the set permit conditions.

Ongoing monitoring in northern Sweden

Following our trial mining operation in 2015/2016 and 2022/2023, we have conducted an ongoing groundwater monitoring campaign in the area.

The environmental team has over 20 regular sample locations and collects data at multiple times throughout the year.

This work provides valuable data on how groundwater levels and content changes over the seasons, providing valuable baseline data which can be used when mitigating any potential impacts.

Circularity

Research and development for battery material circularity

At Talga's Battery Centre of Excellence in Cambridge, UK, the R&D team is progressing several projects to increase circularity for battery materials.

This includes research into a novel way to produce silicon anode material using in-situ silicates from our Swedish natural graphite ore, as well as the use of graphene from recycled sources as a potential additional carbon feedstock for the production of Talnode®-Si. These projects are partly funded by the UK Government through the Automotive Transformation Fund (ATF), administered by the Advanced Propulsion Centre UK (APC).

The R&D team are also working on multiple programs to recycle both spent graphite anode and production scrap back into anode material for lithium-ion batteries. This is part of ongoing work into commercialisation of Talnode®-C Recycled Series which will support expansion plans and complement Talnode®-C production from the Vittangi Anode Project.

If properly scaled, these innovative production streams could enable new commercial opportunities in the production of anode materials essential for the green transition.



Social

We are committed to the development of our host communities, the human rights of employees and communities affected by our activities, and minimisation of any adverse impacts.

Our Social Performance Policy outlines our objective to positively contribute to the social and economic development of our host countries and communities, develop and promote respectful and productive relationships with stakeholders, and capitalise on commercial opportunities to benefit people as a result of our business activities.

In order to achieve this objective, we commit to meaningful engagement with our host communities, work proactively with stakeholders to identify and avoid or minimise social risks and impacts associated with our activities, and provide our local stakeholders with access to effective mechanisms for resolving grievances.

We are committed to providing opportunities for the communities we operate within, through both employment directly with Talga and other business opportunities. We recruit labour and source materials locally whenever feasible.

We maintain ongoing engagement within the communities in which we operate and communicate, including local residents, politicians and interest groups. We communicate openly, transparently and consistently via a range of channels, including direct dialogue with neighbouring community members, newsletters, advertisements and participation in local events.

We are committed to providing opportunities for the communities we operate within

Local engagement in northern Sweden

11

newsletters communicating regular news & updates

4

open houses in Vittangi

3

years at Kiruna Fair

In northern Sweden, this year we joined Kiruna Växer, a local network with the ambition to create a strong and vibrant Kiruna with greater capacity to attract labour and competence. We are also proud to continue our annual sponsorship of Vittangi Sports Club, Kiruna Budo Club and Hertsö Ridklubb.

In Rudolstadt, Germany, we supported a local charitable initiative to provide traffic awareness training for young children aged six to ten. Our support made it possible for 30 children to have traffic awareness training. We also committed 5kg of graphite powder to an artist during the third International Iron Casting Project, which brings together artists to build a bridge between cultures.

To address any potential community concerns effectively, we have established a Grievance Mechanism. This mechanism provides a structured way for stakeholders to voice their concerns and for Talga to resolve issues in a timely and effective manner. It is designed to handle both positive and negative feedback or complaints, ensuring that all community voices are heard and considered. The Grievance Mechanism is accessible through our website, offering various contact points and reasonable timeframes for issue resolution.



Social Impact Assessment and Human Rights Impact Assessment

We have engaged independent consultant Ramboll to conduct a Social Impact Assessment (SIA) including the development of a Human Rights Impact Assessment (HRIA) for both the Vittangi Graphite Mine and the Luleå Anode Refinery.

The SIA will ensure that all potential social impacts are identified, mitigated, managed, and can be addressed.

The SIA will assist in dialogues with affected Indigenous peoples seeking to work together to identify, mitigate and manage any social and human rights impacts as well as any impacts on cultural heritage or livelihoods.

Human rights of concern which could be impacted in a material way have been scoped in to be investigated further in the HRIA. Rightsholders were identified based on a review of relevant documentation and engagement conducted during site visits to Vittangi, Kiruna, and Luleå. Key rightsholders include affected Sami, ethnic minorities, and communities in the areas surrounding the Vittangi Anode Project.

Indigenous Peoples

We recognise the individual and collective rights and interests of Indigenous Peoples¹ consistent with the United Nations Declaration on the Rights of Indigenous Peoples. We recognise that Indigenous Peoples have connections to, and identify with, lands and waters and that these connections are tied to their physical, spiritual, cultural and economic well-being.

This is further detailed in our Indigenous Peoples Recognition Statement which is viewable at [talgagroup.com](https://talga.com/talgagroup.com)

We are seeking to lay the foundations with identified Indigenous stakeholders through dialogue to enter negotiations and agreement-making relating to an Indigenous Peoples Plan.

During the year, we appointed a fulltime and local Social Sustainability Coordinator for Indigenous groups. This role is responsible for developing and maintaining strong relationships with local Indigenous groups and affiliated community organisations; providing advice and support on matters relating to community consultation and Indigenous affairs; building organisational capacity to foster increased cultural competency and awareness; evaluating a range of opportunities to ensure that Indigenous engagement programs provide a recognition of community expectations; as well as monitoring and evaluating progress.

We continued to seek dialogue and build relations with Indigenous Peoples affected by the Vittangi Anode Project. Near Vittangi, these include Talma sameby, Gabna sameby and Tornedalians. Our engagement has covered various project development activities such as reindeer herding assessments, workplans for drilling and geophysics, permits for trial mining activities, permits for exploration activities, and agreements.

We are seeking to lay the foundations with identified Indigenous stakeholders

The Luleå Anode Refinery is situated on Gällivare Sameby reindeer herding land, with potential impacts on their lands and their form of reindeer herding. We continue to undertake dialogue and build relations with Gällivare Sameby.

Indigenous Peoples Plan

We have committed to the creation of an Indigenous Peoples Plan (IPP), which will be further investigated and confirmed during the next SIA phase. This plan will encompass Talma sameby, Gabna sameby, Gällivare sameby, Saarivuoma sameby and Tornedalians. The development of the IPP will involve seven phases:

- Understanding and benchmarking;
- Local needs assessment involving;
- Primary data gathering;
- Participation and engagement;
- IPP development;
- Implementation and monitoring;
- Collaboration and partnerships; and
- Review and adaptation.

¹ Indigenous Peoples is recognized by Talga in accordance with Performance standard 7 Indigenous Peoples (IFC 2012) as a distinct social and cultural group possessing the following characteristics in varying degrees: Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; Customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture; or A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.



We recognises how a varied talent pool enhances performance and makes goals more achievable.

Through our Work Environment Policy, we are committed to providing our employees a work environment where they thrive and develop. We treat all stakeholders equitably and promote a culture of coaching, development, and a harassment-free workplace.

Our leadership program aims to develop our managers and create a robust leadership culture. We conduct team wellness and health competitions that encourage movement and teamwork. The effectiveness of these activities and the sentiment of our broader team culture are measured through a yearly employee survey.

We are committed to providing our employees a work environment where no one suffers from ill health or is harmed because of their work.

During the Reporting Period, we secured ISO 45001 certification for our pilot production and R&D facilities in Germany, UK and Sweden. ISO 45001 specifies requirements for an occupational health and safety management system and provides a framework for organisations to manage risks and improve performance. We are continuing to develop this management system to provide functional support in current and future operations.

We conducted basic health and safety training for managers to create a common platform and develop Talga's health and safety culture. This culture is benchmarked against practical experience from equivalent production facilities.

We are aligned with and exceed the International Labour Organisation's Fundamental Conventions. These conventions address issues of forced labour, freedom of associations, equal remuneration, discrimination, child labour and occupational safety and health.

Vocational training

We are committed to fostering talent and innovation within the minerals and battery industries, and supporting the region's transition to a sustainable energy future.

We are proud to support the following vocational training initiatives:

- Post-secondary industry education at Campus Härnösand, Västernorrland County, Sweden. This initiative aims to upskill the workforce for the battery value chain from materials to battery manufacturing, automation and end-of-life.
- Higher vocational training at an Industry campus in Luleå. The training lasts 20 weeks for process operators and 2 years for laboratory technicians. We will be on the educational management team.
- Higher vocational training with KYH (higher vocational education provider) in Gällivare for Process Technicians. The training lasts 1.5 years and qualifies people to work with digital and smart automation and maintenance systems for monitoring, regulation, reliability and troubleshooting.
- BASE, a Swedish national Centre of Excellence for battery research, encompassing post graduate student training, industry lead research programs and regular seminars and workshops to provide the students with industry expertise. We are an industry member of the centre. Further R&D programs are envisioned focusing on advanced battery applications during the project. Intended topics include high-rate batteries and bio-based binder developments.

Talga Group Executive Leadership Team



Martin Phillips
Chief Executive Officer

25+ years of global metals and mining experience.



Melissa Roberts
Chief Financial Officer

20+ years of experience in the global resources industry across corporate and commercial roles.



Per-Inge Kruse
Group Director of
Business Development
and Strategic Alliances

20+ years of experience in sales, business development and strategic alliances across the automotive and marine industries.



Dr Anna Motta
Chief Technology Officer

20+ years of expertise in carbon nanomaterials and extensive experience in managing R&D programs.



Peter French
Environmental and
Community Manager

25+ years of experience around environmental work in the mining and industrial sector.



Eva Pijenburg
Director People
and Culture, Health
and Safety

20+ years experience across a range of HR management and recruitment consultancy positions.

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I love my job because everyone shares the same vision and is dedicated to the mission. This creates a family environment where everybody is there for each other.

Dr Karanveer S. Aneja
R&D Manager

