



Sustainability and people

With our industry-leading anode technology and world-class natural graphite resources, we aim to enable the world's most sustainable batteries and consumer products

At Talga, sustainability is fundamental to every part of our business and operations. With our industry-leading anode technology and world-class natural graphite resources, we aim to enable the world's most sustainable batteries and consumer products through innovative graphitic materials.

We are committed to operating sustainably across our Vittangi Anode Project in northern Sweden, research and development facility in the UK, processing operations in Germany, and Group head office in Australia. This report communicates our progress on our sustainability initiatives over the last 12 months ("Reporting Period").

How we approach sustainability

Our sustainability work program covers three focus areas: environment; people and communities; and long-term value. These are based on a review of internal factors including our 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 the standards set by external sustainability initiatives (such as the United Nations' Sustainable Development Goals).

Our significant economic, environmental, and social risks were plotted in the 2022 Materiality Matrix. The Materiality Matrix provides a holistic view of the relative significance of our impacts and associated risks and opportunities and follows the process in alignment with the Global Reporting Initiative (GRI) framework.

Talga is currently implementing a plan to meet TCFD standards. In June 2023 the International Sustainability Standards Board (ISSB) issued the inaugural International Sustainability Disclosure Standards and during the coming period Talga is working towards aligning its systems and processes with the ISSB Standards and will continue tracking the emerging sustainability reporting compliance requirements. Furthermore, Talga's European operations and entities are expected to meet the threshold of requirement to report in accordance with the European Sustainability Reporting Standards (ESRS) in future years. Talga is committed to the EU Principles for Sustainable Raw Materials in establishing and operating its vertically integrated mine-to-anode business.

Our broad ESG objectives ensure that our business strategy takes account of significant social and environmental topics and operationalises and embeds management of our material issues throughout our business. We remain focused on continual improvement, exploring opportunities and finding tangible solutions to help us progress towards our goals in 2024. The table overpage summaries Talga's work program across the three focus areas and progress over the Reporting Period.

	Objective	Opportunity	Broad target	Our progress
Environment	Minimise environmental impact and pollution of operations.	Implementation of Environmental and Social Management Systems.	Continue to develop our systems to the requirements of ISO 14001 and ISO 26000. Talga aims to achieve ISO 14001 certification for our German and UK facilities and alignment with ISO 26000 across all Talga during the 2023/2024 Reporting Period.	Ongoing
			Achieve ISO 14001 certification for EVA Plant.	Achieved
	Minimise GHG/CO ₂ emissions.	Use of low-emission sources of energy.	Continue to use renewable energy in EVA Plant.	Achieved and ongoing
			Undertake company-wide greenhouse gas emission inventory.	Underway
	Undertake climate action including physical risk assessments.	Voluntary TCFD reporting.	Implement a plan to meet TCFD standards.	Underway
Explore innovation and circular economy opportunities.	Partnership opportunities.	Continue R&D and partnership building.	Ongoing	
		Map resource flows within our production processes to identify circular economy opportunities.	Underway	
Develop Life Cycle Assessment of products.	Life Cycle Assessments and R&D.	Continue to explore R&D opportunities and undertake new Life Cycle Assessments of products and update existing assessments at appropriate times.	Achieved and ongoing	
People and Communities	Support sustainable community development.	Create positive health and wellbeing, educational and employment outcomes.	Continue to build relationships and develop partnerships with local stakeholders.	Ongoing
			Sponsor community development opportunities with our host communities.	Ongoing
	Show leadership in mining and supply chain human rights.	Positively influence entire value chain.	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	
Zero harm to people.	Deliver industry leading health and safety performance and public health and safety protection.	Make zero harm a priority and part of Talga's culture. Implement best practice health and safety management, and community and worker health and well-being programmes.	Ongoing	
Long-term value	Ensure safe and sustainable site operations.	Deliver industry leading sustainability performance.	Implement Safety Management Standard and Framework and staff training. Talga aims 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.	Underway
	Contribute to local employment and workforce upskilling.	Maximise community employment and upskilling opportunities.	Continue to investigate the development of community training and development programs.	Achieved and ongoing
	Be a market leader in battery anode industry.	Positively influence entire value chain.	Supply battery industry with locally sourced, low greenhouse gas emission battery anode material.	Ongoing

Environment

Climate change

Talga acknowledges the changing global climate and accepts the Intergovernmental Panel on Climate Change assessment of climate science.

We support the intent of the Paris Agreement to limit global warming to well below 2 degrees above pre-industrial levels. Our anode materials will be an important factor in the global green transition, including Sweden's commitment to have net zero emissions by 2045. In addition, our battery anode operation will provide an environmentally responsible, economically valuable and socially beneficial new industry in northern Sweden.

We are currently assessing the vulnerability of our operations and the communities in which we operate to the threat of climate change.

Environmental stewardship

A core tenet of Talga's operations is the responsible use and protection of the natural environment. This principle is actively employed throughout all our operations.

Reducing impact across our operations

Talga's operations, from our mining activities to downstream anode production, are designed to minimise environmental impact.

Our planned Nunasvaara South mine will implement several leading tailings and waste management practices including the creation of a secure, integrated waste facility. These practices include backfilling mine voids once ore extraction is complete. Talga's waste management plan for the Nunasvaara South mine development meets the MWEI BREF¹.

In environmental impact assessments and trial mining, we have conducted robust monitoring of dust and noise levels to ensure minimal environmental impact. In addition, we employ stringent wastewater treatment to ensure that surface and ground water quality remain unaffected by our activities.

In designing the Nunasvaara South mine, Talga implemented numerous measures to reduce the possibility of impact on the downstream Natura 2000 area. These design choices contributed to Talga being granted a Natura 2000 permit in April 2023.

Talga has modified the Nunasvaara South mine site layout to avoid impacts on high value biodiversity areas, which will be protected during and after Talga's mining operations. As well as the biodiversity impact avoidance measures and rehabilitation measures incorporated within the Vittangi Anode Project, we are working on identifying and arranging biodiversity offsets (also called compensation measures) to result in at least a net 15% increase in biodiversity value. To this end, we are proud to be a project partner for CLIMB, a methodology to evaluate biodiversity in a transparent and comparable way.

Talga is also a participant in the Vinnova-funded **Waste2Place** project.

The Waste2Place project aims to create long-term stable landforms to help to deliver land previously used for mining back to nature and people.

This will be achieved through innovations that strengthen and expand the emerging Swedish geomorphic design knowledge and practical experience to significantly improve the technology, products, and processes around it. Talga views involvement in the Waste2Place project as an important step in adapting international best practices in land restoration to the climatic, landscape and soil conditions of northern Sweden. The development of these techniques and practices will be important for Talga's closure plans and future post-mining outcomes.

During the Reporting Period the Niska South trial mine was completed. The trial mine activities were a success, with the successful extraction of the permitted quantity of ore, implementation of environmental controls and monitoring and learnings that are already being incorporated into the front end engineering design (FEED) and detailed design of the Nunasvaara South mine. Talga was pleased to receive acceptance of the rehabilitation of the site (after the end of the Reporting Period) from Kiruna Municipality, the supervising authority.

Talga's selected site for the Anode Refinery is within the Luleå Industrial Park. This park was developed by Luleå Municipality with nature zones in place to protect the higher value riparian vegetation areas.

In September 2022 Talga also achieved ISO 14001 certification for the EVA Plant at Luleå. Furthermore, in the first half of 2023 Talga initiated a process of extending our environmental management system across our German and UK facilities, targeting achievement of ISO 14001 certification during H1 2024.

Environmental permitting

In preparation for our environmental permit application, Talga undertook significant site-specific investigations over multiple years and assessed the impacts of both our Nunasvaara South mining operation and our proposed Anode Refinery to be built at the Luleå Industrial Park. These studies helped inform site environmental management and mitigation measures to realise positive opportunities and minimise consequences of environmental risks.

During the Reporting Period, an environmental permit was granted and entered into legal force for the Luleå Anode Refinery. The Nunasvaara South mine was granted an environmental and Natura 2000 permit, which is progressing through the statutory appeals process.

The granting of these permits reflects the rigour of Talga's sustainability and community work conducted over multiple years.

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¹ Best Available Techniques (BAT) Reference Document for the Management of Waste from Extractive Industries, in accordance with Directive 2006/21/EC; EUR 28963 EN; Publications Office of the European Union, Luxembourg, 2018; ISBN 978-92-79-77178-1; doi:10.2760/35297, JRC109657.

Responsible value chain

A responsible value chain is key to Talga's goal of enabling the world's most sustainable batteries and consumer products through graphitic materials. Our project is well advanced towards this goal and we strive for continual improvement.

Life Cycle Assessment

As a responsible value chain actor, we commissioned leading sustainability consultancy Minviro to conduct a new peer-reviewed Life Cycle Assessment (LCA) for Talnode®-C. The assessment, disclosed subsequent to the Reporting Period, clearly demonstrates 92% less global warming potential than existing synthetic EV anode material imported into Europe. The LCA estimates production of 1kg of Talnode®-C produces 1.7kg CO₂-eq. This is equivalent to a potential reduction of 1.6 tonne of CO₂-eq per produced EV².

The LCA is a cradle-to-gate study, meaning the product was assessed from mining (cradle) up to Talnode®-C delivery (gate). In accordance with best practice and to ensure continued compatibility with European regulations, the report considers Scope 1, 2 and 3 emissions. Emissions directly related to Talnode®-C production processes (Scope 1) comprise just 0.7 kg CO₂-eq, with the remainder (Scope 2-3) relating predominantly to external suppliers. These Scope 2-3 emissions are based on generic datasets, meaning once Talga enters commercial production, we can further optimise our impact through strategic sustainable procurement processes.

We continue to assess opportunities to further reduce Talnode®-C's already low emissions profile. Investigations include mining fleet electrification and extraction options; electrified concentrate transport and optimisation of production waste management; and recycling.

The LCA is an update on a previous assessment by Hitachi Energy (formerly Hitachi ABB Power Grids). The updated LCA is based on the Project DFS and incorporates more recent data from engineering and the advanced stages of development of the Vittangi Anode Project. The LCA was conducted according to ISO 14040 and ISO 14044 standards and underwent critical peer review to test comparative assertions.

Reducing waste through circular processing and recycling

Talga envisions a fully circular operation where our waste is innovated into value. With a focus on solid and liquid waste, we are investigating the creation of a strategy for new research and development programs using our operational waste streams, eventually creating and enabling new products. Key areas of focus currently include mine tailings and residue generated from the effluent treatment.

Funded as part of Innovate UK and Automotive Propulsion Centre's ATF Fund, Talga carried out a feasibility study to assess recovery of graphite from spent graphite in lithium-ion batteries and scrap graphite from Gigafactories. As part of the study, we sourced recycled graphite concentrate from various suppliers with the aim to repurpose them back as graphite anode and graphene additives. The overall study showcased positive technical, commercial, social, and economic benefits recommending further work in this area.

Peer-reviewed **Life Cycle Assessment for Talnode®-C** demonstrated

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than existing EV anodes
imported into Europe



People and community

Talga plans and develops its operations with a view to minimise negative impacts during operations and to leave the environmental and social condition of where we operate in a better condition than when we arrived.

We are committed to both the development of our host communities and the minimisation of the adverse impacts on our host communities, as well as the human rights of employees and communities, including Indigenous peoples, affected by our activities. We have formalised this commitment in our Social Performance Policy, which states our goal to use our business activities to positively contribute to the social and economic development of our host communities, develop and promote respectful and productive relationships with stakeholders, and capitalise on commercial opportunities to benefit people.

Talga plans and develops its operations with a view to minimise negative impacts during operations and to leave the environmental and social condition of where we operate in a better condition than when we arrived. Protection and enhancement of community is key to this.

We maintain ongoing engagement within the communities in which we operate and communicate our activities and aspirations in a transparent and consistent manner via a range of channels, including direct dialogue with neighbouring community members, newsletters, advertisements and participation in local events.

Local community engagement

Talga is committed to providing opportunities for the communities we operate within, through both employment directly with Talga and other business opportunities. Talga recruits and sources materials and labour locally whenever feasible. This was demonstrated during the 2020-2022 Niska South trial mine implementation near Vittangi and the EVA Plant construction in Luleå.

Throughout the year we have had continuous meetings and engagements with individual local stakeholders for different purposes, including citizens, landowners, local entrepreneurs and other groups both in Vittangi and Luleå.

We have hosted open days at our Niska South trial mine and in Luleå, answering visitors' questions as well as informing them our project and how it will benefit the region and community. Talga also participated in the Kiruna Fair for the second year running, speaking to many visitors about our operations and future plans. We proudly continued our annual sponsorship of Vittangi Sports Club and also established a new three-year sponsorship of the Kiruna Budo Club.

For the second year running, we commissioned a community survey with Vittangi residents near our mine site. These surveys assist Talga to understand trends in community attitudes towards the Vittangi Anode Project over time.

Community attitudes to the project have remained consistent, with 48% of respondents stating that the project would be beneficial to the local community, a slight increase on the previous study. 29% stated that the project will be negative to the community while 19% were neutral. 4% were unsure, a decrease from the previous result of 8%. Community concerns included the need for preservation of the area's natural surface water bodies and the increased likelihood of general pollution emanating from mining activities.

In line with our stakeholder engagement approach, we continue to have in place a Grievance Mechanism to provide an appropriate channel for community concerns to be voiced and resolved. The Grievance Mechanism provides a range of contact points for all Talga stakeholders and

reasonable timeframes for resolution of any issues raised. The mechanism can be used for positive or negative feedback or complaints. The Grievance Mechanism can be accessed at talgagroup.com.

Indigenous engagement

Talga aims to establish and sustain positive, open and ongoing communication with Indigenous peoples, including Sami reindeer herding cooperatives and other stakeholders by demonstrating respect for individuals' values, views and rights. This engagement seeks to establish beneficial sharing arrangements that facilitate socioeconomic advancement. Talga continues to actively share information and extend invitations of engagement with local Sami villages to discuss Talga's ongoing exploration and project development activities.

During October 2022, Talga participated in an education session about Sami rights, arranged by the Svemin work group AG Ren. The session was presented by two members of Sami reindeer herding cooperatives.

ISO Certification

For Talga's existing operations across Europe, we are implementing a review and update of our management systems with a view to achieve ISO certifications during H1 2024. Management systems being covered by this program include:

- ISO 9001 quality management
- ISO 45001 health and safety management
- ISO 14001 environmental management
- ISO 27001 information security management

In addition, we are undertaking a gap analysis to demonstrate alignment with ISO 26000, a guidance for social responsibility.



Long-term value

Talga is dedicated to attracting, nurturing, and retaining high-quality individuals aligned with our values and goals

Our team

Talga is dedicated to attracting, nurturing, and retaining high-quality individuals aligned with our values and goals. Emphasising continuous development, learning, and an entrepreneurial mindset are pivotal to Talga's success.

We are growing and we are currently 61 employees located in four different countries, representing over 17 nationalities. In June 2023, Talga Group had a gender split of 43 percent women and 57 percent men.

We are actively working towards equality in all areas of our company. Talga, together with several of Sweden's industrial companies, signed a declaration of intent for equal industry in northern Sweden. This is to promote sustainable social development for both women and men in equal ways.

To support the growth of qualified labour in northern Sweden, Talga has undertaken the task of co-arranging higher vocational training with KYH 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. Talga will be part of the management team for Education.

Through our Work Environment Policy, which encompasses and expands upon workplace health and safety, we are committed to providing our employees with a work environment where they thrive and develop, and no one suffers from ill health or is harmed because of their work.

Talga maintains a system of employment and recruitment which meets and exceeds the International Labour Organisation's Fundamental Conventions, which address issues of forced labour, freedom of associations, equal remuneration, discrimination, child labour and occupational safety and health.

Talga prioritises health and safety as foundational principles across our operations. We promote a healthy work-life balance and implement well-being benefits, as well as maintain agreements with occupational health care providers to safeguard our employees' welfare.

Diversity and inclusion are core tenets, recognised for enhancing performance and achieving goals through a varied talent pool. Talga promotes a culture of coaching, development, and a harassment-free workplace, treating all stakeholders equitably.

61 employees

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Governance

Talga is a listed company and committed to implementing the highest standards of corporate governance aligned with recommendations of the Australian Securities Exchange (ASX). We have 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 (ASX Principles).

The Board of Directors of Talga Group Ltd is responsible for corporate governance of the Company. The Board's governing principle in meeting this responsibility is to act honestly, conscientiously, and justly, in accordance with the law, in the interests of shareholders, employees and other stakeholders.

We appreciate that risk management, compliance and control are key elements of good corporate governance. The Board of Directors of Talga Group Ltd is responsible for reviewing and approving our risk management strategy, Risk Management Policy, and key risks. Our risk management is consistent with ISO 31000 Risk Management.

Talga operates in compliance with the law and regulations of the countries and jurisdictions that we operate in. Our Anti-bribery and Corruption Policy describes the practices and standards required of Talga employees and board members to maintain business integrity. Talga transparently discloses progress and developments to stakeholders. Non-financial reporting is disclosed annually within the Sustainability and People Report.

Talga's financial management, governance and controls are properly accounted for and audited in accordance with IFRS standards and to the legislative requirements of operating nations. Talga has begun the process of working towards adoption of the recently released IFRS S1 and S2 standards (also known as the ISSB standards) for sustainability across the organisation, while simultaneously demonstrating alignment with ISO 26000.

Talga is committed to creating and maintaining an open working environment in which employees, Directors, contractors, suppliers, partners and consultants are able to raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct. Our Whistleblower Policy sets out the process to be followed if our people suspect wrongdoing, unethical conduct, or dangers at work which may affect others. The Whistleblower Policy demonstrates our commitment to a fair workplace and aims to protect individuals who, in good faith, report misconduct which they reasonably believe to be corrupt, illegal or unethical on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment.

Talga's corporate governance policies and procedures are available at [talgagroup.com](https://www.talgagroup.com)

