

## ASX ANNOUNCEMENT

# Evolution's sector-leading ESG Framework underpins commitment to become a sustainable graphite supplier

### HIGHLIGHTS

- Evolution has committed to an ESG Framework designed to meet the requirements of key stakeholders, including financiers and graphite customers
- With large pools of 'green capital' seeking to be deployed, Evolution's ability to access development finance is highly dependent on ESG performance
- Implementation of the ESG Framework will see the Company become a supplier of choice to customers who are becoming increasingly focused on sustainability of raw materials
- Digbee ESG™ has been engaged to provide an independent third party validated assessment of Evolution's ESG performance
- An independent ESG Committee has been established, which will assess the Company's ESG performance and advise the Board on ESG matters
- Evolution's ESG-focused cornerstone investor, ARCH Sustainable Resources Fund, brings significant ESG capability
- Specialist consultant engaged to assess carbon footprint as part of Company's review of delivering a carbon neutral mining operation

Evolution Energy Minerals ("Evolution" or the "Company") is pleased to announce that the Company has adopted an Environmental, Social and Governance ("ESG") Framework designed to ensure that Evolution is 'investment-ready' for global investment funds ahead of a final investment decision in H2 2022. The ESG Framework will be applied across all aspects of the Company's activities and in particular to the financing and development of the Chilalo Graphite Project ("Chilalo" or the "Chilalo Project").

**Evolution Executive Chairman, Trevor Benson, commented:** "As we focus our efforts on progressing Chilalo to a final investment decision in H2 2022, it is imperative that we are integrating an ESG Framework into our way of thinking and how we do business. We are committed to having the ESG Framework embedded across all aspects of our operations in the coming six months and consider the independent and transparent assessment of our ESG performance to be a key element of the ESG Framework, as we strive to become a net zero carbon mine producing sustainable graphite for the green economy."

### Purpose of the ESG Framework

Capital markets are increasingly focused on ESG performance, with significant pools of capital unable to be deployed until companies demonstrate adherence to ESG criteria. The Company's cornerstone investor, ARCH Sustainable Resources Fund LP ("ARCH SRF"), is an ESG-focused investor that raises and invests private capital in emerging markets to deliver long-term sustainable value. The investment deed between the Company and ARCH SRF specifically caters for co-investor rights for ARCH SRF's investors and the ESG Framework is critical to facilitating further investment.

**Amanda van Dyke, Managing Director of ARCH SRF, commented:**

*“ARCH believes that a mining company’s ability to produce sustainable metals, while having demonstrable ESG credentials, together gives it the best chance of success. The link between strong ESG practices and creating value has never been stronger. We looked at the entire graphite universe and came to the conclusion that Evolution has the ability to be a truly sustainable company that will positively contribute to the global transition to net zero. We are very excited about participating in Evolution’s development journey and it transitioning to a premier producer of sustainable graphite.”*

Regulatory changes are forcing western graphite customers, such as those in the European Union (EU), to become increasingly focused on the sustainability of raw material supplies. An example is the EU Taxonomy Regulation<sup>1</sup> which is a classification system for sustainable activities aimed at assisting the EU to meet its climate and energy targets for 2030. As the Company ramps-up its engagement with customers, a demonstrated commitment to ESG performance is central to meeting customers’ requirements and expectations, eventually positioning Evolution as a supplier of choice into these countries.

**Establishment of the ESG Committee**

The Company has established an independent ESG Committee to drive the integration of the ESG Framework into the Company’s business, to assess ESG performance and to advise the Board in relation to matters which involve ESG considerations or impact the Company’s ESG credentials. The members of the ESG Committee are ARCH SRF’s nominee to the Evolution board of directors, Amanda van Dyke, non-executive director, Phil Hoskins, and an independent ESG specialist who is yet to be appointed.

The ESG Committee, which is supported by a dedicated ESG Committee Charter, oversees performance against the Company’s ESG program and in the event of a material breach of ESG standards, members of the Evolution board of directors may be required to stand for re-election.

Through its relationship with ARCH SRF, Evolution is able to access ARCH SRF’s Head of ESG, Melanie Mann, who has over 18 years of experience working with financial institutions, advising them on their strategic approaches to ESG risk and opportunity management as well as transaction and portfolio management.

**ESG Framework**

The Company’s ESG Framework includes the development and adoption of key policies and plans as shown below.

Environmental	Social	Governance
(Updated) Environmental and Social Action Plan	(Updated) Relocation Action Plan	Corporate Governance Code
Biodiversity Action Plan	Stakeholder Engagement Plan	Anti-Bribery and Corruption Policy
Pollution Prevention and Low Carbon Emissions Policy	Cultural Heritage Management Plan	Gender and Diversity Policy
Climate Change Physical and Transitional Risk Assessment	Modern Slavery Policy	Engagement of Digbee ESG™ to monitor ESG performance
Occupational Health and Safety Policy	Local Content and Procurement Policy	

As development activities at Chilalo gain momentum, Evolution has commenced an accelerated community engagement program. The Company recognises that it is a guest in Tanzania and ensuring that the living standards of the communities around the Chilalo Project receive lasting benefit from the Company’s activities, is vital to the Company’s social licence to operate. To this end, Evolution plans to shortly recommence work

<sup>1</sup>[https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en)

to update the Relocation Action Plan and will do so in accordance with IFC standards. The Company has engaged local Tanzanian experts to work with international consultants in this process.

The Company has engaged MinViro to assess the carbon footprint associated with the Company's proposed mining operation at Chilalo as part of a process being undertaken by Evolution to investigate how a net zero carbon mining operation can be achieved at Chilalo.

### **Measuring ESG performance is essential**

In order to support the Company's commitment to ESG and to provide a third party validated assessment of ESG performance, Evolution has engaged Digbee ESG™ ("**Digbee**"). Digbee is an on-demand data, research and ESG platform for the mining industry endorsed by the industry's leading stakeholders, including financiers such as Black Rock, Orion Mining Finance and ARCH SRF.

Digbee's independent assessments are aligned with key global ESG standard setters including the World Bank, IFC, the International Raw Materials Association and the United Nations. Their assessments will enable Evolution's ESG program to be measured, transparently reported and benchmarked, which will allow the Company to identify areas for improvement and to promote the Company as an attractive investment proposition for a wide range of ESG-focused fund managers and financiers.

This announcement has been approved for release by the Evolution board of directors.

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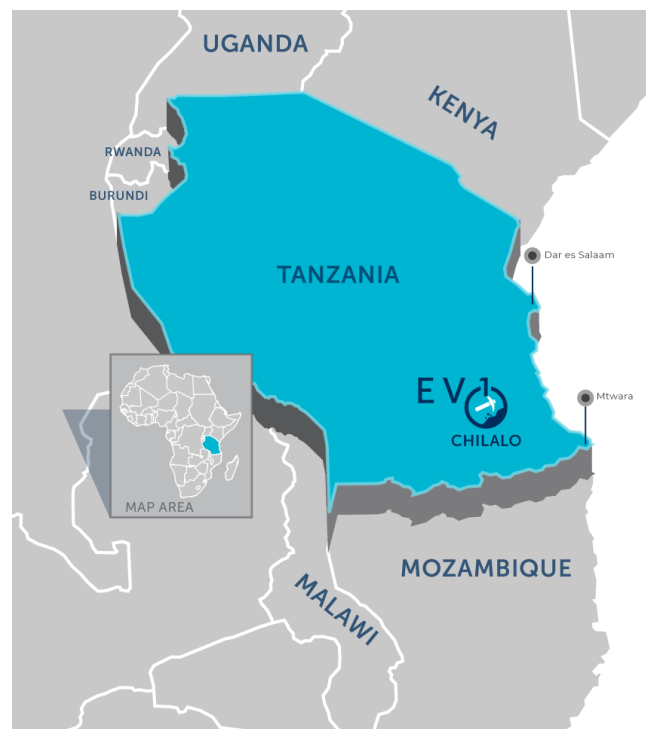
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## ABOUT EVOLUTION

Evolution is committed to supplying sustainable graphite solutions for the global green economy and in doing so, create the first net zero carbon graphite mine. A DFS confirmed the opportunity to produce high-quality flake graphite at Chilalo and the Company intends to apply Chilalo flake graphite to downstream processing to produce battery anode material, expandable graphite, micronised graphite and graphite foil.

The Chilalo Project hosts a high-grade mineral resource of 20.1Mt at 9.9% total graphitic carbon (TGC) for 1,991 Kt of contained graphite, as shown in the table below.



Chilalo Mineral Resource Estimate<sup>2</sup>

Domain	JORC Code Classification	Zone	Million Tonnes (Mt)	TGC (%)	Contained Graphite (Kt)
High Grade	Indicated	Main	9.2	10.6	982
		North-East	1.0	9.5	100
		<b>All</b>	<b>10.3</b>	<b>10.5</b>	<b>1,082</b>
	Inferred	Main	7.4	9.5	704
		North-East	2.3	8.8	205
		<b>All</b>	<b>9.8</b>	<b>9.3</b>	<b>908</b>
	Indicated + Inferred	<b>All</b>	<b>20.1</b>	<b>9.9</b>	<b>1,991</b>
Low Grade	Inferred	Main	37.8	3.4	1,282
		North-East	9.5	4.1	394
		<b>All</b>	<b>47.3</b>	<b>3.5</b>	<b>1,677</b>
<b>High Grade + Low Grade</b>	<b>Indicated + Inferred</b>	<b>All</b>	<b>67.3</b>	<b>5.4</b>	<b>3,667</b>

*The Mineral Resource was estimated within constraining wireframe solids using a core high-grade domain defined above a nominal 5% TGC cut-off within a surrounding low-grade zone defined above a nominal 2% TGC cut-off. The mineral resource is quoted from all classified blocks above a lower cut-off of 2% TGC within these wireframe solids. Differences may occur due to rounding.*

<sup>2</sup> The Chilalo Mineral Resource estimate was reported by Evolution in the prospectus dated 28 September 2021, as supplemented by a supplementary prospectus dated 6 October 2021 (collectively, the Prospectus). Evolution confirms that it is not aware of any new information or data that materially affects the Chilalo Mineral Resource estimate included in the Prospectus and that all material assumptions and technical parameters underpinning the Chilalo Mineral Resource estimate in the Prospectus continue to apply and have not materially changed.