

27 November 2023

Sustainability & Climate Strategy

- **Sustainability Strategy developed based on four pillars: Planet, People, Partnerships & Processes, and Prosperity**
- **Climate & Energy Strategy further developed and integrated with the overarching Sustainability Strategy**
- **Revised greenhouse gas assessment shows Phase 1 Scope 1,2 & 3 emissions estimates are more than 43% below the hard rock lithium industry average**
- **Human Rights gap assessment completed and associated action plan integrated with our People Strategy**
- **New Sustainability & Climate Strategies are designed to be bankable, meeting the most stringent lender requirements at the current stage of business development**

Lepidico Ltd (ASX:LPD) (“Lepidico” or “Company”) is pleased to advise that the Board has adopted the recently developed Sustainability Strategy which is built on four pillars: Planet, People, Partnerships & Processes, and Prosperity, as summarised in the appended slides. The Sustainability Strategy was reviewed and approved by Lepidico’s Sustainability, Audit and Risk Committee.

These Strategies were developed by IBIS Consulting in collaboration with Lepidico’s management and are aligned with the UN Sustainable Development Goals; the International Council on Mining and Metals principals; the Taskforce on Climate-related Financial Disclosures; and the Intergovernmental Panel on Climate Change’s latest assessment report.

IBIS Consulting also undertook a Human Rights gap analysis of Lepidico’s systems, which generated an action plan that will be progressively implemented through the project development phase and into operations. Lepidico is committed to the safety and well-being of its employees, contractors and the community, diversity, equity, inclusion and respect for human rights.

The Sustainability Strategy is founded on a materiality assessment to identify and prioritise the sustainability topics of greatest impact to the business and of greatest importance to Lepidico’s stakeholders.

Embedded within the Climate Change and Energy Strategy is a commitment to follow a Paris agreement aligned decarbonization pathway, which is compatible with a 1.5°C temperature scenario in our own operations. The Strategy supports decarbonization via Lepidico’s innovative proprietary low carbon lithium manufacturing solutions, as well as by progressive electrification,

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implementation of new adaptation solutions across operations and support of host communities to adapt to the physical impacts of climate change.

The goal is net zero by 2050 with specific targets set at years 2035, 2040 and 2050. The KPIs are focused on scope 1, 2 and 3 GHG emissions targets and efficient non-carbon generating energy usage.

IBIS Consulting also conducted a revised GHG assessment that shows the Phase 1 Project's Scope 1,2 & 3 emissions estimates are more than 43% below the hard rock lithium industry average. IBIS states, "Comparing Lepidico's expected GHG emissions intensity of 12.57 tCO₂e/t LiOH to the benchmark average¹ of 22.30 tCO₂e/t LiOH, it is evident that Lepidico will potentially outperform the industry average." Previously Lepidico has stated Scope 1 & 2 emissions only.

Modern sustainability and climate strategies are designed to be bankable and Lepidico's Sustainability Strategies meets the most stringent lender requirements at the company's current stage of development.

The Managing Director has authorised this announcement for release to the market.

¹ Benchmark values obtained from literature and well-known global organisations: the International Energy Agency and Scientific Journal Articles

About Lepidico Ltd

Lepidico is an innovative developer of sustainable lithium hydroxide and other critical minerals, and the global leader in lithium mica processing.

With a tech-focused, ESG-led business model that is pilot-proven, our first commercial lithium production – manufactured far more sustainably than by conventional chemical conversion methods – is due in 2026. The Phase 1 Project will provide a meaningful contribution to the decarbonisation of the world's alkali metals supply chains. We are also working to grow our business with our second project, Phase 2. Other businesses have already begun to licence our patented-protected L-Max[®] and LOH-Max[®] technologies providing an avenue for royalty revenues.

For more information, [please visit our website](#).

Further Information

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Forward-looking Statements

All statements other than statements of historical fact included in this release including, without limitation, statements regarding future plans and objectives of Lepidico, are forward-looking statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Lepidico that could cause Lepidico's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this release will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Lepidico does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this release, except where required by applicable law and stock exchange listing requirements.



LEPIDICO

Sustainability Strategy & Commitments Summary

November 2023



Sustainability Strategy on a Page

Alignment

UN Sustainable Development Goals; International Council on Mining & Metals principles; Taskforce on Climate-related Financial Disclosures; & Intergovernmental Panel on Climate Change

Our Purpose

Commitment to Critical Minerals for a healthier planet

We Achieve This By

Pillars & Action Areas

Minimizing environmental impact through efficiencies, behaviour change, & decreasing reliance on resources

Ensuring the safety & well-being of employees, contractors & the community
Driving diversity, equity, inclusion & respect for human rights

Active board oversight & engagement, supported by world-class policies & standards, transparent reporting & proactive stakeholder engagement

Contributing to the development of a low carbon economy through technology, innovation and sustainable mining

PLANET

Energy & Climate Change

Water

Waste

Rehabilitation & Closure

PEOPLE

Health & Safety

Diversity, Equity & Inclusion

Human Rights

Communities

PARTNERSHIPS & PROCESSES

Ethics

Corporate Governance

Stakeholder Engagement

Reporting

PROSPERITY

Economic Return

Technology

Research & Development

Sustainability Excellence

Our Values

Integrity

We Operate with **Integrity** – we are accountable and own the responsibility to do the right thing, always

Collaboration

We **Collaborate** – through leadership and teamwork we forge partnerships for a greater good

Resilience

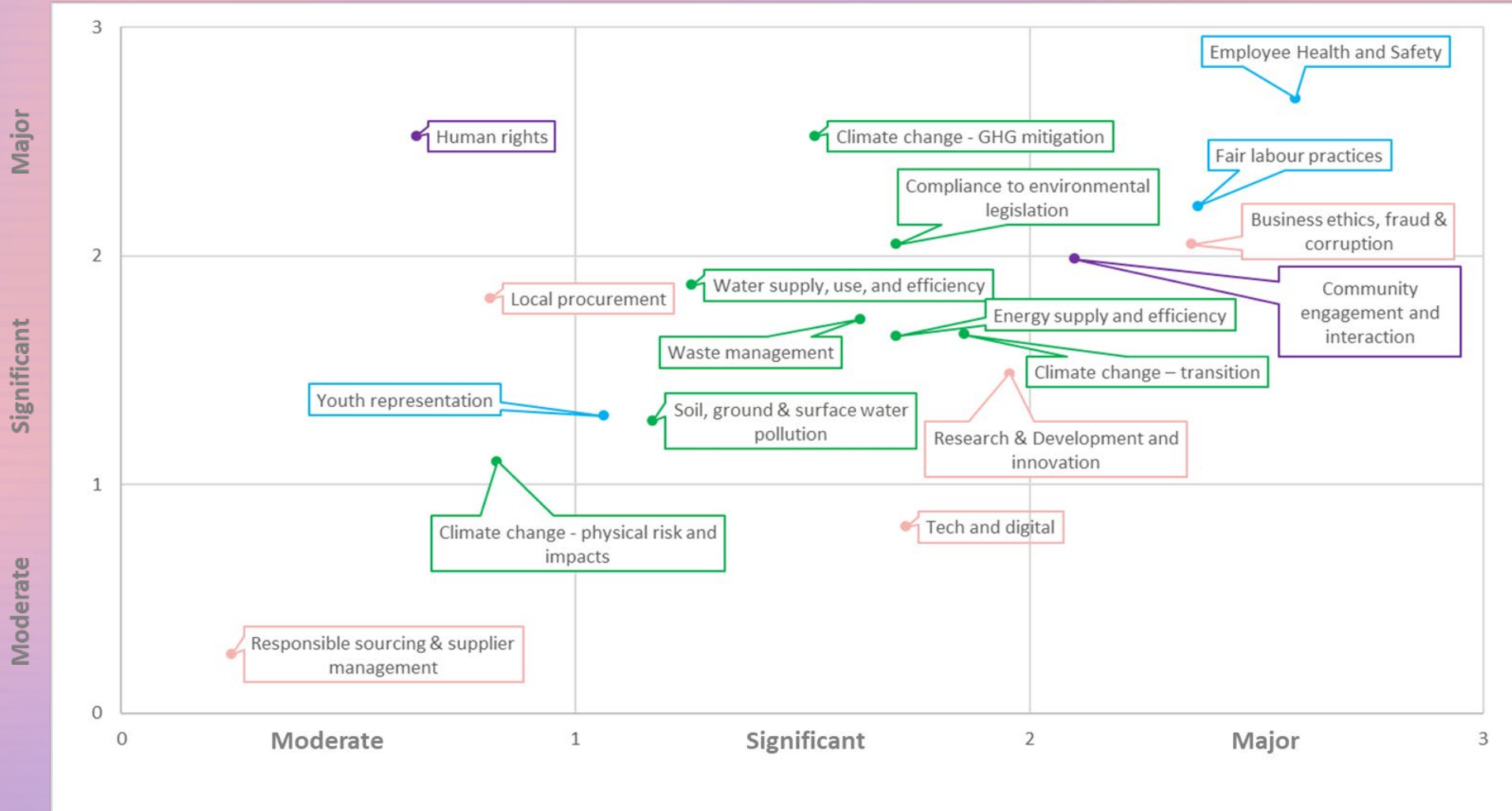
We are **Resilient** – we are determined to thrive and deliver best results

Starting the Journey – Materiality Matrix

Materiality assessment undertaken to identify & prioritise the sustainability topics of greatest impact to the business & greatest importance to Lepidico's stakeholders – which informed our strategy focus

Importance to Stakeholders

(e.g., regulators, local government, end consumers, customers, banks, suppliers and employees, and communities)



Impact to the business

(e.g., in terms in terms of growth, cost or risk)

Key
 Social
 Environment
 Human
 Capital
 Governance

Climate Change & Energy Summary



Commitments

- We will follow a Paris Agreement aligned decarbonization pathway which is compatible with a 1.5 degree temperature scenario in our own operations
- We will support decarbonization of other value chains by providing innovative, low carbon lithium solutions, which promote increased electrification
- We will implement operational level adaptation solutions and support host communities to adapt to the physical impacts of climate change

Goals

- 2050 Goal: Net zero

Targets (2035)

- 30% renewable electricity use at Karibib & UAE operations
- 6% scope 1 GHG emissions reductions
- Set scope 3 GHG emissions reduction targets
- Review & update all targets 1 year after operation startup

Targets (2040)

- 60% renewable electricity at UAE operations
- Renewable power at Karibib up to the max allowed by the Electricity Control Board (or 60%)
- 40% scope 1 GHG emissions reductions

Targets (2050)



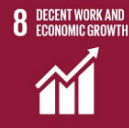


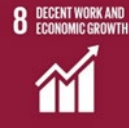
- 95% GHG emissions reductions
- 5% offsets for net zero

KPIs

- Scope 1, 2 and 3 greenhouse gas (GHG) emissions (tonnes CO₂e)
- GHG emissions intensity (tonnes CO₂e per unit of lithium produced)
- GHG emissions abated (tonnes CO₂e)

- Energy usage (broken down by fuel type) (GJ)
- Renewable energy generated and purchased (kWh)
- Energy efficiency (GJ per unit of lithium produced)
- Adaptation guideline and plans

Other Key Action Areas: Commitments, Goals and Targets

Action Area	Commitments	Goals	Targets
Water 	<ul style="list-style-type: none"> We will implement water stewardship practices to reduce freshwater withdrawals & ensure adverse water quality impacts on local & regional water resources are avoided We will implement strong and transparent water governance & collaborate with stakeholders at a catchment level 	<ul style="list-style-type: none"> Minimal freshwater withdrawals Zero discharges to the environment 	<ul style="list-style-type: none"> Align water reporting with the ICMM water reporting guidance Achieve zero uncontrolled water discharges
Waste 	<ul style="list-style-type: none"> We will actively manage mineral & non-mineral waste by applying the mitigation hierarchy & actively pursue partnerships to increase recycling & minimize environmental impacts 	<ul style="list-style-type: none"> Zero mineral waste to landfill Responsibly manage waste facilities & waste rock dumps 	<ul style="list-style-type: none"> Develop baseline for a target to be set by 2030 for reduction in landfill waste Group waste management standard & plans aligned to the Global Industry Standard on Tailings and Waste Management (GISTM)
Health & Safety 	<ul style="list-style-type: none"> We will pursue continual improvement in physical & psychological health & safety performance with the aim of zero harm 	<ul style="list-style-type: none"> Zero Lost Time Injuries 	<ul style="list-style-type: none"> Year-on-year reduction of recordable injury frequency
Diversity, Equity & Inclusion 	<ul style="list-style-type: none"> We will respect human rights, create an inclusive workplace where all voices are heard & all cultures, customs & values respected We will work to improve the experiences of all workers & eradicate discrimination, harassment, & assault of any kind in our workplace 	<ul style="list-style-type: none"> An inclusive, psychologically safe & diverse workplace, respect for the rights of all workers 	<ul style="list-style-type: none"> 40% of women in senior leadership by 2030
Communities  	<ul style="list-style-type: none"> We will implement inclusive approaches with local communities to identify their development priorities We will support in developing resilience & prosperity to our host communities, beyond the life of our mines 	<ul style="list-style-type: none"> Engage host communities & support local employment, procurement, education & skills to leave a positive legacy 	<ul style="list-style-type: none"> 20 % of procurement from host communities 10% of host community employment CSR commitments TBA

ESG excellence

Water intensity

- 33m³/t LCE, 44% allocation to LiOH
- 20% Namibia/80% UAE for first 5 years
- 85% of concentrator water recycled



Competitive carbon intensity

- IBIS reported, “Lepidico will potentially outperform the industry average” LiOH emissions intensity
- 12.6t CO₂-e/t LiOH Scope 1, 2 & 3 emissions versus 22.30t CO₂e/t LiOH benchmark avg
- Renewable power and green hydrogen can lower emissions substantially
- Carbon credits from by-products

Biodiversity

- ESAs identify no material impacts

Land use intensity

- 962Ha integrated project on predominantly industrial land
- Mine closure plan to return land to agricultural use
- No TSF required
- No sodium sulphate produced
- UAE zero solid process waste

Governance

- Experienced board of directors with complementary skills
- All Namibian leadership team
- Diversity – top 5% on ASX¹
- Sustainability & best practice ESG integrated with strategic planning

Social

- Zero harm H&S track record
- Creation of 115 direct jobs and +800 indirect jobs in Namibia
- Creation of 119 direct jobs in UAE
- Water supply to local farmers
- Community maternity clinic built



Benedicta Uris

General Manager Sustainability

¹ *ellect*, gender equality rating: <https://www.ellect.biz/>