



Lithium
Australia

Sustainability Report 2024

Sustainability Report

2024

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FY2024

Highlights

38%

Female Workforce

5% increase from
FY2023



A\$2.2m

Gross Profit

53% increase from
FY2023



306.29

(tCO₂)

Down 49.71 metric
tonnes from FY23



1542t

Batteries diverted from landfill

14% increase from FY2023



1 Outstanding environmental matter

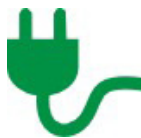
0 increase from FY2023



389MWh

Electricity
consumed

55.25MWh decrease
from FY2023



First Nations Strategy

Developed to
support diversity
and inclusion



1 Lost Time Injury

0 increase from
FY2023



Safety Culture

Improved safety systems to
track and measure lead and
lag indicators



ESG Training

Literacy training completed



Increased focus on ESG

Closure of majority
of defined ESG
Roadmap actions



4 Exclusive Commercial Agreements

Including product
off-take and recycling
services arrangements for
our recycling division



A\$6.7m

Revenue

22% increase
from FY2023



Commitment to Sustainability

AT LITHIUM AUSTRALIA, SUSTAINABILITY UNDERPINS EVERYTHING WE DO

At Lithium Australia, sustainability is central to our technology platforms. In our sustainability performance, we focus on reducing our environmental impact, fostering social equity, and driving growth through responsible practices. Our sustainability strategy includes three main areas: Environmental Stewardship, Social Responsibility, and Governance.

- Environmental Stewardship - We work to lower our carbon footprint, improve energy efficiency, and reduce waste through recycling technologies and responsible sourcing. Our recycling operations and LieNA® technology are key examples of these efforts.
- Social Responsibility - We are committed to diversity and inclusion, supporting local communities, and engaging with stakeholders. Our First Nations Strategy promotes inclusion and provides opportunities for underrepresented groups.
- Governance - We maintain high standards of corporate governance, focusing on ethical business practices, and delivering on our ESG roadmap.

ABOUT THIS REPORT

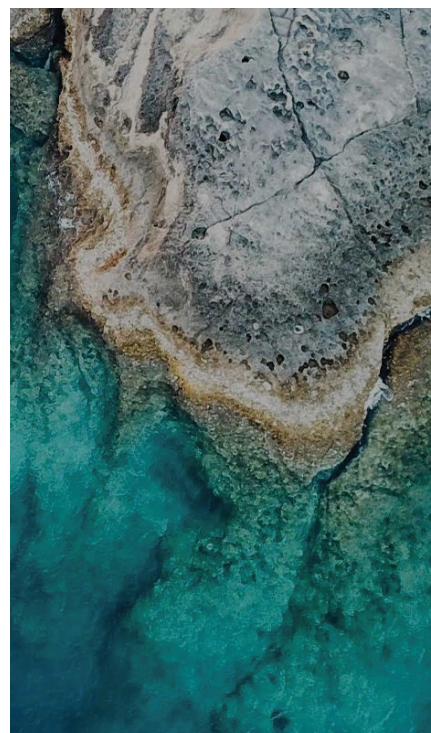
This report provides an overview of our sustainability performance during the 2024 Financial Year. It covers our progress towards sustainability goals, key achievements, and the initiatives we have undertaken to uphold our environmental, social, and governance (ESG) commitments.

The data in this report is presented accurately and transparently, reflecting our commitment to providing stakeholders with a clear view of our sustainability efforts. From advancements in battery recycling to improved safety protocols, this report highlights our ongoing commitment to making a positive impact.

LOOKING AHEAD

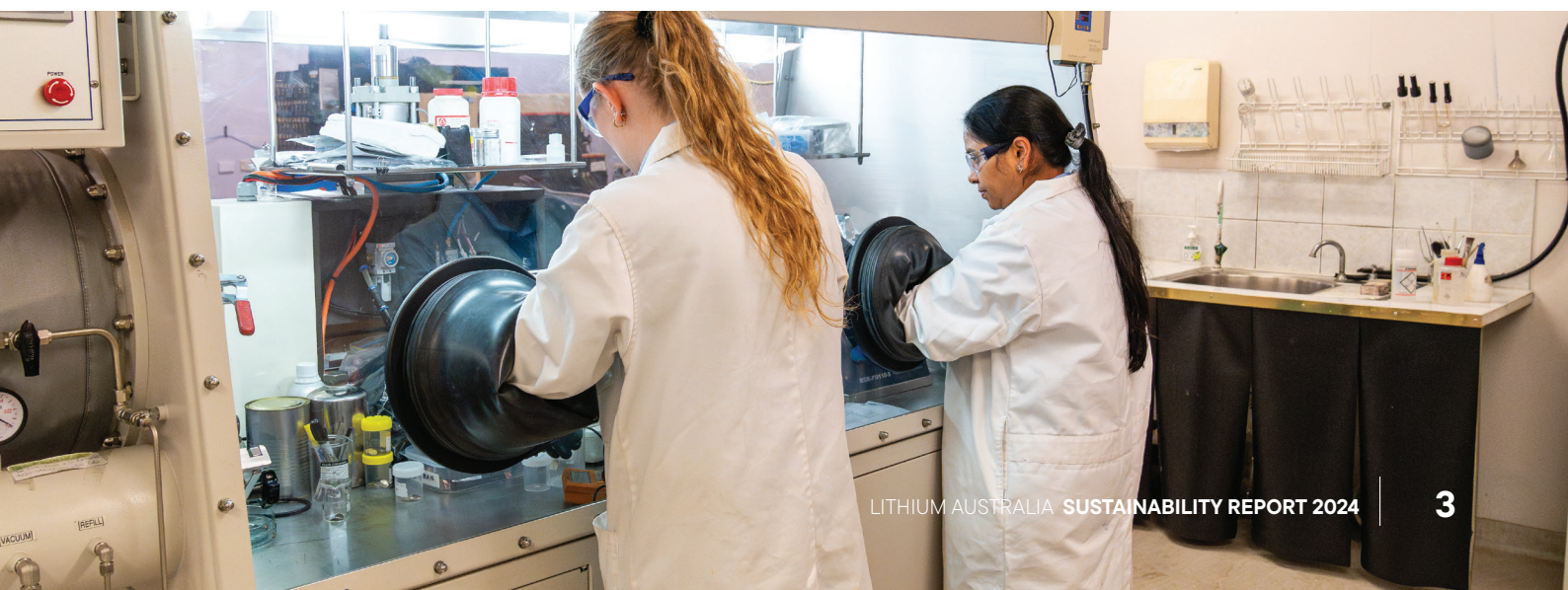
Our focus will remain on innovation, expanding our sustainability initiatives, and strengthening partnerships. Sustainability is a continuous journey, and we are committed to improving our practices and achieving new goals in and with the industry.

We invite you to explore this report and learn more about our efforts to build a more sustainable future.



Lithium Australia

Lithium Australia Limited ('Lithium Australia' or 'the Company') aims to lead and enable the global transition to sustainable lithium production. The Company is aiming to achieve this through its three business divisions: Battery Recycling, Lithium Chemicals, and Battery Materials. Lithium Australia is well-placed, via its patented technologies and market leading battery recycling business, to capitalise on favourable market dynamics including the continued global demand growth for lithium-ion batteries and growing diversification and adoption of alternatives within global lithium supply chains.



Message from our Managing Director & CEO

As we reflect on the achievements of FY2024, Lithium Australia continues to make significant advances in our mission to lead the global transition to sustainable lithium-ion battery production. Our commitment to sustainability underpins every facet of our operations, from pioneering innovative technologies to fostering a culture of safety and inclusivity within our workforce. This year, we have not only strengthened our value proposition but also advanced our strategic goals with tangible outcomes that align with our core values.

One of our most notable achievements has been in battery recycling, where we saw a 14% increase in the collection of lithium-ion batteries, totaling 1,542 tonnes. This was made possible through our exclusive recycling agreements with major OEMs, including LG Energy Solution and Hyundai Glovis, which have significantly strengthened our capacity to process large-format LIBs. These partnerships are a testament to our strategic focus on expanding our recycling capabilities and reinforcing our commitment to environmental stewardship.

In addition to our environmental efforts, we have maintained a strong focus on safety – a core value that is deeply embedded in our organisation. I am proud to report that we have improved our safety culture over the past year however still recorded one lost time injury incident, reflecting the need for ongoing dedication to maintaining a safe working environment. The successful rollout of the Myosh safety management system has further enhanced our ability to manage safety risks and assist with compliance with health and safety regulations across all operations.

As we look to the future, our strategic partnerships and innovations, such as the ongoing development of our LieNA® technology, position us well to continue driving sustainable growth. We remain committed to delivering against our ESG roadmap, with most tasks now complete, and to building on the solid foundation we have established this year. Together, we will continue to pursue our vision of enabling the global transition to a circular battery industry, essential for decarbonising the global economy.

Finally, I want to extend my thanks to all our staff, partners, and stakeholders for their dedication and hard work. It is through your commitment and passion that we continue to achieve these milestones.



Simon Linge
Managing Director & CEO



“Sustainability is more than environment. It is that all aspects of the way we think and act in our business are sustainable, be that in our engagement with external stakeholders the relations with and between our people and of course the environment in which we operate. In short it is always about doing the right thing.”



Corporate Governance

GOVERNANCE STRUCTURE

Lithium Australia is committed to maintaining high standards of corporate governance, ensuring accountability, transparency, and ethical conduct throughout its operations. The Company's governance structure is designed to provide effective oversight and strategic guidance, promoting long-term sustainability and value creation.

BOARD OF DIRECTORS

The Board of Directors is responsible for overseeing the implementation of corporate governance policies and ensuring compliance with legal and regulatory requirements. The Board is composed of experienced professionals with diverse backgrounds, bringing a wealth of knowledge and expertise to the company. The Board includes both executive and non-executive members, promoting a balanced approach to decision-making.

The Board of Directors at Lithium Australia is responsible for setting the company's strategic direction and vision, approving major corporate initiatives and investments, overseeing risk management and internal controls, ensuring compliance with corporate governance principles and ethical standards, and monitoring the company's performance to ensure accountability to stakeholders.



AUDIT AND RISK COMMITTEE (ARC)

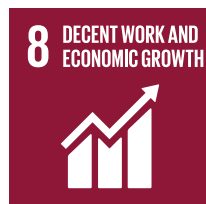
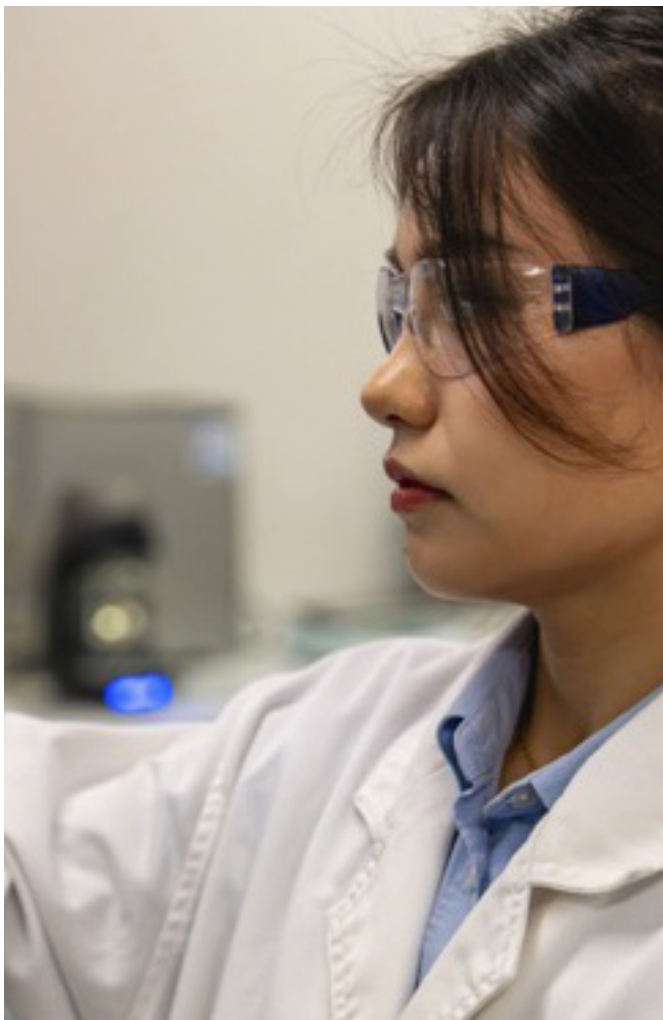
The Audit and Risk Committee (ARC), a sub-committee of the Board, assists in fulfilling the Board's oversight responsibilities. The ARC is tasked with reviewing the company's financial statements to ensure their integrity, overseeing the risk management framework and internal control systems, monitoring compliance with regulatory requirements and corporate policies, and evaluating the effectiveness of the company's audit processes.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee supports the Board in matters related to governance and human resources. Its responsibilities include reviewing and recommending candidates for Board and senior management positions, overseeing the company's remuneration policies and practices, ensuring that compensation structures align with the company's strategic objectives and performance, and promoting diversity and inclusion within the Board and management.

SAFETY & SUSTAINABILITY LEADERSHIP COUNCIL (SSLC)

Established in FY23, the Safety & Sustainability Leadership Council (SSLC) plays a crucial role in managing and promoting safety and sustainability within the workplace. The SSLC's key functions include developing and implementing effective health, safety, and environmental policies and procedures, ensuring compliance with relevant regulations and standards, regularly reviewing and improving the effectiveness of safety and sustainability programs, and reporting to the Board on safety and sustainability matters. To allow increased focus, the SSLC will be split into two committees in FY25, one for safety and one for sustainability.



Compliance & Ethical Standards

POLICIES, CODES OF CONDUCT, AND TRAINING PROGRAMS

Lithium Australia is dedicated to upholding the highest standards of compliance and ethical behaviour across all its operations. We have an established set of policies that guide our employees, directors, and officers in their professional activities. These policies are designed to ensure ethical behaviour, promote transparency, and foster a culture of integrity.

Our Code of Conduct sets clear expectations for ethical behaviour and professional conduct, covering various aspects, including respect in the workplace, integrity in business dealings, and responsibilities towards stakeholders. All employees are required to comply with the Code of Conduct with any breaches taken seriously and addressed promptly.

To support the adherence to these policies, Lithium Australia has implemented training programs. These programs support the effective launch of new policies and standards and include periodic updates on key areas such as Code of Conduct, Discrimination, Harassment & Bullying, Health, Safety, Environment and Community, Modern Slavery, and Whistleblowers Protection policy. Training is recorded and seeks to ensure that all employees are aware of their responsibilities and the importance of maintaining high ethical standards in their daily work. These policies are fully communicated to all new starters as part of an integrated induction and onboarding program.

COMPLIANCE WITH LAWS AND REGULATIONS

Lithium Australia seeks to ensure adherence to all applicable laws and regulations at local, state and federal levels. This commitment to compliance is overseen by the Audit and Risk Committee (ARC), which ensures that our practices meet the required legal and regulatory standards.

We conduct periodic internal audits and reviews to monitor compliance with relevant laws and regulations. These audits cover various aspects of the business, including financial reporting, payroll, environmental impact, health and safety, and operational practices. Any areas of non-compliance are addressed promptly, with corrective actions implemented to prevent future occurrences.

In addition to internal audits, Lithium Australia engages with external auditors and regulatory bodies to ensure transparency and accountability. The Company maintains open communication with these entities, providing them with necessary information and cooperating fully during inspections and reviews.



Risk Management

Lithium Australia is dedicated to maintaining an effective risk management framework to ensure the company’s resilience and long-term success. The Board of Directors holds ultimate responsibility for the oversight of risk management within the Company. Our risk management approach includes the following key elements:

The Board ensures that risk management is integrated into the Company’s strategic planning and operational processes. This involves setting policies for risk oversight and internal compliance, ensuring they align with the Company’s objectives.

A Crisis Management Plan is in place to outline the Company’s response and management structure during critical incidents. The Crisis Management Team (CMT) leads this process, ensuring a standardised and effective approach to crisis management across all Lithium Australia sites and subsidiaries.

Annual critical risk reviews are conducted to assess and manage key risks, grouped into categories such as compliance, environmental, financial, health & safety, IT, market & technology, and operational risks. This process ensures that high-risk issues are addressed promptly with appropriate control measures.

The risk management framework is regularly reviewed and updated to adapt to changing internal and external conditions. This ensures that Lithium Australia’s risk management practices remain current and effective.

Our corporate values, developed through workshops with the Board, Executive Leadership Team and employees, underpin our approach to risk management. This fosters a culture of ethical conduct, responsibility, and proactive risk management across the company.

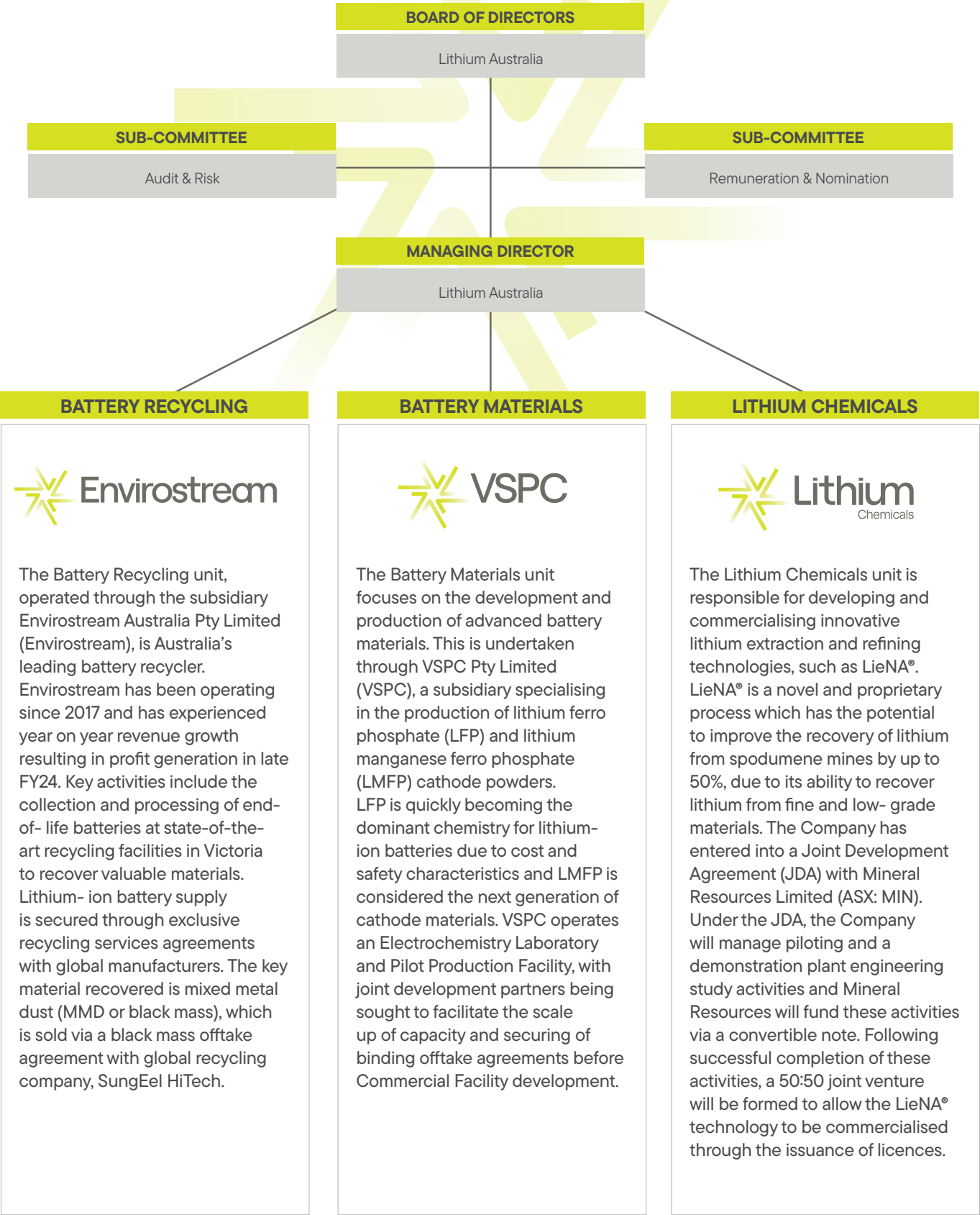


Supply Chain Management

Lithium Australia places a strong emphasis on responsible sourcing and ethical supply chain management. Our approach to procurement is guided by principles of transparency, accountability, and environmental responsibility. We work closely with our suppliers to ensure that all materials, components, and services align with our sustainability goals and ethical standards. This includes adhering to a modern slavery framework and implementing rigorous guidelines to prevent human rights violations across our supply chain. By fostering collaborative relationships with our partners, we are able to secure high-quality materials that support our innovative technologies while maintaining our commitment to sustainability and ethical business practices.

Progress on our ESG Roadmap			
Governance	Planet	People	Prosperity
<p>COMPLETE</p> <ul style="list-style-type: none"> ESG Literacy Training ESG added to Board Agenda Bribery and Corruption incidents reported Risk Management Framework Board Risk Workshop Grievance policy and reporting mechanism Ethics Training Community Engagement Policy <p>IN PROGRESS</p> <ul style="list-style-type: none"> Diversity Register for Board/staff/ key consultants Mechanism for reporting ethical issues confidentially 	<p>COMPLETE</p> <ul style="list-style-type: none"> Environmental Policy <p>IN PROGRESS</p> <ul style="list-style-type: none"> TCFD implementation to be identified and reported 	<p>COMPLETE</p> <ul style="list-style-type: none"> Diverse hiring strategy Remuneration Policy Inclusion / Diversity Policy Strategy to promote and ensure equal pay Health and Safety Policy Inductions for each operational site Modern Slavery Policy Non-discrimination and Anti-harassment Policy Training Register Recruitment, Retention and Termination Policies Employee Training Plan Diversity breakdown indicators Supplier Code of Conduct 	<p>COMPLETE</p> <ul style="list-style-type: none"> Employee Retention Guide Process to record new hires and turnover split by diversity indicators. First Nation’s Strategy <p>IN PROGRESS</p> <ul style="list-style-type: none"> Local Procurement Policy

Lithium Australia operates through several business units, each focusing on different aspects of the lithium-ion battery value chain. These units work together to advance the company’s mission of enabling the global transition to sustainable energy. Lithium Australia’s governance structure ensures that each business unit operates under the strategic guidance and oversight of the Board of Directors. From a governance and strategy perspective the business units— Battery Recycling, Lithium Chemicals, and Battery Materials, — coordinate to ensure alignment with the company’s strategic goals. They report to the Board via the CEO, ensuring compliance with corporate governance principles and contributing to sustainability objectives.



Sustainability Strategy & Goals

Lithium Australia’s vision is to lead and enable the global transition to sustainable lithium-ion battery production through innovative technology platforms. Our mission is to contribute to a better world by recycling end of life batteries, advancing lithium chemicals and battery materials technologies, and promoting a circular battery industry essential for decarbonising the global economy.



Alignment with Business Strategy

Lithium Australia’s sustainability strategy is intricately aligned with our overall business strategy, ensuring that all operations contribute to sustainable development goals. Each business unit play a pivotal in executing this strategy.

Battery Recycling: Through operation of Australia’s leading battery recycling facilities, we ensure valuable materials are recovered and reused, reducing waste and supporting a circular economy.

Lithium Chemicals: Through development of innovative lithium extraction technologies, such as LieNA® which aims to recover lithium from fine and low-grade materials, we are supporting sustainable and efficient lithium extraction.

Battery Materials: Through development of advanced cathode materials like lithium ferro phosphate (LFP) and lithium manganese ferro phosphate (LMFP) we aim to assist in the sustainable energy transition.

Sustainability Strategic Goals



SUSTAINABILITY

Achieving zero harm to people, minimising environmental impact, and driving towards a zero-carbon environment.



INNOVATION

Developing and commercialising cutting-edge lithium extraction and refining technologies



CIRCULAR ECONOMY

Enhancing battery recycling processes to divert end-of-life batteries from landfills and repurpose materials for new battery production.



Company Values - SPARCS

The Company’s values, represented by the acronym SPARCS—Safety, People, Active, Respect, Creative, Sustainability—drive our sustainability performance and reporting. By aligning our vision, mission, and strategic goals with these core values, Lithium Australia aims to lead the industry in sustainable practices, contributing significantly to global decarbonisation efforts and fostering long-term environmental stewardship.

SAFETY	We choose safety first, every time
PEOPLE	We take a people centered approach
ACTIVE	We act in a purposeful way that involves positive action
RESPECT	We respect and trust each other and all have a voice
CREATIVE	We use technology to develop innovative solutions to accelerate global electrification
SUSTAINABLE	We each play a role in making the world a better place

Performance Monitoring and Reporting

Lithium Australia is committed to aligning its sustainability performance with the United Nations Sustainable Development Goals (SDGs) and the Global Reporting Initiative (GRI) standards. This alignment ensures that the Company's sustainability efforts contribute to global sustainability objectives and adhere to internationally recognised reporting frameworks.



Reporting Processes and Frequency

Lithium Australia is dedicated to transparency and accountability through regular sustainability reporting, aligned with SDGs and GRI standards. The Company's reporting processes are designed to provide stakeholders with accurate and timely information on its sustainability performance. This annual Sustainability Report details performance across environmental, social, and governance (ESG) dimensions. By aligning with GRI standards and contributing to SDGs, the report ensures consistency and comparability with global sustainability practices.

In addition to this annual Sustainability Report, Lithium Australia provides quarterly updates on specific sustainability metrics as part of its regular financial and operational reporting. These updates offer stakeholders a more frequent view of the Company's progress and any significant developments in its sustainability initiatives.

The reporting processes involve thorough internal reviews and validations to ensure the accuracy and reliability of the reported data. The Audit and Risk Committee (ARC) oversees the reporting processes, ensuring that all disclosures meet regulatory requirements and reflect the Company's commitment to transparency and alignment with SDGs and GRI standards.



Monitoring and Measurement of Sustainability Performance

Lithium Australia systematically monitors and measures its sustainability performance across various areas, including environmental impact, social responsibility, and governance practices. This approach allows the Company to identify opportunities for improvement and implement effective strategies to enhance its sustainability outcomes.

Environmental Stewardship

At Lithium Australia, our commitment to environmental sustainability is integral to our operations and aligns with Our Purpose, Our Values, and our Code of Conduct. Guided by our comprehensive Health, Safety, Environment, and Community (HSEC) policy, we prioritise reducing ecological impact and promoting sustainable practices. We adhere to environmental laws and regulations, implement practical and effective controls to mitigate environmental risks, and aim for efficient resource use. Our commitment extends to reducing pollution and continuously improving our environmental performance. By engaging transparently with local communities and respecting their values, we aim to be responsible corporate citizens, contributing to global efforts to combat climate change and protect natural resources.



In FY24, Lithium Australia made significant progress in its battery recycling efforts, collecting a total of 1,542 tonnes of batteries, of which 54% were lithium-ion batteries (LIBs). The company saw an 14% increase in LIB collection volumes compared to the previous year, driven by a focus on large format LIBs which experienced a remarkable 170% increase on the previous year. This impressive growth was driven by recycling services agreements including LG Energy Solution, Volvo Group and Hyundai Glovis. The installation of a new shredder at the Campbellfield facility increased recycling throughput by approximately 37%, and process optimisation work resulted in up to 25% greater Mixed Metal Dust (MMD) yield per tonne of lithium-ion batteries processed. These efforts underscore Lithium Australia’s commitment to environmental stewardship and sustainable development.

Key elements of the environmental policy include:

Sustainable Resource Use: Lithium Australia emphasises the efficient use of resources and strives to reduce waste generation through prevention, reduction, recycling, and reuse initiatives.

Pollution Prevention: The Company is committed to preventing pollution by minimising emissions, discharges, and waste in its operations. This includes the safe handling and disposal of hazardous materials.

Continuous Improvement: Regular audits and assessments are conducted to identify areas for environmental performance improvement, ensuring ongoing development and adherence to best practices.

Stakeholder Engagement: The Company actively engages with stakeholders, including employees, communities, regulators, and industry partners, to foster a collective commitment to environmental stewardship.



What does sustainability mean to you?

Andrew Napier
GM Technology Development

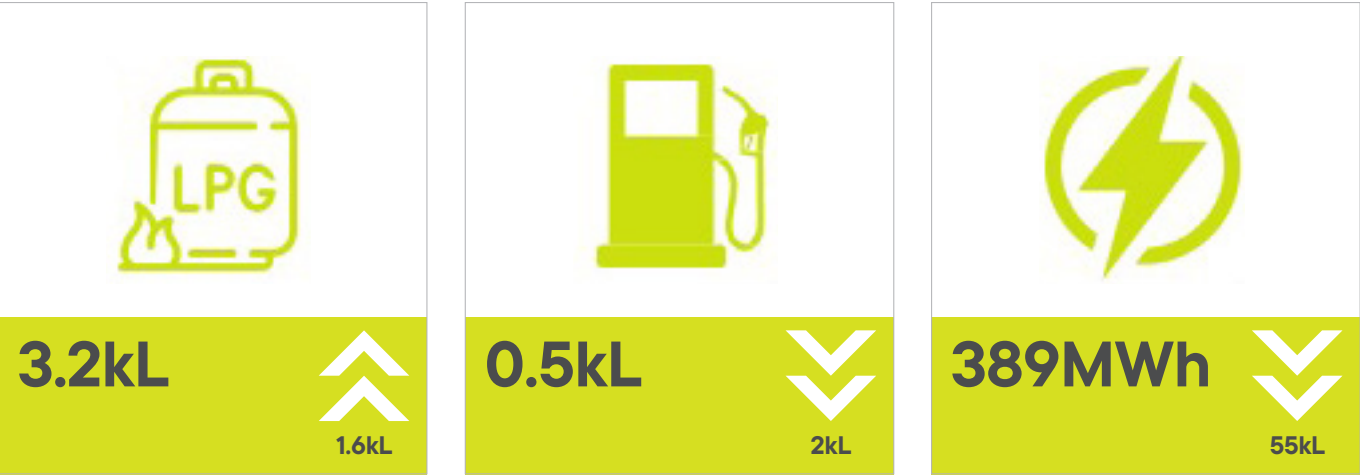
To me, sustainability means meeting current needs while enabling future generations to meet theirs, through targeted environmental, economic, and social development practices.



Energy Management

Lithium Australia is committed to responsible energy consumption and management practices to minimise its environmental impact and support sustainable development. We collate energy data as part of the determination of carbon intensity and use this information to manage our energy use across all operations, ensuring efficiency and sustainability are prioritised, where practicable.

Energy Consumption Data



Initiatives for Energy Efficiency

Lithium Australia focuses on optimising its energy use to improve efficiency and reduce its environmental footprint. The Company continuously seeks ways to improve operational practices and invest in technologies that support energy efficiency.

Key Initiatives:

Operational Optimisation - The RC Process in the Battery Materials division is continuously optimised to reduce water and energy usage, ensuring the process remains efficient and sustainable.

Stakeholder Engagement - Engaging with stakeholders to gather insights and feedback on energy management strategies, ensuring alignment with best practices and



Energy Use and Targets for Reduction

Lithium Australia tracks its energy use through regular data collection and analysis, setting targets for reduction to drive continuous improvement. The Company is committed to achieving significant reductions in energy consumption by implementing effective energy management practices and investing in energy-efficient technologies.

KEY INITIATIVES

Short-Term Goals: Implement immediate, practical measures to reduce energy consumption across all operations.

Long-Term Goals: Invest in renewable energy sources and innovative technologies to achieve substantial reductions in overall energy use and minimise the carbon footprint.

Water Management

Lithium Australia is committed to responsible water usage and conservation practices as part of its sustainability strategy. The Company recognises the importance of water as a critical resource and strives to minimise its consumption and manage water quality effectively.

We continuously seek to optimise water usage across our operations. In the Battery Materials division, the RC Process is designed to maximise water efficiency, reducing the amount of water required for production processes.

In our Battery Recycling Division, the Campbellfield facility, stormwater management systems have been installed to capture and utilise stormwater, reducing the reliance on potable water. These systems ensure that stormwater is not contaminated by recycling activities, as all processes are conducted indoors with proper containment measures.

Lithium Australia ensures that wastewater produced in its operations is managed responsibly. The Campbellfield facility produced approximately 4 kL of wastewater in FY24. This wastewater is considered reportable priority waste (RPW) and is controlled and tracked following the Environmental Protection Authority (EPA) guidelines. Additionally, the Company has implemented a plan to improve stormwater management, endorsed by the EPA.

The Battery Materials division recycles water used in the demineralisation process. Approximately 50% of wastewater from demineralisation is repurposed for cooling tower make-up and off-gas scrubbing, significantly reducing the volume of water discharged as waste.

Lithium Australia's commitment to sustainable water management is demonstrated through its continuous efforts to optimise water usage, reduce consumption, and responsibly manage water quality. Our proactive approach ensures that water resources are conserved and protected, contributing to overall environmental sustainability.



Water Use and Targets for Improvement

WATER USE DATA:

- Battery Recycling Division: Consumed 1,695 kL of water in FY24, which includes usage for process activities, sanitation, and dust control. This is a large increase from FY2023 due to the inclusion of the Laverton facility.
- Battery Materials Division: Consumes approximately 119 kL of potable water annually from Queensland Urban Utilities, with about 50 kL of wastewater generated annually, of which 50% is re-purposed.

TARGETS FOR IMPROVEMENT

- Short-Term Goals: Implement immediate measures to further reduce water consumption across all operations. This includes enhancing stormwater management systems and increasing the recycling and reuse of wastewater.
- Long-Term Goals: Continue to invest in technologies and practices that support water conservation. This involves ongoing optimisation of processes to ensure minimal water usage and improved water quality management.

Waste Management

Lithium Australia's commitment to effective waste management is demonstrated through its reduction, recycling, and disposal practices. By promoting circular economy principles and continuously improving waste management strategies, the Company aims to minimise its environmental impact and contribute to a sustainable future.

Waste Collected and Recovered and Targets for Improvement

BATTERY RECYCLING DIVISION

- The Campbellfield facility produced approximately 39 kL of wastewater in FY24, which is managed as reportable priority waste (RPW) and controlled according to EPA guidelines.

BATTERY MATERIALS DIVISION

- The division recycles paper, cardboard, plastic, and metal through municipal recycling programs to minimise waste generation.
- Approximately 50% of the wastewater from demineralisation processes is re-purposed for cooling tower make-up and off-gas scrubbing.

Targets for Improvement

- Short-Term Goals: Enhance waste segregation and recycling processes to further reduce the volume of waste sent to landfills.
- Long-Term Goals: Invest in advanced technologies and practices that support a circular economy, ensuring that all waste streams are managed sustainably and efficiently.



1,542t

EOL batteries diverted from landfill



14% increase
from 2023



829t

Lithium-ion batteries collected



50% increase
from 2023

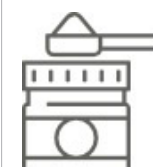


278t

Recovered Anode and Cathode



75% increase
from 2023



111kg

Lithium Ferro Phosphate produced



53kg increase
from 2023



78kg

Lithium Manganese Ferro Phosphate produced



78kg decrease
from 2023



Strategies to Reduce Greenhouse Gas Emissions

Lithium Australia is dedicated to minimising its carbon footprint and addressing climate change through thorough assessments and strategic actions. The Company evaluates its greenhouse gas (GHG) emissions focusing on Scope 1 and Scope 2 emissions, with plans to include Scope 3 emissions in future assessments. The Company also plans to develop Life Cycle Analyses (LCA) for all business units to determine future carbon intensity.

Lithium Australia employs several strategies to reduce its GHG emissions, focusing on immediate actions to lower its environmental impact. As the Company matures, long-term strategies will be developed to minimise our expanded operations. These strategies, combined, align with the Company’s commitment to sustainability and climate action.



GHG Emissions Data

GHG Emissions	Unit	Corporate & Lithium Chemicals		Battery Materials		Battery Recycling		Total	
		FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
Scope 1 Emissions	(tCO ₂)	-	-	4	4	2	8	6	12
Scope 2 Emissions	(tCO ₂)	13	14	84	120	203	213	300	347
Scope 1 & 2 Emissions	(tCO ₂)	13	14	88	124	205	221	306	359

Process Efficiency

Implementing measures to optimise raw materials, energy and utilities use across all operations. The RC Process in the Battery Materials division is optimised to reduce water and energy usage and target use of raw materials generated from existing waste or by-products from other industries.

Operational Improvements

Enhancing operational practices to reduce emissions from processes and equipment. This includes improving internal controls and regularly monitoring emissions to identify and address potential sources of inefficiency.

Lithium Australia is committed to proactive climate action and participates in initiatives that support global efforts to mitigate climate change. The Company’s climate action plans are designed to ensure long-term sustainability and compliance with international standards.

ESG Roadmap: Developed to guide the Company’s environmental, social, and governance efforts, the ESG Roadmap includes specific goals for reducing GHG emissions and enhancing sustainability performance.

Stakeholder Engagement: Engaging with stakeholders to gather insights and feedback on climate strategies, ensuring that the Company’s actions are aligned with best practices and stakeholder expectations.

Through these strategies and commitments, Lithium Australia demonstrates its dedication to reducing its carbon footprint and actively combating climate change. The Company’s ongoing efforts in energy efficiency, innovative technologies, and stakeholder engagement are essential components of its approach to sustainability and environmental stewardship.



CASE STUDY



Transition from LPG to Battery-Powered Forklifts

AT A GLANCE

CHALLENGES

- Carbon emissions from LPG forklifts
- Employee health and wellbeing risks
- Noise levels in the warehouse Storage and safety risks of LPG tanks
- Sustainability concerns with LPG usage

BENEFITS

- Zero carbon emissions during operation
- Improved employee health and wellbeing
- Reduced noise levels in the workplace
- Enhanced workplace safety by eliminating LPG storage
- Increased sustainability through battery power

OBJECTIVES

Lithium Australia has committed to enhancing its operational sustainability and improving the workplace environment by transitioning from LPG-powered forklifts to battery-powered alternatives. This shift aligns with the company's goals to eliminate carbon emissions, improve employee health, and reduce environmental impact, all while maintaining operational efficiency in the warehouse.

SERVICES DELIVERED

Emissions Reduction: Replaced LPG forklifts with battery-powered alternatives, eliminating carbon emissions during operation.

Health and Safety Improvements: Reduced potential health risks for employees by removing harmful emissions and reducing noise levels in the warehouse.

Risk Mitigation: Eliminated the need for onsite storage of LPG tanks, reducing associated safety risks.

Sustainability Initiatives: Emphasised the use of more sustainable battery-powered equipment, aligning with the company's long-term environmental goals.



What are the top 3 ESG stories from Lithium Australia in 2024?

Stuart Tarrant
CFO

My three top stories from 2024 include the implementation of safety targets to track lead and lag indicators across the group using one system (Myosh) with monthly reporting, achieving record volumes of end-of-life (EOL) batteries received by the division which helps divert heavy metal from landfill and the comprehensive overhaul and creation of new policies across ESG areas.

Stakeholder Engagement

LITHIUM AUSTRALIA DRIVES STRATEGY AND SUSTAINABILITY THROUGH STRONG STAKEHOLDER ENGAGEMENT

Lithium Australia actively engages with a diverse range of stakeholders critical to its operations. Key stakeholders include employees, Board of Directors, shareholders and investors, industry groups, customers, local communities, government departments, peers and competitors, creditors, insurers, grant providers, brokers, advisors, and suppliers.

We engage with our stakeholders through various processes to ensure open communication and collaboration:

Employees: Participate in regular town halls, team meetings, one-on-one meetings, SPARCS values recognition program, safety observations, performance reviews and training and development programs.

Board of Directors: Hold a minimum of six Board meetings and a minimum of four Committee meetings per year.

Shareholders and Investors: Are kept informed through market announcements, investor presentations, financial reports, and the Annual General Meeting (AGM). Industry Groups: Collaboration and knowledge sharing with industry groups and influencers. Members of key industry groups including: AI Group, ABRI, BSC, ACOR. Participated in Cooperative Research Centres Projects (CRC-P) with University of Queensland. ANSTO and CSIRO Trailblazer Program with Curtin University and the University of Queensland.

Customers: Are engaged with directly and through site visits.

Local Communities: In discussions with Workforce Australia and partners including TAFEs and Universities, recruitment providers incl. first nations aligned groups, to increase capability and skills for the future and increase local engagement.

Government Departments: Consulted to ensure compliance at both state and federal levels. Involved in Federal and State working groups on industry strategy, Suppliers and Partners: Involved through mutually beneficial direct engagement and will continue to strengthen relationships with the implementation of a modern slavery framework and guidelines.



Impact of Stakeholder Feedback on Governance and Strategy

Stakeholder feedback significantly influences Lithium Australia's governance and strategy, with insights from regular stakeholder surveys and materiality assessments integrated into strategic planning. This feedback has informed the creation of key policies, such as the Diversity Policy and Environmental Policy and shaped the ESG Roadmap to guide sustainability efforts. It has also enhanced internal controls and risk mitigation strategies in risk management and driven operational improvements in product safety and quality based on customer feedback. By maintaining transparent communication, Lithium Australia ensures responsiveness to stakeholder needs and continues to deliver value across its operations.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



What does sustainability mean to you?

Kelli Dienhoff
People and Culture Officer

Sustainability is a mindset to incorporate a circular economy of everyday products for reuse, whether this is from old clothing items to household batteries!



Social Responsibility

Well-being

At Lithium Australia, we place a high value on the engagement and well-being of our employees. Our commitment to fostering a supportive and inclusive work environment is reflected in our various programs and initiatives designed to enhance employee satisfaction and overall wellness.

Wellness Initiatives

Our wellness initiatives are designed to promote the physical and mental well-being of our employees. These include our employee assistance program with access to health and fitness resources, access to mental health resources, and flexible working arrangements (where applicable) to support a healthy work-life balance. We also recognise key events such as RUOK Day which provides the opportunity for teams to come together to learn about support frameworks for mental health.

Employee Satisfaction and Engagement

Employee satisfaction remains a key focus, and we regularly seek feedback through surveys and consultations to ensure our workforce feels valued and heard. Specific engagement programs have been implemented to address the needs and concerns of our employees, promoting a collaborative and motivated workplace culture. Regular town halls, recognition programs, training sessions, newly launched intranet and 1:1 meetings are some of the platforms used to engage with employees.

Responsible Sourcing

Responsible sourcing is integral to Lithium Australia's commitment to sustainability and ethical business conduct. The Company expects all employees and suppliers to uphold the principles of ethical sourcing, environmental responsibility, community engagement, transparency and accountability, fostering a culture of responsibility and integrity within the organisation.

Responsible sourcing applies to all aspects of procurement, including but not limited to raw materials, components, equipment, and services, across all operations and locations of the Company, both current and future.



What is a personal sustainability highlight for you?

Julie Coleman
Chief People Officer

A personal sustainability highlight for me has been working on the development of the First Nations strategy and building relationships with key providers to source First Nations candidates to increase Lithium Australia's workforce diversity. This will include apprenticeships and traineeships in the future.

Diversity, Equity and Inclusion

Diversity, equity, and inclusion are integral to our culture at Lithium Australia. We are committed to creating a diverse and inclusive workplace where all employees have equal opportunities to thrive.

Our inclusion programs are designed to support underrepresented groups and promote a culture of inclusivity throughout the organisation. This includes initiatives aimed at increasing the representation of women, First Nation's people through a dedicated strategy and other minorities in all levels of the company. Currently, women represent 38% of our workforce (an increase of 5% year on year) and occupy several leadership positions.

We continuously monitor and address pay disparities to ensure equity across our workforce. Efforts to close the gender pay gap have shown positive progress, reflecting our commitment to fair and equitable compensation practices. Our gender pay gap stands at 20.1% and we are committed to reducing this gap through ongoing development and recruitment initiatives to increase women in management roles.

Community Engagement and Development

Lithium Australia is dedicated to building strong and positive relationships with the communities we serve. Our community engagement and development efforts focus on supporting local projects, forming strategic partnerships, and making investments that contribute to community well-being and sustainability.

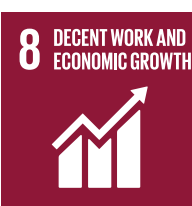
Our commitment to community engagement is demonstrated through various projects and partnerships aimed at improving local infrastructure, education, and environmental sustainability. We work closely with local authorities and community groups to identify and support initiatives that align with our values and objectives.

We have developed a First Nations Strategy and are in discussions with key providers to discuss apprenticeship opportunities to support inclusion and diversity. To foster team building and also provide supports to communities, an annual AFL Footy Tipping competition is held for Company employees where the winners nominate a charity of their choice for the Company to donate to. We are in discussions with regional TAFEs to partner on the development of short courses to upskill our workforce whilst investing in traineeships and apprenticeships to support future growth.

Modern Slavery

Our Modern Slavery Policy outlines our commitment to identifying, preventing, and mitigating modern slavery risks. This policy applies to all employees, suppliers, and contractors, ensuring that human rights are respected throughout our business operations. We are in the process of implementing frameworks to monitor compliance with our policy and take corrective actions as necessary.

Lithium Australia is committed to upholding the highest standards of human rights and ethical practices in all our operations. Our policies ensure that we operate with integrity, respect for human rights, and adherence to ethical standards across all aspects of our business.



CASE STUDY



AT A GLANCE

CHALLENGES

- Engaging diverse talent pools
- Enhancing employer branding
- Developing new qualifications
- Expanding talent initiatives
- Aligning supply chain with ESG goals
- Communicating sustainability internally

BENEFITS

- Inclusive workforce
- Strengthened employer brand
- Long-term talent pipeline
- Enhanced corporate relationships
- Improved sustainability practices
- Compliance with ESG standards

Employee Inclusion & Diversity Initiatives

OBJECTIVES

Lithium Australia is committed to fostering a diverse and inclusive workplace while advancing its sustainability goals. The company's recent initiatives focus on attracting and developing talent, particularly from underrepresented groups, and aligning its operations with environmental, social, and governance (ESG) principles. Through strategic partnerships and innovative programs, LIT aims to build a strong employer brand and promote long-term sustainability.

SERVICES DELIVERED

Talent Engagement: Collaboration with Workforce Australia, job agencies, and educational institutions to offer internships and traineeships.

Employer Branding: Participation in career fairs and the development of graduate programs to attract top talent.

Qualification Development: Exploration of new certifications and qualifications to prepare for future industry needs.

Diversity Initiatives: Engagement with SYC to attract First Nations and CALD employees, along with the trial of Polynize for ESG talent.

Supply Chain Alignment: Meetings to establish MOUs focused on procurement and ESG waste management.

Internal Communication: Regular updates on sustainability goals and initiatives through the company's intranet.



Health & Safety

At Lithium Australia, we choose safety first, every time.

At Lithium Australia, safety is not just a priority; it is a core value embedded in our culture. Our values of SPARCS start with Safety and end in Sustainability. Our health and safety policies are designed to protect our employees, contractors, and communities, ensuring a safe and secure working environment. These policies adhere to applicable standards as well as relevant state health and safety legislation, ensuring safety protocols across all operations. Key components include workplace safety, hazard management, and emergency preparedness, with all operations complying with the Work Health and Safety Act 2022. Identifying, assessing, and mitigating risks through a structured risk management framework and maintaining crisis management plans and emergency response plans are central to our approach.

Strategic Partnerships

The signing of exclusive recycling agreements with major OEMs, including LG Energy Solution and Hyundai Glovis, highlighted our strategic focus on increasing the collection and safe processing of large-format LIBs. These partnerships have boosted our capacity to handle large-format LIBs efficiently, further supporting our commitment to operational safety.



3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Health & Safety Statistics FY2024

H&S Statistics Metrics	Corporate and Lithium Chemicals	Battery Materials	Battery Recycling	FY23
First Aid Injury	0	0	3	3
Lost Time Injury ('LTI') Number	0	0	1	1
Medical Treatment Injury	0	0	4	4
Restricted Work Injury	0	0	1	1
Report Only	0	1	5	6
Total Injuries				15
Employees Covered by OHS System	14	6	40	60

Our commitment to safety is reflected in our continuous monitoring and reporting of safety incidents. In 2024, we maintained a strong safety record. Our commitment to safety is reflected in our continuous monitoring and reporting of safety incidents. In 2024, we maintained a strong safety record, and although we observed an increase in reported incidents due to improved reporting mechanisms, this transparency allows us to better address and mitigate risks, ultimately enhancing the safety of our workforce.

Safety Training & Compliance

At the core of our commitment to creating a safe and inclusive work environment, we have implemented robust safety training and compliance measures.

Through regular inspections, ongoing safety education, and comprehensive policy integration, we ensure that all employees are equipped with the knowledge and tools necessary to maintain our high safety standards. Our proactive approach, reinforced by Safety Leadership Training and the implementation of key safety KPIs, fosters a culture of responsibility and continuous improvement, helping to minimise risks and promote well-being across our organisation.

Regular Inspections and Monitoring: We have strengthened regular procedural compliance inspections and housekeeping checks, ensuring all processes adhere to our safety standards. Annual air quality monitoring was conducted to maintain a safe working environment.

Ongoing Safety Training: Continuous safety training sessions were held to educate employees on best practices and regulatory requirements, reinforcing our safety-first culture.

Safety Leadership Training: We integrated Safe Act Observations (SAO's) into the workplace to build a proactive culture of hazard identification and feedback.

Policies and Procedures: Comprehensive training and implementation of policies were carried out for various critical areas, including First Aid Planning, Emergency Preparedness and Response, Crisis Management, Drug and Alcohol, and more.

Safety KPIs: Workplace safety was further enhanced through the implementation of leading safety KPIs, directly linked to bonus arrangements for all management and employees, fostering a culture where safety is a shared responsibility.



Key Initiatives

Advanced Safety Systems:

Advanced fire walls and off-gas and fume detection systems were installed at the Laverton North facility to mitigate fire risks associated with end-of-life lithium-ion batteries (LIBs). These enhancements are part of our continuous improvement programs aimed at ensuring the highest safety standards.

New Shredding Equipment:

The installation of new shredding equipment at the Campbellfield facility in FY24 boosting operational efficiency and reinforcing our commitment to maintaining a safe workplace.

Guarding:

Continued assessment and improvement of machine guarding to lower the risk of interaction between people and equipment.

Ergonomic Improvements:

Key improvements included enhanced protection around processing plants to reduce the risk of contact injuries, raising storage units to minimise bending risks, and installing mats to prevent slips, trips, and falls.

Work, Health and Safety Management System:

Implementation of an online software system to manage workplace safety by integrating hazards and incident reporting with investigations, actions and metrics reporting.





AT A GLANCE

CHALLENGES

- Need for centralised safety management
- Compliance with health and safety regulations
- Enhancing incident reporting and tracking
- Streamlining safety procedures Improving workplace safety culture

BENEFITS

- Centralised safety management system
- Enhanced compliance with regulations
- Improved incident reporting and monitoring
- Streamlined safety processes
- Strengthened safety culture across the organisation

MYOSH Rollout

OBJECTIVES

Lithium Australia has successfully implemented the Myosh safety management system to centralise and streamline its safety processes. This rollout aims to enhance compliance with health and safety regulations, improve incident reporting and tracking, and ultimately foster a stronger safety culture within the organisation. By leveraging Myosh, the company is better equipped to manage safety risks enabling a safer working environment for all employees.

SERVICES DELIVERED

Centralised Safety Management:

Implemented Myosh to create a unified platform for managing all safety-related activities.

Regulatory Compliance:

Improved adherence to health and safety regulations through systematic tracking and reporting.

Incident Reporting and Tracking:

Enhanced the ability to report, track, and address safety incidents in real-time, reducing response times and mitigating risks.

Streamlined Safety Procedures:

Simplified and standardised safety procedures across the organisation, making it easier for employees to follow best practices.

Safety Culture Development:

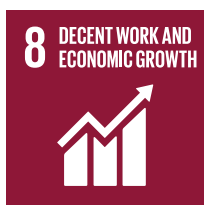
Fostered a stronger safety culture by providing tools and resources that empower employees to actively participate in safety management.





Stakeholder Engagement and Value Creation

The materiality assessment process continues to guide our sustainability and stakeholder engagement strategies. By identifying and prioritising key issues that impact our business and stakeholders, we ensure that our efforts align with stakeholder expectations and contribute to long-term value creation.



Financial Performance and Economic Impact

Lithium Australia demonstrated strong financial performance in FY24, particularly within its battery recycling division.

During Q4 FY24, our Battery Recycling division, Envirostream, achieved the significant milestone of delivering positive operating profits. The achievement was driven by the Company's strategic transition towards a 'fee for service' upstream service model. This both increases revenues and delivers a higher proportion of revenues early in the working capital cycle. This shift reduces the Company's exposure to market and pricing volatility related to the sales of MMD and other downstream commodities.

In Q4 FY24, the recycling operations generated revenue of A\$2.5 million, contributing to a gross profit of A\$1.56 million and achieving a maiden operating cash profit of A\$0.5 million.

A record total of 1,542 tonnes of batteries was collected for recycling during FY24, representing a 14% increase on FY23. Notably, a record 514 tonnes of large-format LIBs were collected for recycling, representing a 170% increase relative to the previous year (FY23: 191 tonnes). This has driven a significant shift in the battery collections mix, with large-format LIBs now representing ~33% of total battery collections in FY24 (FY23: 14%). The rapid collections growth and shift in battery mix highlights the success behind the Company's strategic focus on large-format LIBs due to the strong forecasted growth within the category, attractive unit economics associated with large-format LIBs, and greater MMD conversion efficiency to drive downstream revenue. Refer to Figure 1 below for additional information on collection volumes and mix.

The company's operations, including partnerships and investments in local facilities and workforce, contribute to the economic development of the regions where it operates. The financial stability and growth demonstrated show a strong economic presence and the creation of local jobs.



Innovation and Sustainable Growth

Lithium Australia has focused on several key innovations to drive sustainable growth.

PROCESS OPTIMISATION

The installation of a new shredder at the Campbellfield facility increased recycling by approximately 37%. This process optimisation not only improves operational efficiency but also supports our commitment to sustainable practices by increasing the yield of valuable materials from recycled batteries.

OFFTAKE DEVELOPMENT

In late FY24, a Mixed Metal Dust (MMD) off-take agreement with SungEel HiTech Ltd. ('SungEel'), a leading South Korean battery recycler. During the 3-year term, SungEel will purchase a minimum of 60% of Lithium Australia's annual MMD production, subject to quality requirements. SungEel has been a customer since 2020 and has purchased more than 300 tonnes of MMD to date. The off-take agreement validates the Company's high-quality downstream MMD product and represents an important driver of the recycling division's growth strategy moving forward.

Within the Battery Materials division, offtake engagement continued during the year with samples produced and sent to prospective customers.

JOINT DEVELOPMENT AGREEMENTS

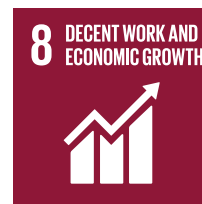
In early FY24, Lithium Australia signed a joint development agreement (JDA) with leading ASX-listed mining company Mineral Resources Ltd. (ASX:MIN) ('MinRes') to commercialise the lithium extraction technology, LieNA®. Under the agreement, MinRes will provide the raw materials and fund the operation of a pilot plant and delivery of a demonstration plant engineering study up to a total cost of A\$4.5 million. Under the JDA, Lithium Australia contributed its patented LieNA® technology.

During the year, the Company made significant progress under the JDA with MinRes. Subsequent to year end, final stage LieNA® piloting activities at ANSTO completed, which involved the production of lithium phosphate derived from spodumene concentrate provided by MinRes. The lithium phosphate produced is now being analysed to determine the final product specifications in preparation for refining. The demonstration plant engineering study is also well underway, with all defined JDA activities expected to be completed by the end of 2024.

Within the Battery Recycling division, discussions have commenced with SungEel regarding a joint development agreement. The joint development agreement would include an investment, focused on upgrading recycling equipment and expanding total processing capacity.

EXCLUSIVE RECYCLING AGREEMENTS

The improved financial and operational performance is underpinned by the exclusive recycling agreements the Company has signed with leading OEMs and battery manufacturers throughout FY24. During the year, exclusive agreements were signed with leading OEMs including: LG Energy Solution, Hyundai Glovis and Volvo Group Australia. These agreements have driven the strong uplift in large-format LIB collections volumes, with further discussions underway with various other OEMs and battery manufacturers. These partnerships are expected to drive further growth in collection volumes and enhance the overall sustainability of our recycling operations.





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