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# Sustainability Report 2022



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A global lithium chemicals company  
with an industry leading growth profile



# Contents

<b>Letter from the Managing Director and CEO</b>	<b>4</b>
<b>About this Report</b>	<b>5</b>
<b>About Allkem</b>	<b>6</b>
Our Purpose	9
Our Impact	9
FY22 Value Creation	10
Our Operations	12
Our Growth Projects	17
<b>Risk and Governance</b>	<b>20</b>
Climate Change Risk	21
Human Rights Risk	22
<b>FY22 Focus Areas</b>	<b>23</b>
<b>FY22 Performance</b>	<b>28</b>
<b>Climate Change and Decarbonisation</b>	<b>30</b>
<b>Our People</b>	<b>35</b>
Health, Safety and Wellbeing	35
Diversity and Inclusion	38
Future Ready Workforce	41
<b>Our Environment</b>	<b>44</b>
Water Use	46
Waste and Tailings Management	49
Land Use and Biodiversity Management	51
<b>Communities and Shared Value</b>	<b>58</b>
<b>Auditor Statement</b>	<b>60</b>
<b>Appendix</b>	<b>62</b>

# Letter from the Managing Director and CEO



Thank you for your interest in our sixth Sustainability Report which is our first report since the successful merger of Orocobre Limited and Galaxy Resources and the renaming of the company as Allkem Limited.

During the past year we have brought together two successful lithium producers at a time when demand for lithium as well as market prices for lithium have reached record high levels. This unprecedented demand is being driven by a renewed focus on achieving global decarbonisation to reach net zero greenhouse gas emissions by 2050.

Our strong balance sheet and continuing significant cash generation from our operations will fund development of our global growth pipeline. The strength, quality and diversity of our assets are matched by the skills of our integrated teams. We are drawing on the technical knowledge of our teams at the Mt Cattlin hard rock operation in Western Australia to assist with the design and planning of our James Bay hard rock lithium development project in Quebec. The experience we have gained and the lessons we have learned from developing our successful Olaroz lithium brine operation in Argentina, and our long-standing presence in the country through Borax Argentina are valuable in the development of our Sal de Vida lithium brine project. We have also worked closely during the year with our joint venture partners Toyota Tsusho Corporation (“TTC”) commissioning the Naraha Lithium Hydroxide Plant in Japan.

During the year we welcomed our new Chief Sustainability and External Affairs Officer, Karen Vizental to lead our integrated approach to generating long term value for our stakeholders. As in past years, we engaged with each of our stakeholder groups regularly to better understand what is most important to them. The message back was that health and safety at work, business growth, climate change response and environmental management remain the primary areas of importance.

A strong focus on safety as our top priority is shared across all our teams and this has facilitated the successful integration of our safety management approach across Allkem during the year. This is reflected in an improved TRIFR of 2.6 across the Group and more importantly, a measured increase in the reporting of safety observations. Implementing leading indicators such as this assists us to proactively address potential hazards and make improvements before anyone is injured.

We continue to build and maintain respectful partnerships with local and indigenous communities in the areas where we operate.

Our shared value team in Argentina is working to develop meaningful measures of outcomes associated with our long running community capacity building programs. We have also maintained our regular program of engagement with our Mt Cattlin Community Consultation Group to increase collaboration and identify opportunities to generate shared value with the Ravensthorpe community. Progress has been made during the year with the Environmental and Social Impact Assessment process for our James Bay project as we continue to build trusted relationships with the Cree Nation Government, the community of Eastmain and other project stakeholders.

At Allkem, we are proud of the role we play in enabling climate change mitigation through contributing to the clean energy storage and electric vehicle value chains. We are also committed to reduce our own impact. Our James Bay and Sal de Vida projects will both incorporate renewable energy generation, and our operations and projects are all located in areas of lower water stress. We are continuing to investigate the most efficient methods of reducing our own operational emissions as we develop our net zero action plan. Completion and publication of this plan, considering the whole Allkem group is a key performance objective for FY23.

We will continue to report transparently on how we share the value we generate with our stakeholders as we work to achieve our goals. We maintain our commitment to the United Nations Global Compact and have continued to have key performance metrics assured by a third party against the Standards of the Global Reporting Initiative.

I would like to thank our employees, management team and Board colleagues for their hard work and commitment contributing to a successful first year as Allkem Limited. To the communities with whom we operate every day, our joint venture partners and the National and Provincial governments of Argentina, Canada and Australia who continue to support our business, I would also like to extend our gratitude. We believe that together, we go further.

A handwritten signature in blue ink, appearing to read 'Martín Perez de Solay'. The signature is stylized and fluid.

**Martín Perez de Solay**  
Managing Director and CEO

# About this Report

Our 2022 financial year (FY22) Sustainability Report illustrates the sustainability performance of Allkem Limited. This is our first Sustainability Report as Allkem Limited which is the new name for Orocobre Limited following the completion of the merger with Galaxy Resources Limited in August 2021.

The scope of our sustainability reporting and performance data metrics includes key performance data from the Mt Cattlin hard rock mining operation in Western Australia, the Olaroz brine-based lithium facility in Jujuy Province, Argentina operated by Sales de Jujuy S.A. ('Olaroz' or SDJ), Borax Argentina S.A. (Borax Argentina or BRX), a boron chemicals and mineral company in Salta Province, Argentina (currently in the process of being sold) and our growth projects at Sal de Vida (SDV) in Catamarca Province, Argentina and the James Bay project in Quebec, Canada. The data provided in this document, for all subsidiary companies, covers the period between 1 July 2021 and 30 June 2022 unless otherwise stated. The scope of performance data reporting does not include the Naraha Lithium Hydroxide Project which is managed by our joint venture partner Toyota Tsusho Corporation (TTC).

This report has been prepared in accordance with the GRI Standards (core) and documents the Company's progress against the 10 Principles of the UN Global Compact and contribution to the UN Sustainable Development Goals (SDG).

External limited assurance was conducted over the following key GRI indicators referenced in this report and associated performance data. This included analysis of the application of GRI standards and the principles of content and quality.

The independent limited assurance report is included in this report [here](#).

Further supporting information regarding performance in FY22 is available on our website as follows:

- **Performance Data:** additional detailed sustainability indicators related to the performance of each focus area
- **Case Studies:** additional information relating to our local community initiatives and programs where we create shared value
- **Management Approach Disclosures:** Summary documents outlining strategic importance and management approach in place to address main topics of relevance to our stakeholders
- **GRI Standards/UNGC/SASB/SDG Contents Index:** outline of material topics and contents defined by the GRI Standard, SASB standards, the Principles of the UN Global Compact and UN Sustainable Development Goals, which enables the reader to navigate the report and promptly locate information in the Sustainability Report or other complementary documents.

We welcome any comment or suggestion you may wish to share on this report through our email address: [sustainability@allkem.co](mailto:sustainability@allkem.co)

## GRI Standards—External Assurance Scope

GRI Standard	Topic specific disclosure included in FY22 assurance scope	Location
200—Economic	202-1 Ratios of standard entry level wage compared to local minimum wage	✓ <a href="#">Performance data</a>
	202-2 % senior management hired from the local community	✓ <a href="#">Performance data</a>
	203-1 Infrastructure investments and services supported	✓ <a href="#">Performance data</a>
	203-2 Significant indirect economic impacts	✓ <a href="#">Performance data</a> and pages 50 and 52 of Report
	204-1 % spending on local suppliers	✓ <a href="#">Performance data</a>
300—Environment	302-1 Energy consumption within the organization	✓ <a href="#">Performance data</a>
	302-3 Energy intensity	✓ <a href="#">Performance data</a>
	302-4 Reduction of energy consumption	✓ <a href="#">Performance data</a>
	303-3 Water withdrawal	✓ <a href="#">Performance data</a>
	303-4 Water discharge	✓ <a href="#">Performance data</a>
	305-1 Direct (Scope 1) GHG emissions	✓ <a href="#">Performance data</a>
	305-2 Energy indirect (Scope 2) GHG emissions	✓ <a href="#">Performance data</a>
	305-4 GHG emissions intensity	✓ <a href="#">Performance data</a>
	306-3 Waste generated	✓ <a href="#">Performance data</a>
	306-4 Waste diverted from disposal	✓ <a href="#">Performance data</a>
	306-5 Waste directed to disposal	✓ <a href="#">Performance data</a>
400—Social	403-9 Work-related injuries	✓ <a href="#">Performance data</a>
	403-10 Work related ill health	✓ <a href="#">Performance data</a>
	404-1 Average hours of training per year per employee	✓ <a href="#">Performance data</a>
	404-3 % employees receiving regular performance and career development reviews	✓ <a href="#">Performance data</a>

# About Allkem

Allkem is a highly successful speciality lithium chemicals company, formed from the merger of Orocobre Limited (“Orocobre”) and Galaxy Resources Limited (“Galaxy”) in August 2021. We have a diverse portfolio of high-quality lithium assets, supplying critical minerals and chemicals that contribute to the decarbonisation of the energy and transport sectors.

Our assets are strategically located to service the growing demand from global battery and electric vehicle (EV) value chains.

## 📍 James Bay (100%)

Stage	Permitting and Engineering
Type	Hard rock
Product	Spodumene concentrate
Production Capacity	321 ktpa @ 5.6% Li <sub>2</sub> O
Resources <sup>1</sup>	40.3 Mt @ 1.4% Li <sub>2</sub> O

## ⚙️ Olaroz (66.5%)

Stage	Operating/development
Type	Brine
Product	Carbonate
Production Capacity	42.5 ktpa
Resources <sup>1</sup>	16.2 MT LCE (100%)

## ⚙️ Borax (100%)

Stage	Operating
Type	Borates minerals and refined chemical products

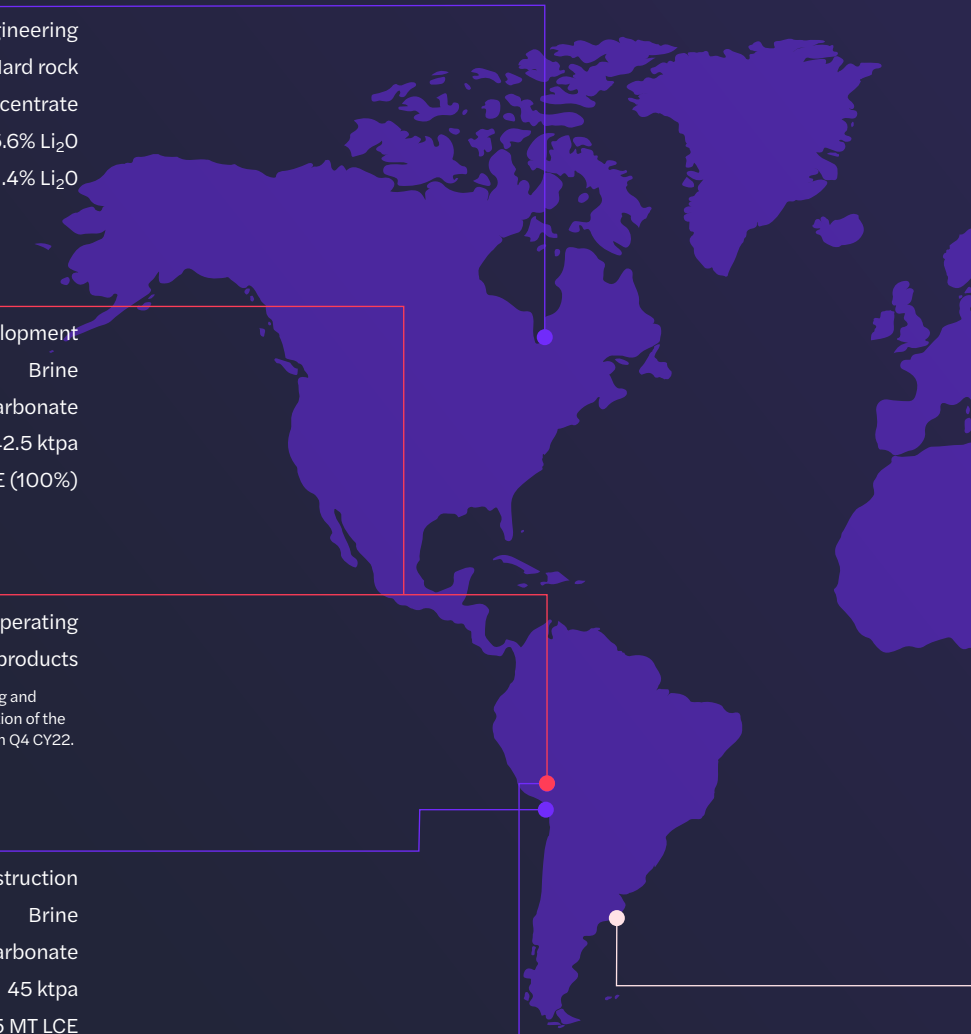
Subsequent to the end of the period Allkem entered into a binding and conditional Heads of Agreement to sell Borax. Subject to satisfaction of the conditions, it is currently anticipated that this sale will complete in Q4 CY22.

## 📍 Sal de Vida (100%)

Stage	Construction
Type	Brine
Product	Carbonate
Production Capacity	45 ktpa
Resources <sup>1</sup>	6.85 MT LCE

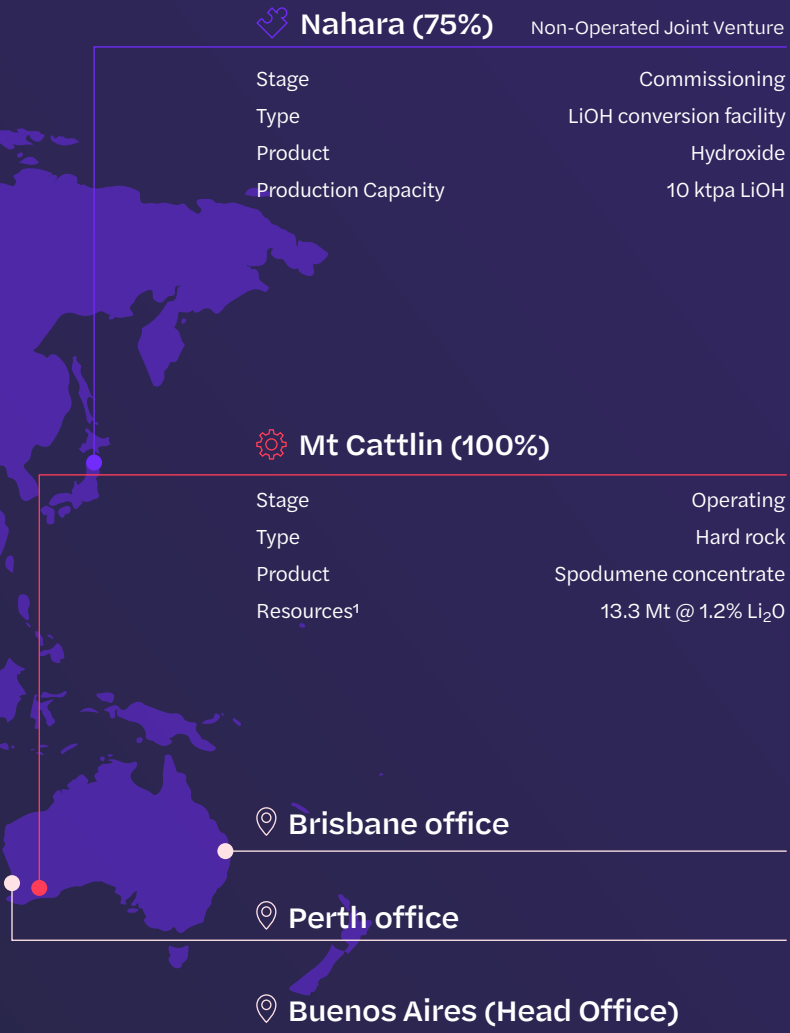
## 📍 Cauchari (100%)

Stage	Early studies
Type	Brine
Resources <sup>1</sup>	6.3 MT LCE



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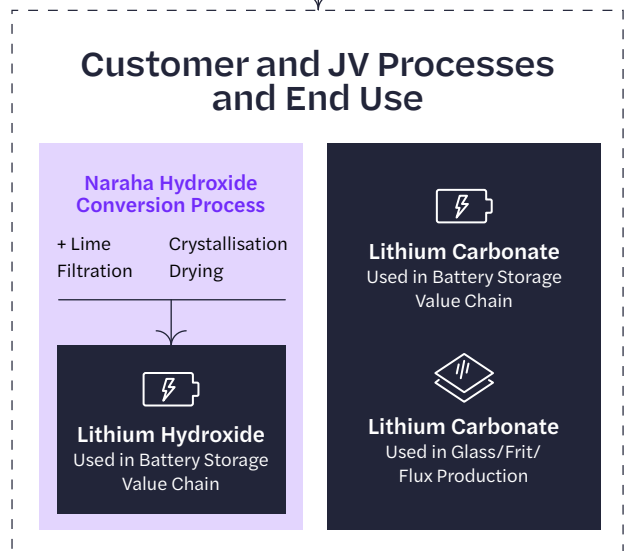
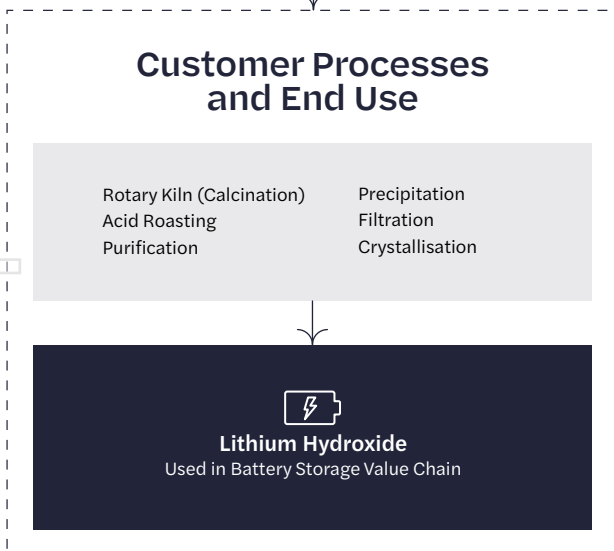
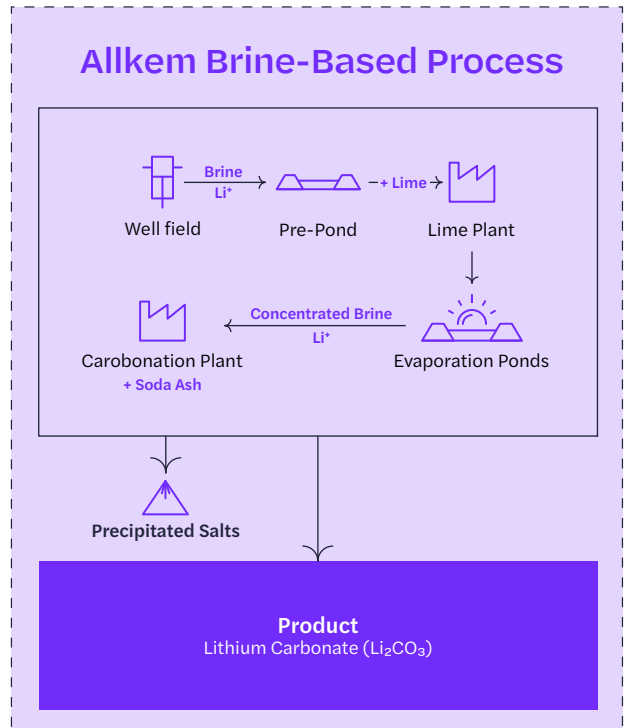
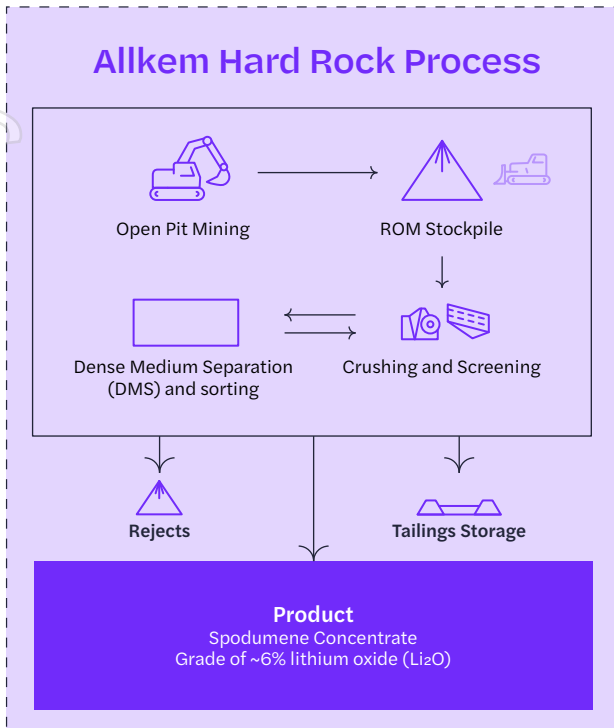


- Key**
- Operating Asset
  - Development Asset
  - Office

<sup>1</sup> Refer to FY22 Annual Report for Resource and Reserve information.

Our assets and expertise encompass both hard-rock and brine-based lithium operations.

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● Allkem/JV processes   ● External processes



## Our Purpose

Allkem produces critical minerals to support global decarbonisation. Our ambition is to expand production 3-fold by 2026 and maintain at least a 10% of global lithium production over the next decade.

## Our Impact

Based on figures reported by the International Energy Agency, and other industry sourced data<sup>2</sup>, it is estimated that for every one tonne of Lithium Carbonate Equivalent (LCE) we produce and sell into the electric vehicle (EV) value chain, we can contribute to a reduction of around 400-600 tonnes of greenhouse gas emissions. This impact is expected to grow a further 25% as EVs are increasingly powered by electricity grids transitioning away from fossil fuels towards renewable energy. An additional increase in impact will be realised with the recycling of materials from EV batteries that have reached their end of life. Regulations such as those proposed by the European Union<sup>3</sup> are incentivising inclusion of recycled lithium content in batteries. Our lithium products therefore have the potential to continue contributing to even further global emissions reduction beyond their first use.

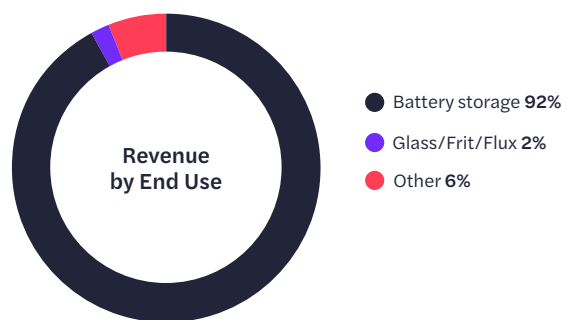
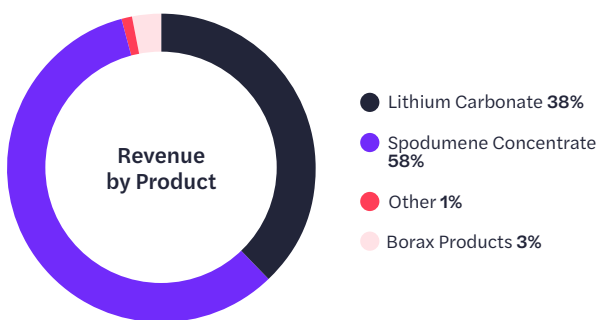
Emissions along the mineral supply chain do not negate the clear climate advantages of clean energy technologies. Total lifecycle greenhouse gas emissions of EVs are around half those of internal combustion engine cars on average, with the potential for a further 25% reduction with low-carbon electricity. **International Energy Agency<sup>4</sup>**

In FY22, the race to secure key critical materials to support global decarbonisation further intensified. Both spot and contract prices for lithium carbonate and hydroxide across all key geographies rallied to new records as limited new supply fell short of demand.

Spodumene concentrate spot prices recorded an almost tenfold increase during the financial year. Contracted prices were also significantly adjusted upwards during the year to reflect tightening market conditions across the supply chain. Allkem revenue from sales of product during FY22 was approximately US\$770 million. Of this, 96% was generated from combined sales of lithium carbonate and spodumene concentrate<sup>5</sup>. We estimate that 92% of revenue was generated from selling product that contributed to the battery storage value chain. This includes sales of battery grade lithium carbonate, primary grade lithium carbonate sold for direct use in battery supply chain, or for conversion to lithium hydroxide and spodumene concentrate sold to chemical producers in the battery supply chain.

We are monitoring the development and implementation of global frameworks (such as the [EU taxonomy](#)) to facilitate sustainable investment. Our activities that directly enable battery manufacturing for use in electric vehicles and energy storage are aligned with the climate change mitigation objectives of these frameworks.

The scale of demand growth for critical minerals and the importance of securing supply to achieve a global transition to a net zero economy is resulting in an increased focus on potential environmental, social and governance risks and opportunities. This is particularly important when considering the need for a just transition towards net zero that does not disadvantage people or the environment.<sup>6</sup> Allkem incorporates strategic planning that takes these broader considerations into account and contributes to more efficient approvals processes and ongoing acceptance of our operations.



2 <https://iea.blob.core.windows.net/assets/ffd2a83b-8c30-4e9d-980a-52b6d9a86fdc/TheRoleofCriticalMineralsinCleanEnergyTransitions.pdf> p.194 BEV fuel economy 0.19 kWh/km; BEV battery 40 kWh NMC622. Industry estimate of 0.86kg LCE/kWh.

3 [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/689337/EPRS\\_BRI\(2021\)689337\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/689337/EPRS_BRI(2021)689337_EN.pdf)

4 <https://iea.blob.core.windows.net/assets/ffd2a83b-8c30-4e9d-980a-52b6d9a86fdc/TheRoleofCriticalMineralsinCleanEnergyTransitions.pdf> p.15

5 Average grade of 5.6% lithium oxide (Li<sub>2</sub>O)

6 <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/sustainable-and-responsible-development-of-minerals>

## FY22 Value Creation

To be a sustainable business, it is important to integrate how we mitigate risk and generate value for our organisation with how we mitigate risk and generate broader value for others. Our business can only be sustainable if we operate within a thriving society that benefits from a healthy environment. We develop and maintain trusted relationships with our broad group of stakeholders by understanding what matters to them and responding to their expectations. We are transparent about our impacts and opportunities and how we generate and share value.

### Inputs

#### Financial

US\$261.4 million

Capital Expenditure and Exploration and Evaluation for FY22

#### People

1,300+

Employees

>40%+ Local based  
>20%+ Female

#### Knowledge

Research and Development  
Hard rock and brine operations experience

16,800+  
Hours training\*

#### Manufactured

##### Reagents

Including Lime And Soda Ash

1,745k GJ

Fuel Use

48% Natural Gas  
45% Diesel  
7% Intermediate Fuel Oil

#### Natural

1,467ML

Total Water Extraction

72% Olaroz  
19% Mt Cattlin  
9% Borax Argentina

26.3 Mt LCE

Resources Estimate as Lithium Carbonate Equivalent

#### Solar Energy

Increases brine concentration approximately x12



### Business Activities

Completion of Merger

Corporate Development

Project Development

Hard Rock Operations

Brine Operations

Downstream Operations and Partnerships

Procurement

Sales and Marketing of Products

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## FY22 Outputs and Outcomes

193,563 dmt

Record Annual Spodumene Concentrate Produced

12,863 t

Record Annual Lithium Carbonate Produced

119.7 kt CO<sub>2</sub>e

Scope 1 GHG Emissions

626 t

Waste Disposed

608 t

Waste Recycled

1.17 Mt

Precipitated and Harvested Salts

411 kt

Tailings

>US\$60 m

Payments to Local Suppliers and Employees

Contributing

To Emissions Avoided by Enabling Decarbonisation

US\$4,536 m

Market Capitalisation\*

US\$770 m

Revenue

US\$605 m

Gross Profit

US\$39.6 m

Mining Royalties and Export Duties

>US\$1.3 m

Community Contributions

### Stakeholders



Investors



Employees



Communities/  
NGOs



Government/  
Regulators



Customers/  
Suppliers

Note that Resource estimates are not mineral reserves and do not have demonstrated economic viability. See p121–130 of FY22 Annual Report for detailed resource and reserve estimated (at 30 June 2022). Contained Li<sub>2</sub>O previously disclosed in Resource statements for James Bay and Mt Cattlin is converted to LCE at a ratio of 2.473.

\*Training hours inclusive of Olaroz, Borax, Sal de Vida and James Bay.

Spodumene production volume is based on the full financial year ending 30 June 2022. The FY22 financial statements are based on Mt Cattlin's results from the 10-month period post-merger completion date i.e. 25 August 2021 to 30 June 2022.

# Our Operations

## Mt Cattlin

☐ Type

Hard rock

📦 Resource

13.3 Mt @1.2% Li<sub>2</sub>O

Equivalent to ~0.4 Mt LCE

🕒 Allkem Ownership

100%

🕒 Status

Production

With drilling underway to extend mine life

📍 Location

2km from Ravensthorpe, WA on the lands of the Wagyl Kaip and Southern Noongar people

👥 Direct Employees

95

57% From local communities  
22% Female

🕒 Contractor Hours

419,755

🤝 Local Community Contribution

>US\$6.5 m

Through salaries, local supply contracts and community programs

💰 Taxes and Royalties Paid

~US\$13.8 m

⚙️ FY22 Production

193,563 dmt<sup>8</sup>

Of spodumene concentrate (average grade of 5.6% Li<sub>2</sub>O)

Spodumene concentrate is shipped to customers in Asia who convert to lithium hydroxide for use in battery storage value chain

📊 Revenue

~US\$452 m

25 August to 30 June 2022

🏠 Scope 1 and 2 Total

~39,000 tCO<sub>2</sub>e

Intensity 0.2 tCO<sub>2</sub>e/dmt of spodumene concentrate (1.6 tCO<sub>2</sub>e/ t LCE<sup>9</sup>)

♻️ Tailings Generated

330,662 t

💧 Water Use Intensity

1.37m<sup>3</sup>/dmt

Spodumene concentrate (10.9m<sup>3</sup> /t LCE)

<sup>7</sup> Refer to Mineral Resources and Ore Reserves on p121-130 of FY22 Annual Report

<sup>8</sup> Dry Metric Tonne—This production volume is based on the full financial year ending 30 June 2022. The FY22 financial statements are based on Mt Cattlin's results from the 10-month period post-merger completion date i.e. 25 August 2021 to 30 June 2022.

<sup>9</sup> Lithium carbonate equivalent—for the purpose of these metrics, a conversion factor of 8 has been used for spodumene concentrate to LCE

<sup>10</sup> Total Recordable Injury Frequency Rate per 1 million hours worked (inclusive of employees and contractors)

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📄 Rehabilitation Plan

1.47 ha

Replanted

⚠️ Fatalities or Class 1 Process Safety Events

0

📄 TRIFR<sup>10</sup>

12



# Olaroz

Type

Brine

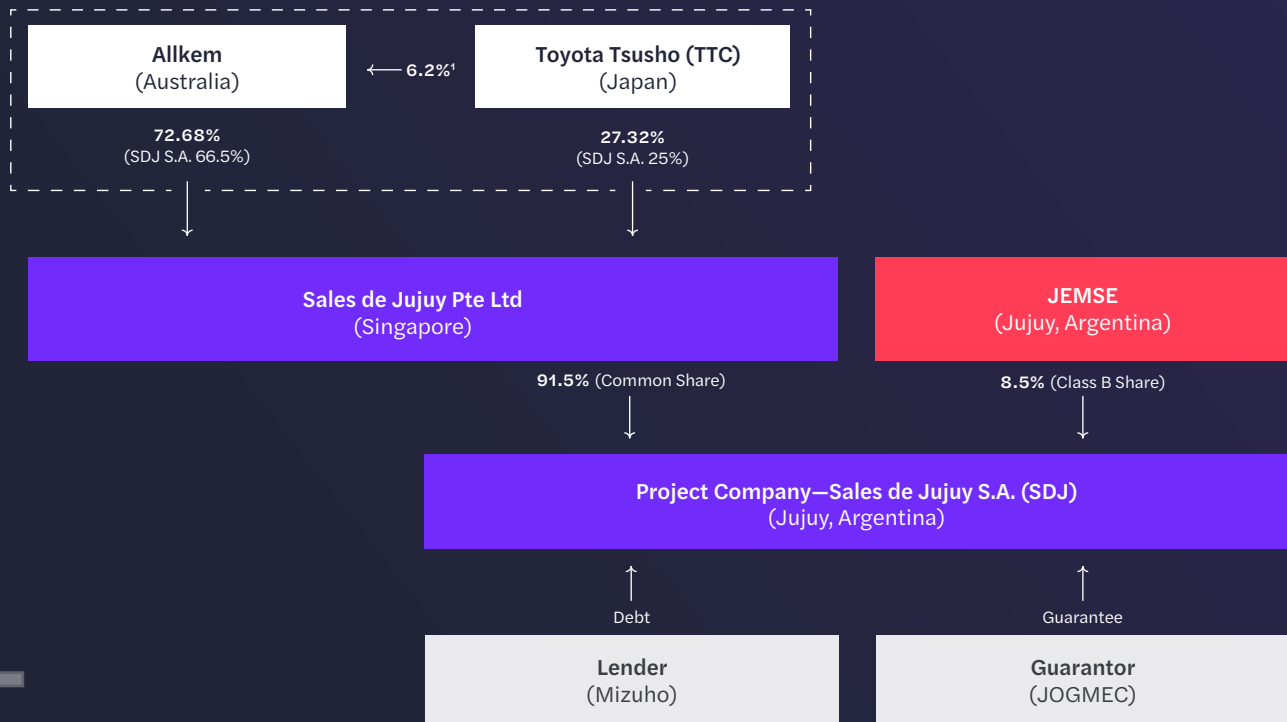
Resource

~16.2 Mt LCE<sup>11</sup>

Allkem Ownership

66.5%

Ownership Structure



Status

Stage 1 Production and Stage 2 Expansion

Including 100% owned Cauchari Resource ~6.3 mt LCE

Location

Jujuy province of Argentina under a Participation Agreement with the Pueblos Originarios of the Olaroz Chico Community

Direct Employees

628

40% Based in local communities  
75% From Jujuy Province, Argentina  
20% Female

<sup>11</sup> Lithium carbonate equivalent. Refer to Mineral Resources and Ore Reserves on p121-130 of FY22 Annual Report  
<sup>12</sup> Total Recordable Injury Frequency Rate per 1 million hours worked (inclusive of employees and contractors)

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🕒 Contractor Hours  
**2,047,000**  
For FY22 including expansion activities

🤝 Local Community Contribution  
**US\$44 m**  
Through salaries, local supply contracts and community programs

💰 Taxes and Royalties Paid  
**~US\$22.7 m**

⚙️ FY22 Production  
**12,863 t**  
Lithium carbonate  
47% battery grade

🎯 Targeted Production Capacity  
**42.5 ktpa**  
Lithium carbonate (Stage 1 and 2)

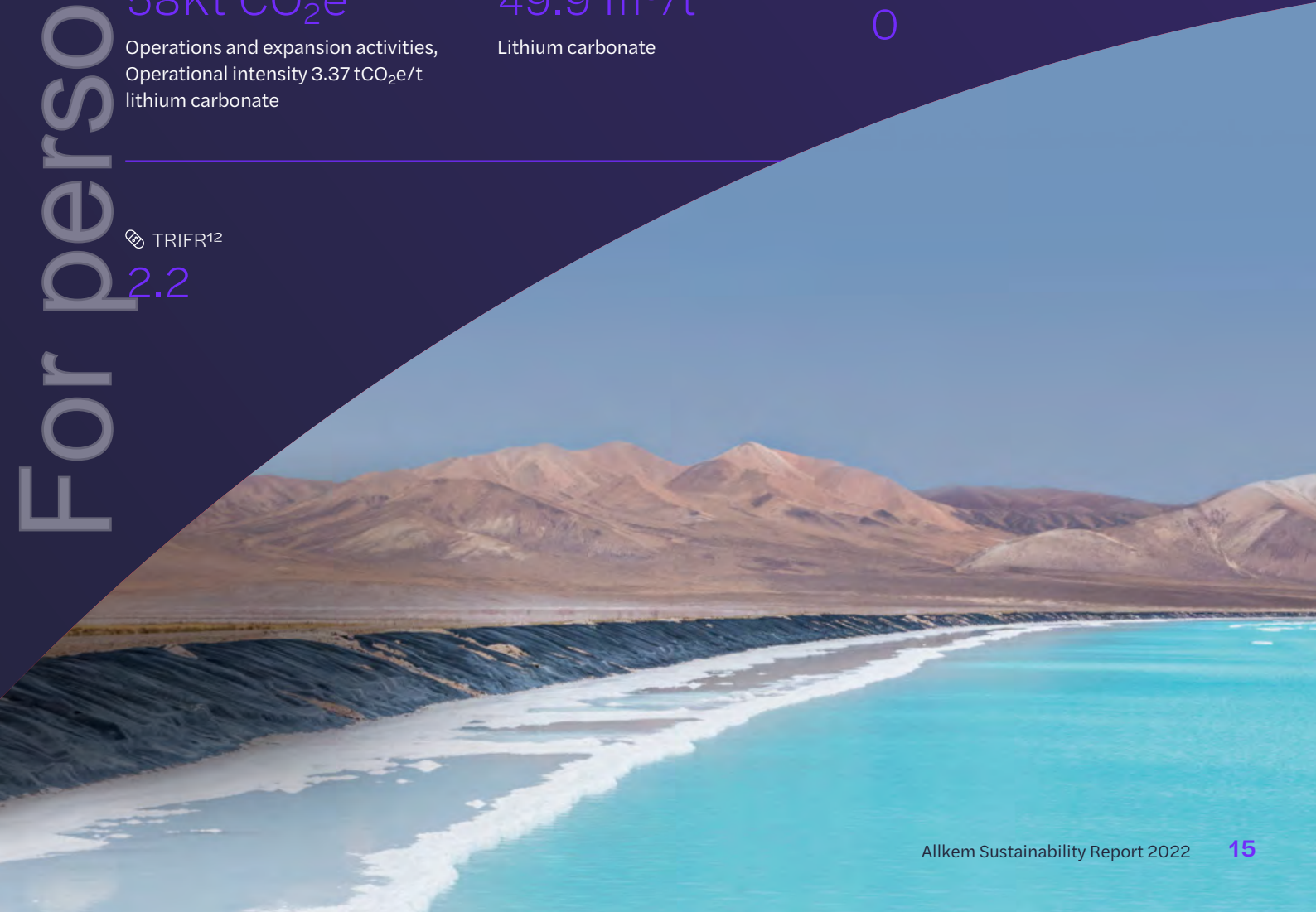
📊 Revenue  
**~US\$292.8 m**

🌱 Scope 1 and 2 Total  
**58Kt CO<sub>2</sub>e**  
Operations and expansion activities, Operational intensity 3.37 tCO<sub>2</sub>e/t lithium carbonate

💧 Operational Water Intensity  
**49.9 m<sup>3</sup>/t**  
Lithium carbonate

⚠️ Fatalities or Class 1 Process Safety Events  
**0**

📄 TRIFR<sup>12</sup>  
**2.2**



# Borax



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🕒 Allkem Ownership  
**100%\***

🕒 Status  
**Production**

📍 Location  
Salta province of Argentina

👥 Direct Employees  
**287**  
65% From local communities  
90% From Salta Province, Argentina  
12% Female

💖 Local Community Contribution  
**~US\$9.6 m**  
Through salaries, local supply contracts and community programs

💰 Taxes and Royalties Paid  
**~US\$3.7 m**

⚙️ FY22 Production  
**61,448 t**  
Including borax chemicals, boric acid and boron minerals

🏠 Revenue  
**~US\$25.1 m**

⚠️ Fatalities or Class 1 Process Safety Events  
**0**

📊 TRIFR<sup>13</sup>  
**1.4**

\*Subsequent to the end of the reporting period Allkem entered into a binding and conditional Heads of Agreement to sell Borax. It is currently anticipated that this sale will be completed in Q4 CY22

<sup>13</sup> Total Recordable Injury Frequency Rate per 1 million hours worked (inclusive of employees & contractors)



# Our Growth Projects

## Sal de Vida

☰ Type

Brine

📦 Resource

~6.85 Mt LCE<sup>14</sup>

🕒 Allkem Ownership

100%

🕒 Status

Construction

Stage 1 (15 ktpa) commenced construction and targets first production in H2 CY23 with brine evaporation occurring during plant construction, allowing evaporated brine to feed the plant once commissioned. Development of Stage 2 (30 ktpa) will occur sequentially.

📍 Targeted Production

45 ktpa

battery grade lithium carbonate (Stages 1 and 2)

📍 Location

Catamarca Province of Argentina, approximately 200 km from Olaroz

👥 Direct Employees

211

18% From local communities

including Villa de Antofagasta, El Peñón, Antofalla, Los Nacimientos and the town of Ciénaga Redonda

81% From Catamarca Province, Argentina

25% Female

🕒 Contractor Hours

653,000

📦 Capital Expenditure

~US\$63.7 m

At 30 June 2022, excluding VAT and working capital

⚠️ Fatalities or Class 1 Process Safety Events

0

📦 TRIFR<sup>15</sup>

0

⚙️ Renewable Power

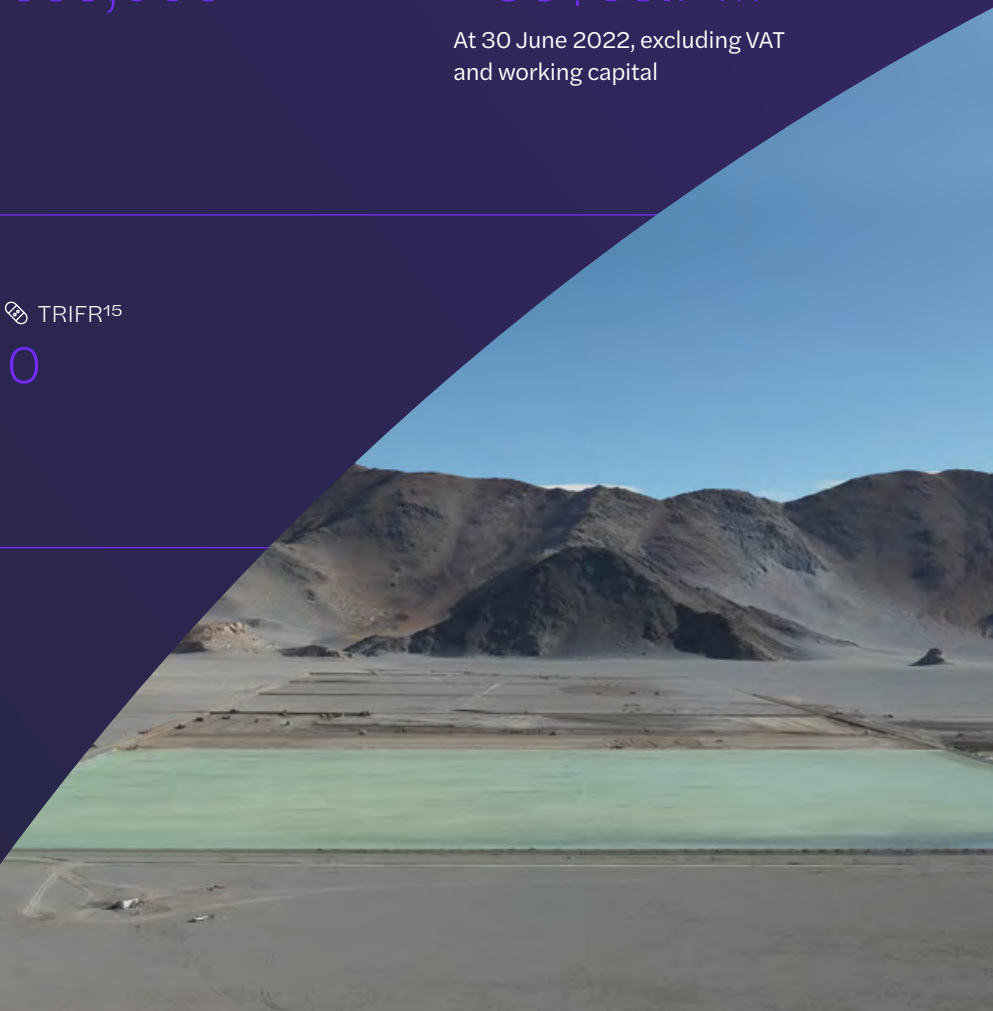
30%

Target power from renewable photovoltaic for Stage 1

<sup>14</sup> Refer to Mineral Resources and Ore Reserves on p121-130 of FY22 Annual Report

<sup>15</sup> Total Recordable Injury Frequency Rate per 1 million hours worked (inclusive of employees and contractors)

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# James Bay

☰ Type

Hard rock

📦 Resource

40.3 Mt @ 1.4% Li<sub>2</sub>O<sup>16</sup>

Equivalent to ~1.4 Mt LCE

🕒 Allkem Ownership

100%

🕒 Status

Permitting and Detailed Engineering

📄 Capital Expenditure

~US\$2.8 m

At 30 June 2022, excluding VAT and working capital

⚙️ Production Capacity

321 ktpa

Spodumene concentrate @ 5.6% Li<sub>2</sub>O

📍 Location

The James Bay project is located 130 km east of the Cree Nation of Eastmain, a first nations community of approximately 833 residents

The project is located in category III lands as classified by the James Bay and Northern Quebec Agreement (JBNQA). These areas are subject to the laws and regulations of Quebec regarding the use of public land. Allkem continues to work closely with the Cree Nation Government and in particular, the communities of Eastmain, Waskaganish and Waswanipi through the Environmental and Social Impact assessment processes.

👤 Direct Employees

20

75% From Quebec Province  
30% Female

⚠️ Fatalities or Class 1 Process Safety Events

0

📊 TRIFR<sup>17</sup>

0

⚡ Renewable Power

Renewable Electricity

Utilised from Hydro-Quebec

☰ Assessment Processes



<sup>16</sup> Refer to Mineral Resources and Ore Reserves on p121-130 of FY22 Annual Report

<sup>17</sup> Total Recordable Injury Frequency Rate per 1 million hours worked (inclusive of employees and contractors)

# Naraha

## Non-Operated Joint Venture

The Naraha Lithium Hydroxide Plant (Naraha) is the first of its kind to be built in Japan and is designed to convert technical grade lithium carbonate feedstock from Olaroz stage 2 into purified battery grade lithium hydroxide. There is strong demand for this product in the Japanese domestic market to produce high end batteries. The scope of sustainability performance data reporting does not include this development project which is managed by our joint venture partner Toyota Tsusho Corporation (TTC).

### Type

Lithium Hydroxide Conversion Facility

### Status

Construction Completed

Construction has been completed and commissioning activities commenced. First production is expected in H2 CY22 with minor delays being experienced due to travel and visa restrictions for commissioning personnel.

### Capital Expenditure

~US\$67 million

At 30 June 2022, excluding VAT and working capital

### Production Capacity

10 ktpa

Purified battery grade lithium hydroxide

### Ownership Structure



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# Risk and Governance

# Risk and Governance

Allkem promotes a culture that values trust, cooperation and mutual respect. Our Board is a strong advocate of good corporate governance and believes that a high standard of corporate governance is essential for sustainable long-term performance and value creation.

Our Board is committed to fulfilling its corporate governance obligations and responsibilities in the best interests of the Company and its stakeholders. The ASX Listing Rules require the Company to prepare a Corporate Governance Statement (Statement) which discloses the extent to which the Company has followed the recommendations contained in the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Principles and Recommendations). Our FY22 Corporate Governance Statement is available on the Company website.

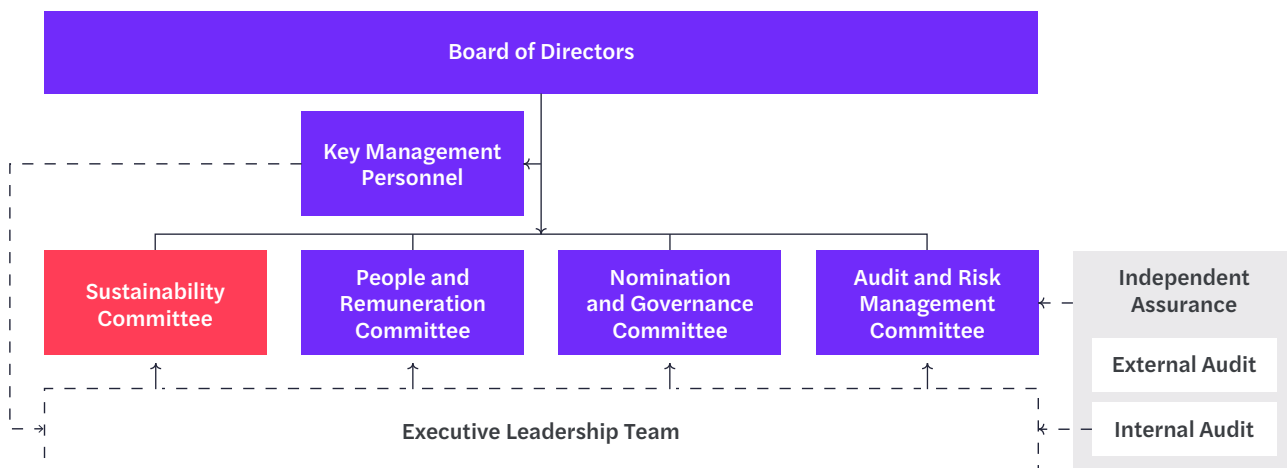
Reflecting the importance of sustainability to the company, Allkem's Chief Sustainability and External Affairs Officer reports directly to the CEO and also engages regularly with Allkem's Board Sustainability Committee. This Committee assists the Board in the effective discharge of its responsibilities in the areas of sustainability and in particular: safety, health, environment, community, climate change and human rights. The Charter of Allkem's Sustainability Committee, and our other Board Committees are available on the Company website.

FY22 was a period of consolidation for the organisation bringing together the Risk Frameworks of both Galaxy Resources and Orocobre. The Audit and Risk Management Committee, on behalf of the Board, endorsed the Allkem Risk Policy and the Allkem Risk Framework which enabled the initial development of a single consolidated Risk Register. Allkem has appointed a Group Risk Manager to oversee this process.

Risks, including threats and opportunities identified at the site level are incorporated in operational risk registers. Material risks, including those associated with safety, climate change and human rights are incorporated within Allkem's Risk Framework. Allkem's Board is responsible for overseeing risk and has assigned accountabilities and responsibilities for risk management to the Audit and Risk Management Committee, the Managing Director and executive management, with Allkem's Chief of Staff acting as the custodian of the Risk Management process within the organisation. The Group risk framework is reviewed at least annually by the Board Audit and Risk Committee. Key risks captured in this process are summarised and disclosed in Allkem's [Annual Report](#).

## Climate Change Risk

Allkem has defined what short, medium and long-term means to the business from a climate change perspective. Allkem has completed a climate change risk assessment, identifying both physical and transitional climate-related risks and opportunities along our value chain. This assessment incorporated<sup>18</sup> two detailed climate scenarios out to 2040 to guide the identification of risks and opportunities.



18 See p.15 of Allkem FY22 Annual Report.

A summary of each of the scenarios used in the assessment is included below. Note that Scenario 1 incorporates a 1.5°C pathway:



**Scenario 1**

**Ambitious, Coordinated Global Action**

In this scenario, the goals of the Paris Agreement are achieved with signatories of the Paris Agreement significantly ramping up their ambition from 2020 onwards. This would result in global emissions peaking shortly after 2020 and trending down thereafter, achieving a 30% (for a below 2°C pathway) to 50% (for a 1.5°C pathway) reduction by 2030 (on current levels).

The shift in the global economy is supported by international, national and sub-national policy and market frameworks, global emissions trading, and action by businesses and consumers.

The growth in residential and commercial renewable energy deployment and the rapid move to EVs is accompanied by a significantly increased demand for battery storage systems.

Consequences of physical risks are contained, even though already locked-in impacts are still felt.



**Scenario 2**

**Patchy, Insufficient Progress**

This scenario is set in a world where governments deliver on policies presently in place at the time the assessment was carried out, but nothing else. This results in about 3.2°C warming above pre-industrial levels, missing the goals of the Paris Agreement.

Continued reduction in cost of new energy technologies assists the clean energy transition; however, the momentum is not enough to offset the effects of an expanding global economy and growing population.

Limited policy intervention results in an uncoordinated transition, both at the national and international levels.

Physical aspects of climate change are increasingly felt across the world. Uncertainty on when climate thresholds will be crossed remains.

We have completed a preliminary assessment of physical and transitional drivers and potential impacts on our business across products and services, supply chain, communities, adaptation and mitigation activities, investment in R&D, and operations. While initial climate change risk assessments were carried out as stand-alone assessments, or as part of project approvals activities, we have now incorporated climate change risk within our annual risk assessment process. Climate related risks and opportunities identified at the site level, or through specific workshops addressing climate change and decarbonisation initiatives are incorporated in operational risk registers. The Group risk framework, taking site level and corporate risk registers into consideration, is reviewed at least annually by the Board Audit and Risk Committee.

**Human Rights Risk**

Human rights risks within our operations and supply chain have been assessed through a stand-alone human rights risk assessment. Supply chain risk factors are reassessed annually as part of our Modern Slavery reporting requirements under the Australian Government Modern Slavery Act. Our Annual Modern Slavery Statement is reviewed by the Allkem Board and lodged with the Australian Government Register. It is also available on our [website](#).

During the year, Human Rights awareness training was carried out across the company with over 350 employees participating in 22 sessions across 8 locations in 3 countries.

The Group risk framework, taking site level and corporate risk registers into consideration, is reviewed at least annually by the Board Audit and Risk Committee.

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# FY22 Focus Areas

# Overview

We regularly engage with our stakeholders to better understand what topics are important to them and why. We make sure that we understand what the potential is for our business activities to impact these topics and if these represent risks that need to be mitigated or opportunities that can be incorporated in our business strategy.



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We foster connections to power a sustainable future.

We believe the connections we create with all stakeholders including employees, customers, suppliers, communities and shareholders enable us to deliver a sustainable future for all.



**Employees**

Together we are fostering personal growth and professional impact through an inclusive culture that celebrates diversity.

Allkem has ~1300 employees based across Australia, Argentina, Canada and Japan. During the year we focused on standardising our approach to safety and wellbeing across the company and we continue to develop an inclusive culture, celebrating diversity in all areas where we operate.



**Communities and Government**

Together we seek meaningful long-term relationships that respect local cultures and create lasting benefits.

We are privileged to have respectful partnerships with local and indigenous communities in Ravensthorpe, Western Australia, the provinces of Catamarca, Jujuy and Salta in Argentina and Quebec, Canada. We understand the importance of listening to all voices that make up our communities and being responsive to community and government concerns. We monitor and manage environmental impacts and opportunities and make this information available. We maintain regular communication with government representatives and identify common goals for shared value creation.



**Customers**

Together we are responsibly delivering a reliable source of high-quality products with the scale, flexibility and global reach required by our customers.

During the year we delivered spodumene concentrate and lithium carbonate to our customers. We engage with our customers to increase transparency on environmental, social and governance performance in line with the evolving focus on ESG across the value chain.



**Suppliers**

Together with our suppliers we are improving efficiency, identifying innovative solutions and building capacity in our local community suppliers to create shared value.



**Shareholders**

Together we are undertaking sustainable development of our world-class growth pipeline to maximise shareholder value.

We review our most material topics based on stakeholder engagement throughout the year. We validate these topics with the Executive team and the Board at the final stage of our annual materiality assessment. The outcomes of the materiality assessment for FY22 are summarised in the following matrix. What is important to one group of stakeholders may be different to what is important to others. This matrix captures the topics that are recognised as most important overall. Key differences this year include a greater emphasis on the importance of waste and tailings management. This is due to our assets expanding to include hard rock spodumene mining as well as brine-based lithium operations post-merger. The completion of the merger has also placed increased focus on staff training and professional development as our business expands. Health and safety at work, business growth, climate change response and environmental management remain primary areas of importance for Allkem and our stakeholders.

Health and safety, business growth, climate change response and environmental management remain primary areas of importance for Allkem and our stakeholders.

### Materiality Matrix

● Strategic ● Relevant ● Important

Importance to Stakeholders	<ul style="list-style-type: none"> <li>Local employee hiring in the regions where we operate</li> </ul>	<ul style="list-style-type: none"> <li>Human rights</li> <li>Community and indigenous partnerships</li> <li>Water and basin management</li> <li>Waste and tailings management</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety at work</li> <li>Business Continuity, Growth and profitability</li> <li>Climate change response</li> <li>Biodiversity and environmental management</li> </ul>
		<ul style="list-style-type: none"> <li>Diversity, inclusion and equal opportunities</li> <li>Training and professional development</li> <li>Risk and Crisis management (including Covid 19 response)</li> <li>Development and hiring of local suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Assurance of quality, product safety and responsibility</li> <li>Governance, Ethics, Transparency and Anticorruption</li> </ul>
			<ul style="list-style-type: none"> <li>Research, innovation and development</li> <li>Contribution to public policy</li> </ul>
	Importance to Allkem		



Our response to each of these material topics can be found in our disclosures as indicated below.

Topic	Description	Change from FY21	Response
<b>Business continuity, growth, and profitability</b>	Our stakeholders, particularly our investors require our business to be profitable now, and in the long term. The success of our merger and ability to maintain successful expansion of our operations and projects is critical.	→	<a href="#">Annual Report</a> <a href="#">Sustainability Report—About Allkem—Growth Projects</a>
<b>Health and safety at work</b>	How we put in place effective standards and systems to maintain a culture that keeps our workforce safe.	→	<a href="#">Sustainability Report—Our People—Health, Safety and Wellbeing</a> <a href="#">Health and Safety Policy</a> <a href="#">Health and Safety Performance Data</a>
<b>Climate change response</b>	How we are responding to the recommendations of the Taskforce on Climate Related Financial Disclosures (TCFD) and preparing our business for the physical and transitional risks (and opportunities) associated with climate change.	→	<a href="#">Annual Report—TCFD Response</a> <a href="#">Climate Change Statement</a> <a href="#">Environment Performance Data</a>
<b>Human rights</b>	Our stakeholders are interested in how we respect and promote human rights in our operations and supply chains. As an ASX listed company, the Australian Government requires Allkem to submit an annual Modern Slavery Statement outlining how we identify and address risk factors for modern slavery.	→	<a href="#">Annual Modern Slavery Statement</a> <a href="#">Sustainability Report—Risk and Governance—Human Rights Risk</a> <a href="#">Human Rights Policy</a>
<b>Biodiversity and environmental management</b>	Our stakeholders are interested in how we identify, evaluate, and manage the potential environmental impacts of our operations. This is particularly important to securing approvals and ongoing acceptance of our operations in each of the regions where we operate.	→	<a href="#">Sustainability Report—Our Environment—Land Use and Biodiversity Management</a> <a href="#">Environmental Policy</a> <a href="#">Environment Performance Data</a>
<b>Assurance of quality, product safety and responsibility</b>	Our customers have specific requirements to which our products must adhere. This includes safe packaging, handling, and use of our products.	→	<a href="#">Value Chain Performance Data</a> <a href="#">Sustainability Report—Communities and Shared Value</a>
<b>Community and indigenous partnerships</b>	Maintaining strong trusted partnerships with local communities where our operations and projects are located is crucial.	→	<a href="#">Sustainability Report—Communities and Shared Value</a> <a href="#">Community and Social Performance Policy</a> <a href="#">Landholder Engagement Policy</a>
<b>Water and basin management</b>	Water management is a key area of interest for the Lithium industry, and it is important to clarify our risk exposure, while promoting water-use efficiency and protecting water-related ecosystems.	↑	<a href="#">Sustainability Report—Our Environment—Water Use</a> <a href="#">Environment Performance Data</a>
<b>Waste and tailings management</b>	As we increase our exposure to hard rock mining operations, our management of tailings is becoming more material to our stakeholders.	↑	<a href="#">Sustainability Report—Our Environment—Waste and Tailings Management</a> <a href="#">Environment Performance Data</a>
<b>Diversity, inclusion, and equal opportunities</b>	Diversity is increasingly seen as an asset to listed entities and a contributor to better overall performance, particularly in a competitive labour market. Our stakeholders are interested in how we set targets and implement actions towards achieving diversity.	→	<a href="#">Sustainability Report—Our People—Diversity and Inclusion</a>
<b>Training and professional development</b>	We must attract and maintain a growing workforce of skilled employees to build a strong and successful business in the long term.	↑	<a href="#">Sustainability Report—Our People—Future Ready Workforce</a> <a href="#">People Performance Data</a>
<b>Research, innovation and development</b>	Investors are increasingly interested in how we will implement innovative technologies (including direct lithium extraction (DLE)) to sustainably grow our lithium production capacity.	→	<a href="#">Sustainability Report—Climate Change and Decarbonisation</a>
<b>Governance, ethics, transparency, and anti-corruption</b>	Our stakeholders require us to have effective governance principles in place and to act ethically and with transparency.	→	<a href="#">Corporate Governance Statement</a> <a href="#">Sustainability Report—Risk and Governance</a> <a href="#">Governance Performance Data</a>
<b>Risk and crisis management (including COVID-19 response)</b>	Our stakeholders are interested in how we effectively identify and manage risks in relation to the sustainability of our business, including, how we are responding to the remaining challenges associated with COVID-19 across our workforce, in our communities, with our suppliers and contractors, and in the market.	↓	<a href="#">Annual Report</a> <a href="#">Sustainability Report—Risk and Governance</a> <a href="#">Sustainability Report—Our People—Health, Safety and Wellbeing</a>
<b>Development and hiring of local suppliers</b>	The success of our business requires us to manage risks and opportunities within our supply chain. Building capacity of local suppliers helps us to meet legal requirements, maintain our social licence and is also important to the success of our business due to the remote nature of our operations.	→	<a href="#">Sustainability Report—Communities and Shared Value</a> <a href="#">Value Chain Performance Data</a>
<b>Local employee hiring in regions where we operate</b>	It is critical that we build the capacity of our local communities to contribute to our operations as employees. These relationships help us to meet legal requirements, maintain our social licence and are also important to the success of our business due to the remote nature of our operations.	→	<a href="#">Sustainability Report—Communities and Shared Value</a> <a href="#">People Performance Data</a>
<b>Contribution to Public Policy</b>	There is an increasing expectation that our company contributes to public policy in a way that aligns with our long-term business strategy, particularly in relation to climate change. Investors also expect transparency on any industry associations or lobbying activities.	↑	<a href="#">Sustainability Report—Communities and Shared Value</a> <a href="#">Corporate Code of Conduct</a>

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# FY22 Performance

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Our long-term focus on the sustainability of our business has been recognised during the year with ongoing inclusion in the Dow Jones Sustainability Indices, an improved MSCI ESG rating and becoming a constituent of the FTSE4Good Index series.

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

Performing in the top quartile of the Metals and Mining Industry in the S&P Global CSA



Improved rating of "AA" in the MSCI ESG Ratings assessment\*



**FTSE4Good**

Became a constituent of the FTSE4Good Index series

\*The use by Allkem of any MSCI ESG research llc or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of allkem by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

# Climate Change and Decarbonisation

Allkem supports the Task Force on Climate-related Financial Disclosures (TCFD). We are pleased that the work of the new International Sustainability Standards Board (ISSB) is incorporating the recommendations of the TCFD. The elements of the TCFD framework are addressed in our annual reporting as identified below:



## Governance

**Allkem's governance of climate related risks and opportunities**

- Annual Report p.14
- Sustainability Report—Risk and Governance Section



## Risk Management

**How Allkem identifies, assesses and manages climate change risk.**

- Sustainability Report—Risk and Governance Section



## Strategy

**How Allkem's business strategy responds to climate related risks and opportunities in the short, medium and longer term.**

- Annual Report p. 14-15
- Sustainability Report—Climate change and decarbonisation



## Metrics and Targets

**The metrics and targets developed and implemented to manage relevant climate related risks.**

- Allkem Climate Change Statement
- Targetting Net Zero in operations by 2035
- Sustainability Report—Climate change and decarbonisation

We have a range of continuous improvement projects in development or under investigation to optimise existing operations and new projects to further reduce emissions intensity of our products.

## Strategic Focus

The International Energy Agency's (IEA) Net Zero by 2050 Roadmap for the Global Energy Sector<sup>19</sup> incorporates a projected increase in demand for lithium of 30 times 2020 levels by 2030 and 100 times higher in 2050.

Our strong lithium development pipeline will allow us to supply the growing market as the world migrates to lower emissions transport and energy solutions. Lithium supply and demand forecasts that are incorporated in our strategic business planning draw on a range of climate change transition scenarios. These are informed by global commitments and actions that attempt to limit the rise in global warming temperatures to 1.5°C and avoid the worst effects of climate change. Significant growth in lithium demand is underway and is underpinned by global support of major economies and automakers to decarbonise through the adoption of electric transport. Our vertically integrated production base allows us to service multiple markets and customers, reducing potential supply chain emissions associated with product transportation.

Our operations in Argentina are not currently subject to emissions limiting regulations. Our Mt Cattlin Operation in Western Australia reports annual energy use and greenhouse gas emissions to the Australian Government Clean Energy Regulator under the *National Greenhouse and Energy Reporting Act 2007* (NGER Act). Mt Cattlin does not reach the threshold<sup>20</sup> for reporting under the NGER (Safeguard Mechanism) Rule 2015 (the Safeguard Mechanism Rule) and therefore does not currently operate with a regulated emissions limit or baseline.

Our James Bay hard rock spodumene project in Canada will be covered by the Quebec Carbon Trading Scheme<sup>21</sup> if annual emissions exceed 25,000 tonnes of CO<sub>2</sub>e. If annual emissions are below this amount, we have the option to register as voluntary participants in the carbon market.

We have a range of continuous improvement projects in development or under investigation to optimise existing operations and new projects to further reduce emissions intensity of our products. Our original commitment to Net Zero by 2035 was made in 2021 in respect of the Olaroz Stage 1 and Stage 2 developments. Following completion of the merger with Galaxy Resources Ltd in August 2021 we have expanded the scope of the Net Zero by 2035 commitment to include all of Allkem's assets. During FY2023 we are preparing a detailed action plan which will identify the most effective options for emissions mitigation and the various actions and activities that Allkem will undertake to deliver on this commitment. Finalisation of a fully developed Allkem Net Zero by 2035 action plan has been included as a performance hurdle in the CEO's short term incentive for FY2023. Further detail on the actions to achieve Net Zero by 2035 will be released once the action plan has been finalised.

<sup>19</sup> [https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector\\_CORR.pdf](https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf) p.71

<sup>20</sup> (100,000 tonnes direct scope 1 annual CO<sub>2</sub>e annual emissions)

<sup>21</sup> <https://www.environnement.gouv.qc.ca/changementsclimatiques/marche-carbone.asp>

An internal carbon price is used for evaluating long-term value, and this value will be reviewed periodically. We also have a range of continuous improvement projects in development or under investigation to optimise existing operations and new projects to further reduce emissions intensity of our products. These projects include:

### 01

#### Implementing Renewable Energy

Implementing photovoltaic electricity generation for Stage 1 Sal de Vida to cover at least 30% of energy use. At least 44% of energy for James Bay Spodumene Project will be sourced from Hydro Quebec renewable electricity.

### 02

#### Dedicated Purification Facility

To allow Olaroz Stage 1 to transition to a dedicated technical grade lithium carbonate facility with an additional purification plant installed at Jujuy to process high quality battery grade lithium carbonate. Operating the battery grade plant at a lower altitude location, closer to services and workforce will increase efficiencies and enable increased recovery of CO<sub>2</sub> from the process.

### 03

#### Enhanced Brine Recovery Project

Piloting alternative technologies including hybrid forms of direct lithium extraction, to enhance recovery at Olaroz (Stage 1 and Stage 2) from approximately 75% for primary production to 95%.

### 04

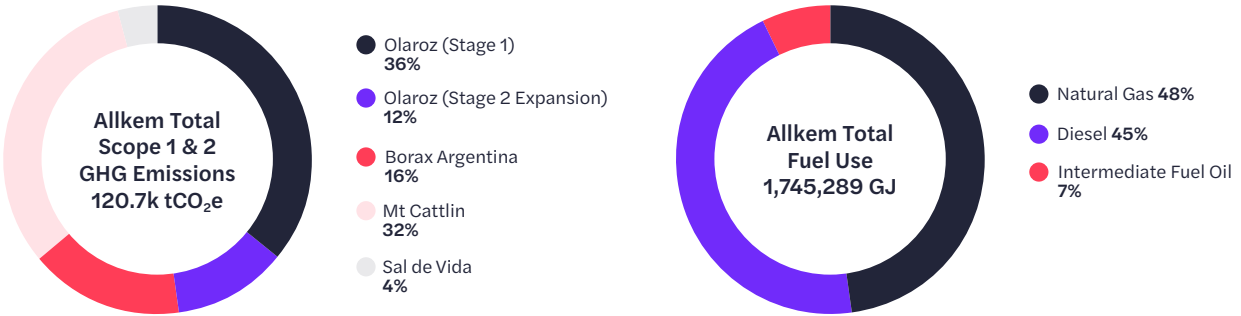
#### Locally Sourced Reagents

Studies have commenced on the local supply and manufacture of key reagents such as soda ash to meet increasing requirements with higher production at Olaroz and Sal de Vida. Development options will also be considered for Allkem owned lime properties in NW Argentina which may lead to further efficiency improvements.

## FY22 Performance

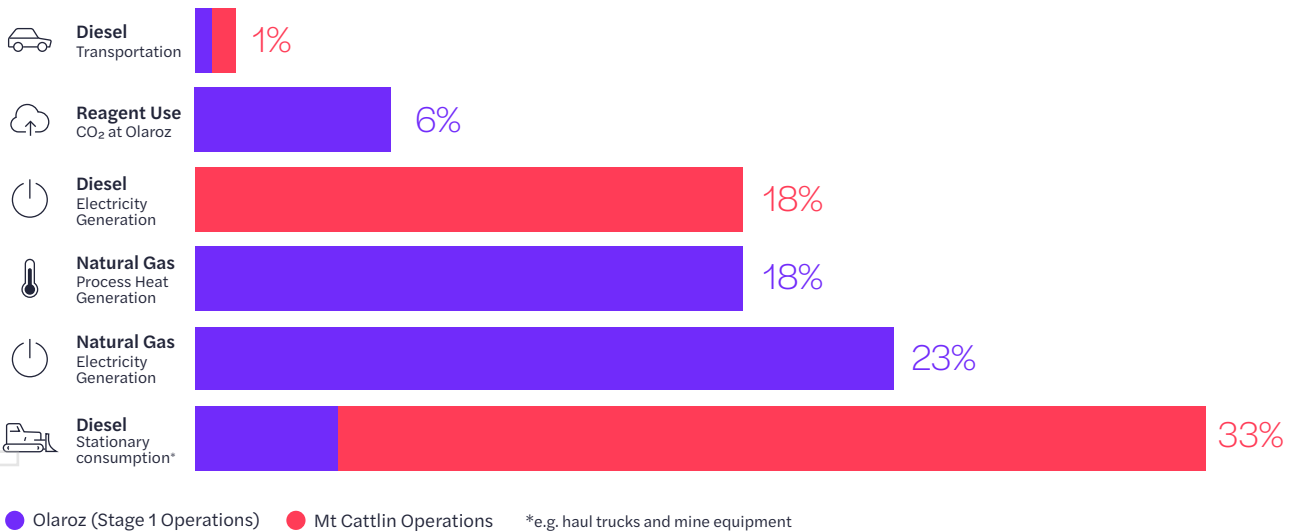
### Energy Use and GHG Emissions

Our total fuel use and scope 1 and 2 greenhouse gas emissions for FY22 are summarised below. Over 99% of these emissions are classified as direct, Scope 1 emissions. Scope 2 emissions are only associated with electricity use in our offices. Due to the remote nature of our operations, electricity is currently generated on site using natural gas at the Olaroz Lithium Facility and diesel fuel at the Mt Cattlin mining operations. Borax Argentina also used recovered Intermediate Fuel Oil (IFO) at the Tincalayu mining operation.



Average operational emissions intensity (Scope 1 and 2) for our lithium assets in FY22 was 2.22 tonnes of CO<sub>2</sub>e/t LCE<sup>22</sup>. The key sources of operational GHG emissions from our lithium operations are summarised below.

#### Allkem FY22 Lithium Production Operational GHG Emissions Sources



### Operational Emissions

#### Olaroz Lithium Facility

This year at the Olaroz Lithium Facility, Stage 1 operation emissions (Scope 1 and 2) totalled approximately 43,400 tonnes CO<sub>2</sub>e and emissions intensity increased slightly to 3.37 tonnes CO<sub>2</sub>e/tonne of lithium carbonate produced. This was due to increased precipitation at site during the year impacting brine concentration. An increased quantity of brine therefore needed to be processed through the plant, requiring more energy.

<sup>22</sup> Lithium Carbonate Equivalent (for the purpose of these metrics, a conversion factor of 8 has been used for Spodumene concentrate to LCE) FY22 intensity value includes Olaroz and Mt Cattlin operations.



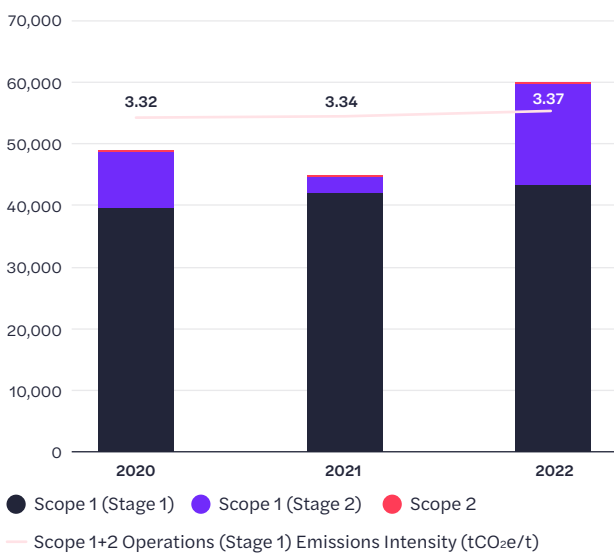
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Reporting of Scope 1 emissions for the Olaroz Lithium Facility has been expanded to include carbon dioxide (CO<sub>2</sub>) used in the purification process<sup>23</sup>. We are currently investigating methods to improve the efficiency of this process and increase the proportion of CO<sub>2</sub> that is captured and reused in the purification plant. During FY22, CO<sub>2</sub> used in the purification plant but not captured for reuse accounted for 9% of total annual Scope 1 emissions for the Olaroz Lithium Facility.

### Mt Cattlin

During FY22, we reported total Scope 1 and 2 emissions for Mt Cattlin of approximately 39,000 tCO<sub>2</sub>e<sup>24</sup> associated with record annual spodumene production. These were over 99% direct Scope 1 emissions from the use of diesel fuel on site. The emissions intensity of the spodumene concentrate product during FY22 was 0.2 tCO<sub>2</sub>e/dmt<sup>25</sup> or 1.61 tCO<sub>2</sub>e/tLCE<sup>26</sup>.

**Olaroz GHG Emissions (tCO<sub>2</sub>e)**



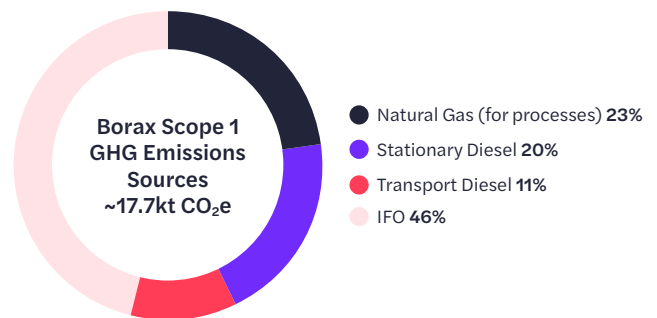
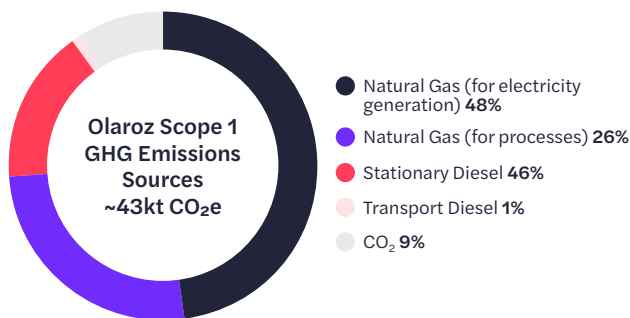
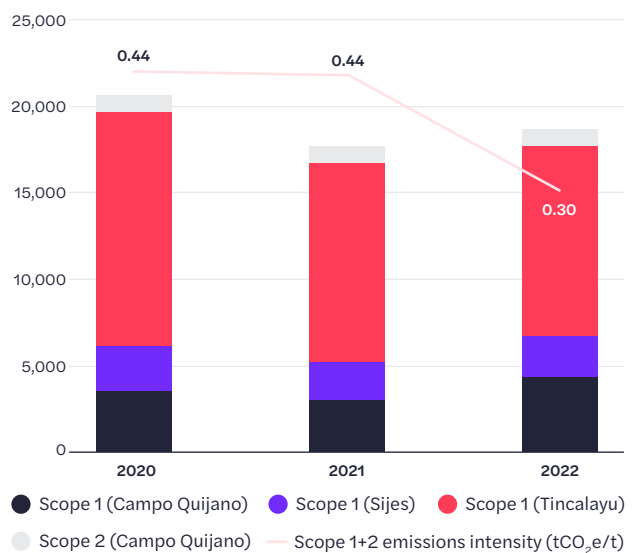
The Mt Cattlin solar farm installed in 2010 supplied 134,023 kWh of electricity in 2022. This has resulted in over 91 tonnes of CO<sub>2</sub> emissions avoided during the financial year.

The Mt Cattlin solar farm installed in 2010 supplied 134,023 kWh of electricity in 2022.

### Borax Argentina

FY22 emissions intensity for Borax Argentina operations improved from 0.44 to 0.30 tonnes CO<sub>2</sub>e/tonne of product.

**Borax GHG Emissions (tCO<sub>2</sub>e)**



<sup>23</sup> Scope 1 emissions totals for FY20 and FY21 have been restated in this report and in Environment Performance data to also include these emissions.

<sup>24</sup> This value is based on the full financial year ending 30 June 2022. The FY22 financial statements are based on Mt Cattlin's results from the 10-month period post-merger completion date i.e., 25 August 2021 to 30 June 2022.

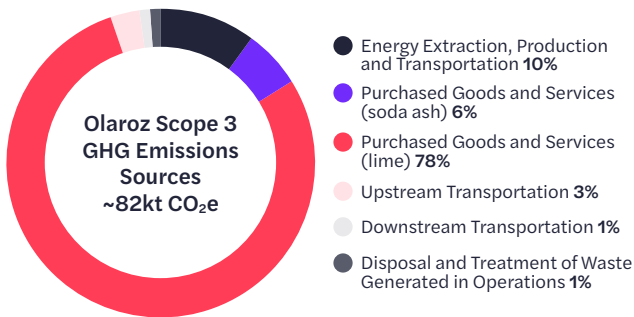
<sup>25</sup> Dry metric tonne of spodumene concentrate with an average grade of 5.6% Li<sub>2</sub>O.

<sup>26</sup> (Conversion factor Spodumene to LCE=8)

## Scope 3 Emissions

### Olaroz Lithium Facility

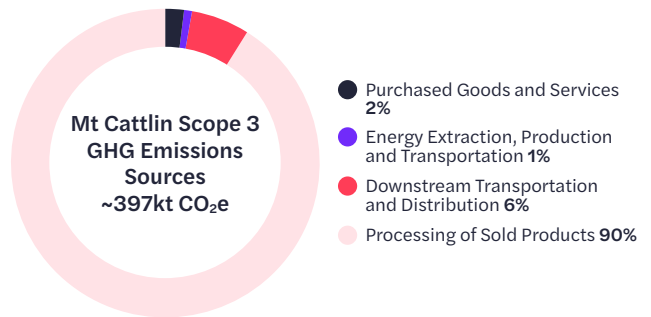
During FY22, Scope 3 emissions reported for the Olaroz Lithium Facility totalled approximately 81,900 tonnes CO<sub>2</sub>e. 78% of these were process emissions associated with the production of lime that is purchased for use in the ponds and plant. 6% was associated with soda ash supply. Although our current emissions reduction targets relate only to our Scope 1 and 2 emissions, we recognise that there are also significant opportunities to work with our suppliers to reduce emissions associated with production and delivery of these reagents and other initiatives.



### Mt Cattlin

Scope 3 emissions for Mt Cattlin were estimated for the first time in FY22. Downstream processing of spodumene accounted for 90% of these GHG emissions.

See [performance data](#) for detailed breakdown of emissions across each site and project.



## FY23 Future Focus Metrics and Targets

We monitor climate-related metrics, such as water use and intensity, energy consumption and intensity, absolute emissions and emissions intensity, and waste. These metrics are reported in our performance data available on the Allkem [website](#). Our Board approved [Climate Change Statement](#) outlines our commitment to the reduction of global greenhouse gas emissions and the transition of our business scope 1 and 2 emissions to net-zero by 2035.

We have developed short- and medium-term preliminary emissions targets noted below. These projections have been developed considering our current operations and development pipeline. Our emissions targets are currently being reviewed to align with our net-zero commitment. Energy efficiency and utilising renewable energy are key considerations in our development projects moving forward. We are also continuing to investigate the most efficient methods to implement emissions reductions at our operations.

KPIs	FY22	FY23	FY25	FY30
<b>ALLKEM</b>				
Total Emissions Scope 1 + 2 (tCO <sub>2</sub> e) Operations and Expansion	120,708	197,800	152,500	115,000
Lithium production operational emissions intensity Scope 1+2 (tCO <sub>2</sub> -e/t LCE <sup>27</sup> )	2.22	2.86	1.70	1.28

A target of 3.3 tCO<sub>2</sub>e/t LCE for the Group had been linked with CEO short term incentive (STI) remuneration for FY23. This target includes both operational and expansion emissions from Olaroz and operational emissions from Mt Cattlin. An additional 5% of STI remuneration for FY23 is linked with the completion of the Allkem Net Zero Action Plan.

<sup>27</sup> Lithium Carbonate Equivalent (for the purpose of these targets, a conversion factor of 8 has been used for Spodumene concentrate to LCE) FY22 intensity value includes Olaroz and Mt Cattlin operations.

# Our People

## Health, Safety and Wellbeing

### Strategic Focus

Ensuring that our workforce is supported, safe and healthy is consistently identified as one of our most material topics and we are committed to achieving a “zero incident—zero harm” workplace across the Group. Our Health, Safety and Wellbeing Strategy has been developed around the key pillars of Standards, Systems and Culture. With an underlying focus on continuous improvement. At Allkem we believe that **Together, we can be Safer.**

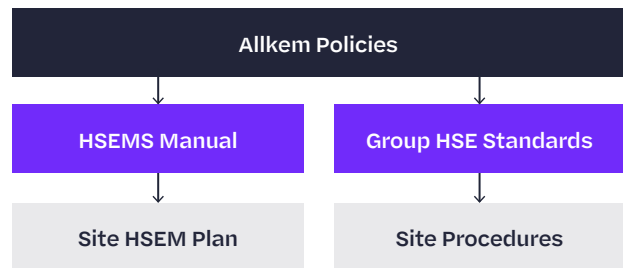
Following the merger, implementing a consistent approach to health and safety at each operation and project was a priority. The Allkem Health, Safety and Environment Management Systems Manual provides a foundation for relevant policies and management systems and covers the following key themes:

- Leadership Commitment
- Planning and Strategy
- Metrics and Performance Management
- Training, Competency and Awareness
- Consultation and Communication
- Measurement, Reporting and Investigation.

The Manual is supported by a series of Corporate Standards that define minimum expectations and enable each operation and project team to tailor their operating practices to achieve our goal of Zero Incident—Zero Harm to people and the environment.

### Governance

Each operation and project are accountable to ensure the site plans and procedures they utilise are sufficient to align with the Corporate Standards. The Corporate Health Safety and Environment Team are the owners of the standards and provide governance and assistance in the activities required to achieve compliance with them. Safety performance across the company is an agenda item at every Board Sustainability Committee meeting. Material health and safety risks are incorporated in Allkem's Risk Framework which is reviewed at least annually by the Board Audit and Risk Committee.



#### Standards

Our company standards are simple, easy to access and align to world's best practice to keep our people safe.



#### Systems

Our company uses simple systems and leverages technology to enable our people to be safe



#### Culture

Our company adopts an engaging culture which promotes health and safety as a core value



#### Continuous Improvement

Our company establishes a foundation of seeking to get better at everything we do.

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## FY22 Performance

During the year, all sites were incorporated into our integrated reporting system platform for health, safety, and quality aspects of reporting processes. The Allkem Corporate Health, Safety and Environment team have worked with subject matter experts to adapt the platform for the working environment of each user. English, Spanish, and French language interfaces have been developed and implemented across the business.

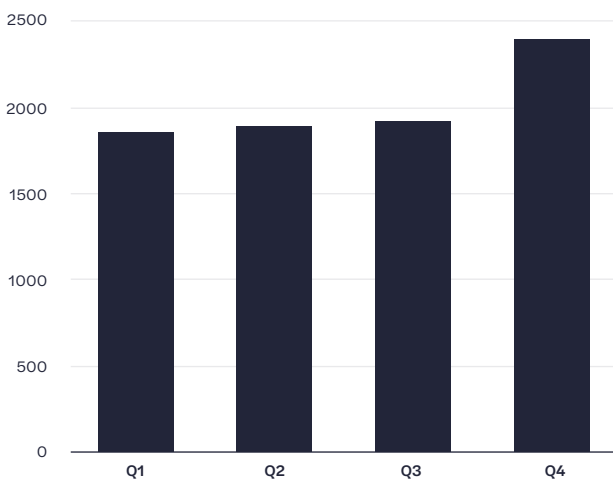
Our Olaroz operations have been certified under the ISO 45001 Health and Safety Management System Standard. Borax has completed the transition from OHSAS 18001 to ISO 45001 and is in the process of recertification. Mt Cattlin's Health and Safety Management System is also aligned with ISO 45001.

During the year, the Mt Cattlin site has executed a program targeting a reduction in fatality risks based on International Council on Mining and Metals (ICMM) guidance.

We have successfully implemented behavioural based safety programs across our sites to increase reporting of behavioural observations. The success of these programs is evident in the increased number of observations recorded during the year as shown below.

	Mt Cattlin	Olaroz	Borax	SdV	James Bay	Allkem Group Total
Medical Treatment Injury	2	2	0	0	0	4
Restricted Work Injury	2	3	1	0	0	6
Lost Time Injury	3	2	0	0	0	5
Lost Time Injury Frequency Rate (LTIFR)	5.2	0.6	0	0	0	0.9
<b>Total Recordable Injury</b>	<b>7</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>15</b>
<b>Total Recordable Injury Frequency Rate (TRIFR)</b>	<b>12.0</b>	<b>2.2</b>	<b>1.4</b>	<b>0</b>	<b>0</b>	<b>2.6</b>
Fatalities	0	0	0	0	0	0

Number of Behavioural Observations FY22

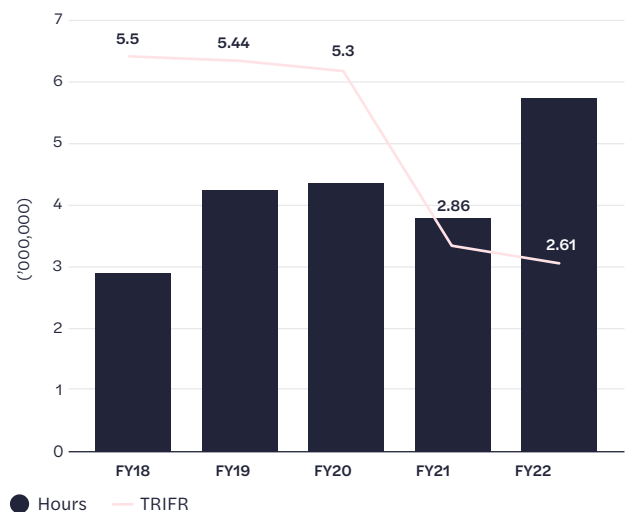


## Injury and Illness Frequency and Results

A critical step in the integration process was aligning our reporting on Recordable Injuries and Illnesses. The basis of the classification framework adopted was based on the ICMM Guidance paper: *Health and Safety Reporting Indicators 2021*. The classifications of injuries and illnesses is also aligned with the Occupational Safety and Health Administration (OSHA) and other major reporting bodies. Both Orocobre and Galaxy reported using similar standards hence the alignment of reporting was simple and enabled rapid adoption throughout the operations and projects. It also enables some parity when comparing previous annual performance.

FY22 was a year where all sites demonstrated improved Injury Rates with the exception of Mt Cattlin which sustained 7 Recordable Injuries compared to only 2 in the previous fiscal year. Activity at the Mt Cattlin operation was impacted by COVID related issues including contractor and staff turnover and has been subject to an Improvement Plan including the appointment of a number of senior positions in Health, Safety and Environment.

Combined Historic TRIFR



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## Lost Time Injuries

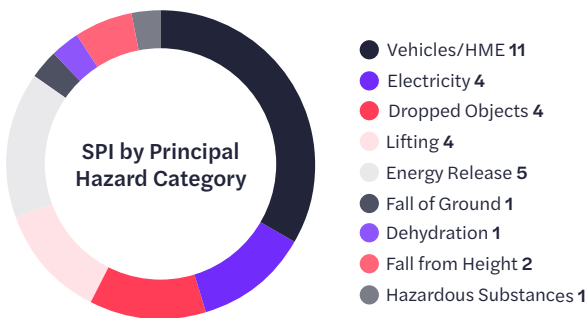
Disappointingly we sustained 5 Lost Time Injuries throughout the year, two at Olaroz and three at Mt Cattlin.

All Recordable Injuries are subject to a detailed Root Cause Analysis investigation and Senior Management review to confirm that appropriate lessons have been learnt and actions assigned.

## Severity Rate

Allkem measures the Severity Rate as the number of workdays lost or restricted as a result of a Recordable Injury (i.e. a Lost Time or Restricted Work Case) per million hours worked. As a result of some of the injuries leading to protracted time away from the employee or contractor's full duties the following Severity Rates were recorded for FY22:

Site	Injury Severity Rate
Mt Cattlin	537
Olaroz	46
Borax	88
SdV	0
James Bay	0
<b>Allkem</b>	<b>91</b>



## Significant Potential Incidents (SPI)

The alignment of the reporting and escalation of Significant Potential Incidents (SPI), or Incidents with High Potential was a major improvement through the merger integration process. All incidents are reported with their actual and potential severity considered. This is subject to review by the local Health and Safety site teams.

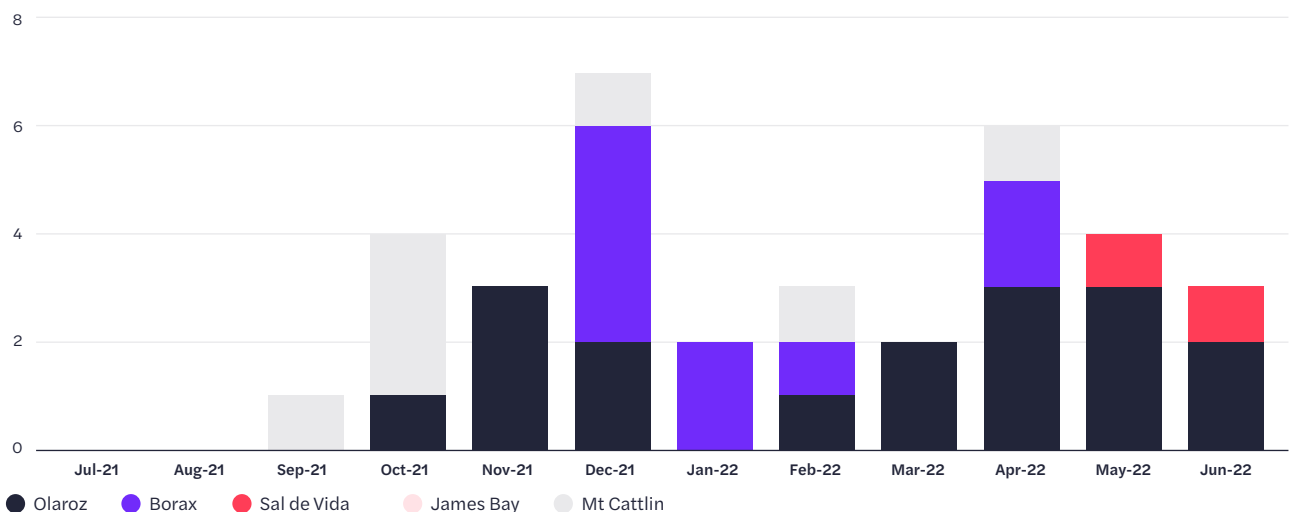
An SPI is one where, as per Allkem's Incident Severity Matrix, there is a possibility of a single or multiple fatality event. These incidents do not necessarily involve any actual injuries or impacts and often the incident is observed as a *near miss* occurrence.

Approximately one third of reported SPIs relate to operating vehicles and heavy machinery. Due to this, we have implemented a series of action plans, including the installation of a fatigue monitoring system on the Mt Cattlin light vehicle fleet. Driving to and from our operations in the Puna in Argentina is subject to strict journey management controls including multiple drivers, specific hours of travel and call-up points at designated locations on the provincial routes.

See [performance data](#) for detailed breakdown of Health and Safety performance metrics across each of our sites.

We have implemented a series of action plans, including the installation of a fatigue monitoring system on the Mt Cattlin light vehicle fleet.

## Significant Potential Incidents FY22



# Our People Diversity and Inclusion



## Strategic Focus

Developing a diverse, skilled, engaged, and productive workforce is essential for contributing to the long-term value of our business. At Allkem, we are proud to work across a diverse range of locations, with a workforce that values and reflects the cultures of each of the areas where we operate. We celebrate diversity and inclusion, and we value the enhanced perspective this brings to our management approach. We have a strong focus on increasing gender diversity in the mining sector and building workforce capacity in local communities near our operations and projects.

## Governance

Allkem's Chief Human Resources Officer oversees the development and implementation of our Diversity and Inclusion Strategy within the business through the Human Resources Departments in each region where we operate. Our commitment is outlined in Allkem's Diversity and Inclusion Policy. Allkem's Board People and Remuneration Committee oversees strategy to achieve diversity targets for employees.

Allkem's Chief Sustainability and External Affairs Officer oversees development of strategy for inclusion of local and indigenous communities which is implemented by our Shared Value and Community teams at each operation and advanced project. This approach is outlined in Allkem's Community and Social Performance Policy. Allkem's Board Sustainability Committee oversees strategy for building shared value with local communities including local employment.

The Nomination and Governance Committee oversees target setting and strategy to achieve Board diversity.

## FY22 Performance

During the year, 120 employees at our Sal de Vida project participated in Unconscious Bias Workshops and specific cultural awareness training has also been developed for our James Bay project.

A Respectful Workplace Behaviours program was also rolled out during the year to all Australian based personnel including all employees and contractors at the Mt Cattlin operation.

Two members of our Western Australia workforce were chosen to participate in the [Women in Mining Western Australia \(WIMWA\)](#) mentoring program.

Language lessons have been offered to staff, and interpreters are being included on project team calls to ensure team members with language barriers are able to effectively exchange information.

## Gender Diversity of Employees:

22%

Proportion of female directors

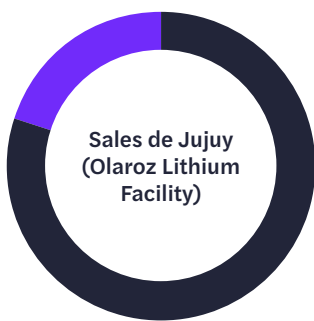
20%

Proportion of females employed in senior executive positions

21%

Proportion of females employed across the Allkem Group

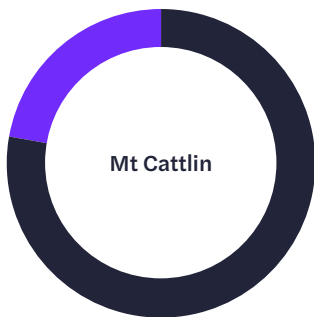
The percentage of female employees for each of our operations and development projects are shown on the next page.



● Male 80%/503  
● Female 20%/125



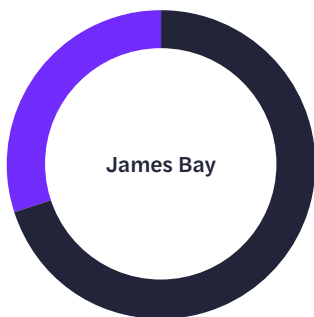
● Male 88%/253  
● Female 12%/34



● Male 78%/74  
● Female 22%/21



● Male 75%/159  
● Female 25%/52



● Male 70%/14  
● Female 30%/6

We have a strong focus on increasing gender diversity in the mining sector and building workforce capacity in local communities near our operations and projects.

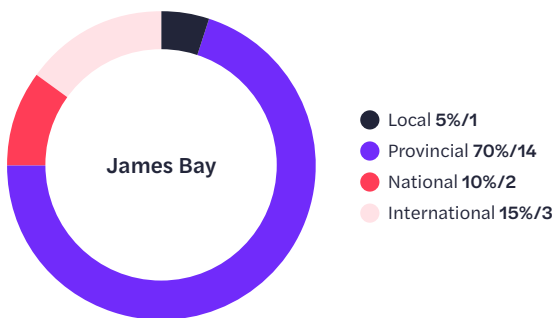
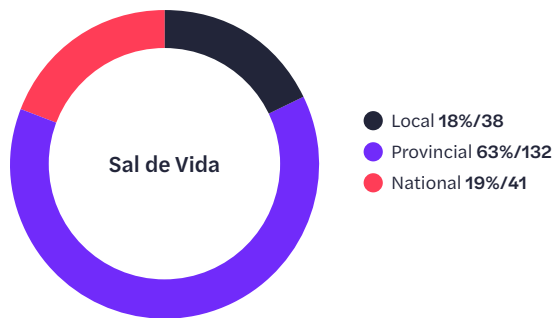
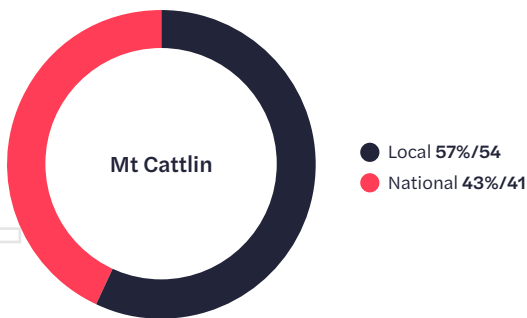
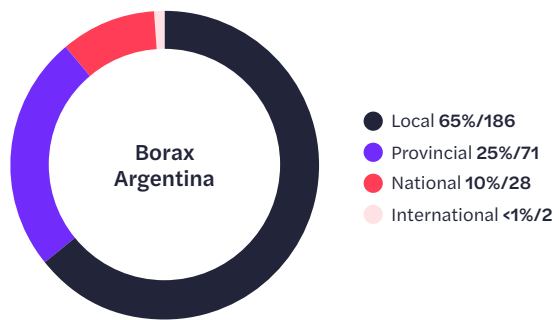
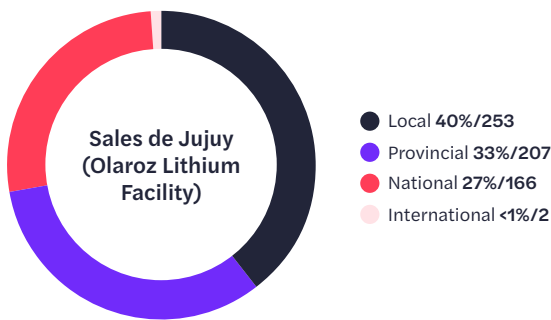
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## Local Involvement of Employees

At each of our operations, we are focused on developing a strong and engaged local workforce. The distribution of employees that work at each of our operations during FY22 is shown below. Local employees are defined as those who live within the local communities surrounding our operations. For Olaroz, these are the communities of Olaroz Chico, Susques, Hauncar, Pastos Chicos, Puesto Sey, Catua, Jama, El Toro, Coranzuli, and San Juan de Quillaques. Local communities for Borax Argentina include Campo Quijano, San Antonio de los Cobres and Santa Rosa de los Pastos Grandes. Provincial refers to employees from the rest of the Jujuy and Salta provinces respectively. For Mt Cattlin, we define our local workforce as employees who live within the towns of Ravensthorpe and Hopetoun. The remaining Mt Cattlin employees are based in Perth and fly into site as required.

As our development projects are yet to enter an operational phase, employees are still largely based in the more built-up areas near the project sites. Sal de Vida local employees (18%) are classified as those located in Antofagasta de la Sierra: Villa de Antofagasta, El Peñón, Antofalla, Los Nacimientos and the town of Ciénaga Redonda. The majority of Sal de Vida employees are currently located in the larger towns within the Catamarca Province (63%) and in other provinces of Argentina (19%). Our James Bay local employee lives in the Eastmain Community and 70% of project employees are based in Quebec. As these projects move into the operation phase, the number of employees based in local communities closer to the sites will increase.

See [performance data](#) for detailed breakdown of diversity metrics across each of our sites.







# Our People Future Ready Workforce

## Strategic Focus

The merger of Galaxy Resources with Orocobre has brought together a very experienced workforce with exposure to brine based and hard rock lithium operations. The scope to share knowledge between our operations and future development projects is one of the contributing factors to the success of the merger. We continue to focus on the training and development of our workforce to face the challenges and opportunities presented by our growth strategy. This is of particular importance considering the relatively isolated regions where we operate and the increasingly competitive environment in the lithium sector.

## Governance

Allkem's Chief Human Resources Officer is responsible for our workforce talent development and training strategy within the business. Allkem's Board People and Remuneration Committee oversees this strategy and performance outcomes.

Retention of key management personnel and other employees is also incentivised with participation in the Allkem [Performance Rights and Option Plan \(PROP\)](#). Following the Orocobre-Galaxy merger in 2022, the PROP was reviewed to ensure it appropriately reflected the growing size and complexity of the Group, the post-merger business plan, and the increased responsibilities of employees across the group. Under the updated PROP, Performance Rights (PRs) awarded as a Long-Term Incentive (LTI) vest over a period of 3 years and are subject to continuous service until the vesting date. These PRs are also subject to either revised total shareholder return (TSR) performance conditions or production capacity performance conditions.

The PRs have an expiry date of the earlier of 2 years after the vesting date or 5 years after the grant date. The key performance conditions of the updated plan are outlined in the [FY22 Annual Report](#). Short Term Incentive (STI) Performance Rights are also awarded as part of executive and employee short-term incentives. The amount received is dependent on achieving individual performance objectives and are subject to continuous service until the vesting date.

## FY22 Performance

This year saw significant expansion of our workforce with the merger of Galaxy Resources and Orocobre.

Approximately 16,800 hours of training were completed across the business during the reporting period<sup>28</sup>.

Allkem's first employee engagement survey post-merger was also conducted during the year with a 62% participation rate.

See [performance data](#) for detailed breakdown of employee turnover, new hires and training metrics across each of our sites.

The scope to share knowledge between our operations and future development projects is one of the contributing factors to the success of the merger.

28 Excluding Mt Cattlin where this figure was not reported for FY22

## Workforce Breakdown

	Total	Male	Female	Local	Provincial	National	International	<30	30 – 50	>50
Mt Cattlin	95	74	21	54	0	41	0	10	53	32
Sales de Jujuy	628	503	125	253	207	166	2	156	417	55
Borax Argentina	287	253	34	186	71	28	2	34	203	50
Sal de Vida	211	159	52	38	132	41	0	69	124	18
James Bay	20	14	6	1	14	2	3	0	14	6

## New Hires

	Total	Male	Female	Local	Provincial	National	International	<30	30 – 50	>50
Mt Cattlin	49	34	15	16	33	0	0	12	26	11
Sales de Jujuy	168	118	50	61	52	55	0	72	90	6
Borax Argentina	54	47	7	8	38	8	0	31	21	2
Sal de Vida	131	97	34	20	77	34	0	49	70	12
James Bay	14	11	3	0	12	0	2	0	10	4

## Turnover

	Total	Voluntary Turnover	Involuntary Turnover
Mt Cattlin	26.3%	21	4
Sales de Jujuy	8.0%	36	14
Borax Argentina	18.1%	38	14
Sal de Vida	11.8%	15	8
James Bay	10.0%	2	0

Approximately 16,800 hours of training were completed across the business during the reporting period.

## FY23 People Future Focus Metrics and Targets

Group level short, medium and long term targets for TRIFR and LTIFR have been defined below.

Allkem Group Level	FY22 (actual)	FY23	FY25	FY30
TRIFR	2.6	2.45	2.2	1.5
LTIFR	0.9	0.9	0.7	0.5

An improvement in group level TRIFR performance by 6% (FY23 target of 2.45) has been linked with Allkem's CEO performance objectives for FY23. Achievement of this target will contribute to 10% of the allocated short term incentive (STI) performance rights which vest for the financial year ending 30 June 2030.

We have set the following gender diversity goals and targets which were communicated in our [FY22 Corporate Governance Statement](#).

30%

Female Directors by the end of FY2023

≥30%

Females in Senior Executive<sup>29</sup> roles by the end of FY2025

≥25%

Females employed across the group by the end of FY2025

<sup>29</sup> 'Senior Executive' in this case is defined as a person who is a member of our Executive Management Team that reports directly to the Managing Director.

# Our Environment Overview

## Environmental Inputs and Outputs for Brine-Based Lithium Operations


### Water and Brine


Brine is extracted from wells in the salt lake (salar) and pumped to large scale evaporation ponds. The operations require industrial water (non potable\* groundwater), which is extracted and treated to be used in processing. Water is returned to the evaporation ponds after processing to recover residual lithium. There are no operational discharges to the environment.

\*Low quality water as defined by ICMM water quality categories. Brine has a salt concentration of ~330g/L (sea water has 36g/L) and is not considered a water resource.

### Energy

Energy is generated by the natural gas generators to power processes in the production plant and provide electricity for the camp. Diesel is used on site for machinery and transport fleet.

 Direct solar energy is utilised to concentrate brine in evaporation ponds.

 Photovoltaic electricity generation for Stage 1 Sal de Vida expected to cover at least 30% of energy use.

### Reagents

Including lime, soda ash, HCL and CO<sub>2</sub> are incorporated in the process to remove impurities and crystallise and purify Lithium Carbonate product.

### Emissions

There are 3 main emission sources; energy generation, process emissions and transport related emissions.

#### Harvested Salts

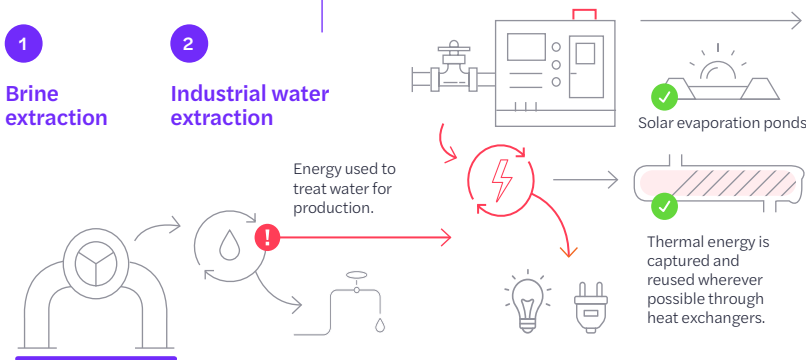
Mainly sodium chloride (NaCl) and magnesium hydroxide (Mg(OH)<sub>2</sub>)

#### Product




Lithium Carbonate (Li<sub>2</sub>CO<sub>3</sub>)

**1**  
Brine extraction



**2**  
Industrial water extraction



#### Emissions within our operation

- 1** 
- 2** 
- 3** 

#### Emissions in our value chain

- 
-  **3** By contributing to a supply chain that enables the transition to clean energy alternatives, potential future emissions can be reduced.



## Environmental Inputs and Outputs for Hard Rock Lithium Operations

### Water

Groundwater from bore field, decant return line from in pit tailings storage facility (TSF) and rainwater tanks.

Raw water is sourced from water bores and piped to be used in the processing plant; or for use in dust suppression in the mining operation.

Some rainwater (<350m<sup>3</sup>) is captured and primarily used for the drill rigs.

### Energy

Diesel for electricity generation and transport fleet/plant/machinery.

Energy used to treat water in reverse osmosis plant for human consumption.



James Bay to be connected to grid electricity sourced from hydro power.

### Emissions

Within operations from diesel use.

Emissions in our value chain—transportation and processing of product.

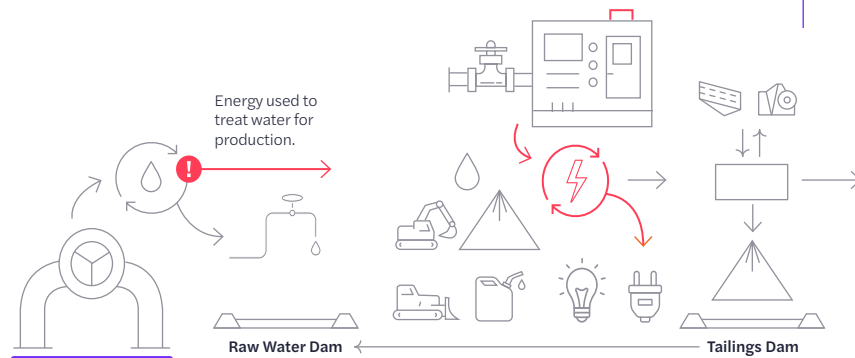
End use of product in battery storage enables reduction in emissions when used in electric vehicles, transitioning away from internal combustion engine.

#### Tailings

Process tailings are stored on site in-pit TSF

#### Product

Spodumene concentrate



### Emissions in our value chain



By contributing to a supply chain that enables the transition to clean energy alternatives, potential future emissions can be reduced.



# Our Environment

## Water Use

### Strategic Focus

The water intensity of the lithium industry receives much attention as some lithium sources are in areas of high-water stress with competing water needs. Although Allkem's lithium operations and projects are all located in regions of lower water stress<sup>30</sup>, we maintain a strong focus on water use efficiency and reporting transparency.

Allkem sites operate in various international jurisdictions with unique water contexts. Each operation is governed by a range of country specific environmental regulations, comprehensive site-specific permit requirements and site-specific reporting obligations. Every Allkem site must also meet our company-wide expectations for water stewardship, water quality protection, reporting transparency and stakeholder engagement regarding water as a shared value resource.

The Olaroz Lithium Facility and Sal de Vida are in regions classified by the WRI Aqueduct Tool as having low/medium water stress and low overall water risk<sup>31</sup>. This classification is not projected to change through to 2030, under the range of available climate change scenarios incorporated in the tool. The Olaroz Lithium Facility does not draw on surface water or potable or agricultural quality groundwater. Our brine-based operations extract brine from wells and pump it to solar evaporation ponds. Our brine has a salt concentration of ~330g/L (sea water has 36g/L) and is not considered a water resource. Process water use referenced in our performance data refers to the quantity of groundwater extracted during the reporting period, not brine.

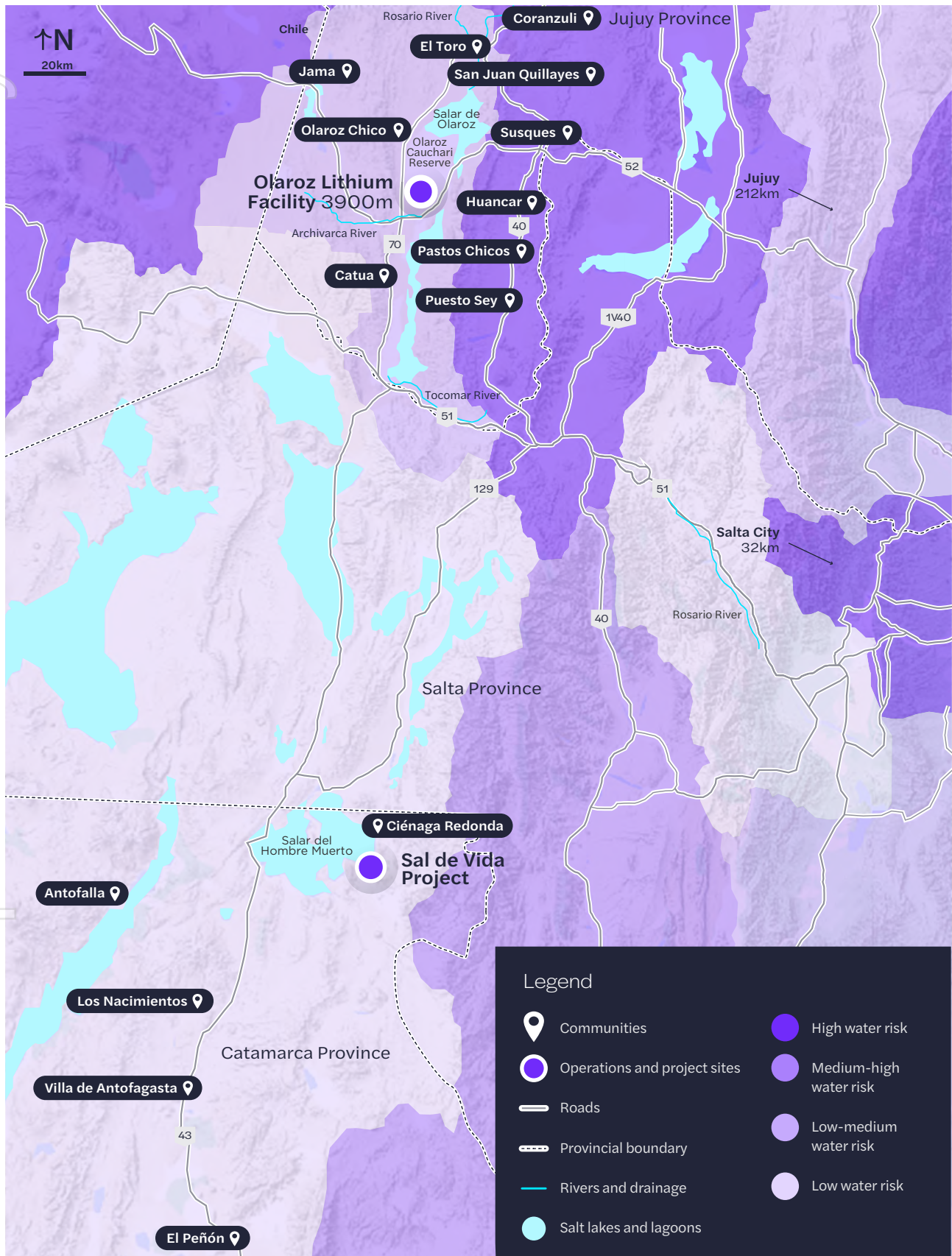
The Mt Cattlin spodumene mine is in south-west Western Australia and experiences an average rainfall below 430 mm per annum with 75% of the rainfall occurring between March and October. The mine does not draw on surface water or fresh groundwater. Water used for processing mined material is sourced from a groundwater bore field and in-pit dewatering. Rainwater is also collected in 450m<sup>3</sup> tanks and used to supplement groundwater as part of the site water supply. A reverse osmosis plant is utilised for freshwater requirements on site.

The James Bay project in Quebec, Canada is located in an isolated environment with an abundant water supply. Baseline and impact studies show overall anticipated project water use will have a negligible impact on overall water supply in the region. Project infrastructure intends to minimise impacts on the water catchment. Our goal is to reuse water as much as possible. We have completed geotechnical studies on waste stockpile locations to ensure ground water resources are not significantly impacted.

Our goal is to reuse water as much as possible.

<sup>30,31</sup> As defined by the World Resources Institute Aqueduct Water Risk Atlas database

# Argentina Lithium Site Locations and Surrounding Environment



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## Governance

Water use at the site level is the responsibility of the Asset Hydrogeology and Environment Managers, reporting to the Head of Operations for the site. At the Group level, the Corporate Environmental Manager oversees water strategy and policy development and reports directly to the Chief Sustainability and External Affairs Officer. Oversight of water risk and strategy implementation is the responsibility of the Board Sustainability Committee.

## FY22 Performance

Overall water use across our operations during FY22 is summarised below:

### Operational Water Use

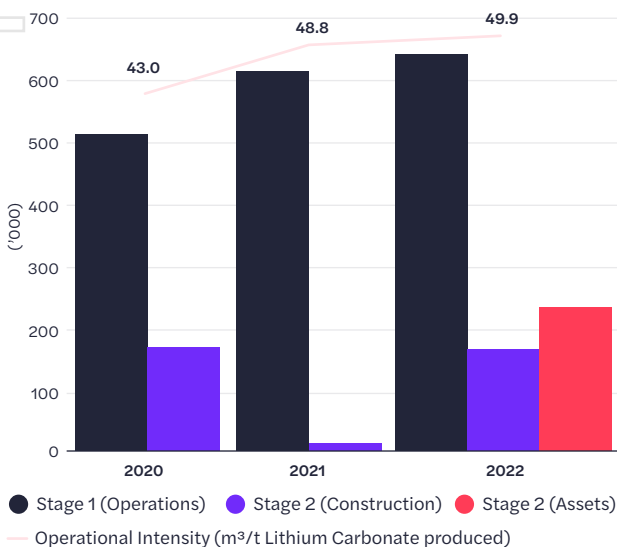
#### Olaroz Lithium Facility

Olaroz Stage 1 process water intensity increased slightly by 2% during FY22 to 49.9 m<sup>3</sup>/tonne of lithium carbonate produced. This was due to increased rainfall at Olaroz during the period impacting brine concentration in the ponds. As a result, a higher amount of brine was processed, requiring increased process water.

During the year, approximately 245,000 m<sup>3</sup> of water, representing 24% of total groundwater extracted was recirculated through the plant and pond system.

Due to the expansion activities also taking place at Olaroz, we have continued to separate the water used in current operations (Stage 1) for comparability year on year. This year we have also separated reporting of the water and energy use associated with construction activities for Stage 2 and the completed assets for Stage 2 that were not yet at the production phase during the year.

Olaroz Groundwater Extraction (m<sup>3</sup>)



## Borax Argentina

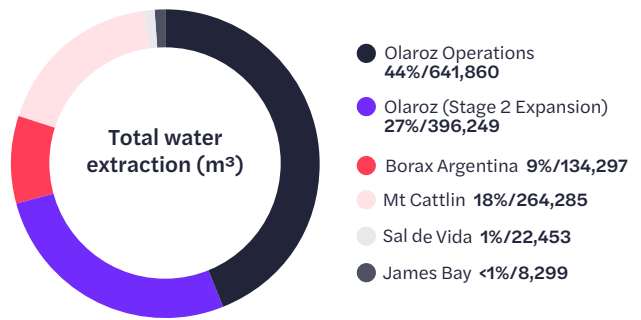
Borax Argentina continued improving water efficiency to 2.2 m<sup>3</sup>/tonne of borates products produced during the reporting period, from 3.1 m<sup>3</sup>/tonne of borates products in FY21. 9,000 m<sup>3</sup> of water representing 6.4% of total water was recirculated from the evaporation pond system at Campo Quijano for reuse in the plant.

## Mt Cattlin

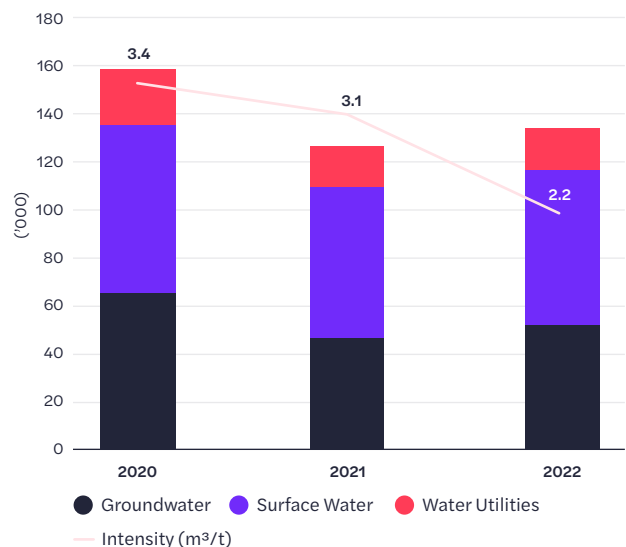
Approximately 258,000 m<sup>3</sup> of groundwater was extracted from the bore field for use on site during FY22. Operation water intensity is estimated as 1.37 m<sup>3</sup>/dmt spodumene concentrate produced.

63% of water extracted was recovered for reuse on site.

See [performance data](#) for detailed breakdown of water use metrics across each of our sites.



Borax Water Extraction (m<sup>3</sup>)





# Our Environment

## Waste and Tailings Management

### Strategic Focus

#### Mineral and Processing Waste

##### Hard Rock Mining Operations

The volume of waste rock generated at our hard rock mining operations is associated with the volume of ore processed. Mineral waste in the form of mine site overburden is deposited in conventional waste rock piles on site. The stockpiles are designed for long term stability with a focus on preventing potential impacts that could affect our employees, the environment, or local communities.

Allkem is committed to managing tailings storage facilities (TSFs) in a safe manner consistent with regulatory requirements, applicable guidelines and standards, such as the Global Industry Standard on Tailings Management (GISTM), the International Commission on Large Dams (ICOLD) and the local regulatory guidelines in each area of operation (e.g. WA Department of Mines, Industry Regulation and Safety (DMIRS) and the Mining Association of Canada (MAC) Guide to the Management of Tailings Facilities). These requirements apply throughout the TSF life cycle including planning, design, construction, maintenance, decommissioning, rehabilitation and post-closure monitoring and maintenance. We are continuing to work to align our approach and reporting across our hard rock operation in Western Australian and our James Bay project in Canada. During FY22 Mt Cattlin mine was our only operation with TSFs in place as defined by the GISTM. Process waste materials from operations of Borax Argentina are defined as tailings however, due to the low moisture content and resulting solid consistency, storage facilities are not required. These materials are managed as per typical low profile mine waste stockpiles.

When operational, our James Bay hard rock mining project in Quebec will produce tailings through treatment of the ore by dense media separation (DMS). These tailings will be filtered and dehydrated on a sieve to obtain a moisture rate below 10%, which would allow loading, transportation and piling by co-deposition with mining waste rock in four separate piles. These piles are referred to as the waste rock and tailings storage facility (WRTSF). A multicriteria analysis was carried out to determine the optimum location of the WRTSF, considering the environmental, technical, economic, and socio-economic aspects. The WRTSF embankments have been classified using the Canadian Dam Association (CDA) "Dam Safety Guidelines" (2013) and "Application of Dam Safety Guidelines to Mining Dams" (2019).

##### Brine Operations

Exploration, well construction and boring activities at the Olaroz Lithium Facility generate drill cuttings made up of extracted brine and additives which are managed responsibly and returned to the salt flat with minimal impact on the environment. The additives used at different stages are stabilisers, gelling agents, and flocculants. The compounds used are polymeric, easily biodegradable and do not alter the chemical properties of the environment in the salt flat.

During the brine concentration process, salts (mainly sodium chloride (NaCl)) precipitate in the bottom of the ponds. Magnesium hydroxide (Mg(OH)<sub>2</sub>) is also precipitated at the beginning of the pond system where lime is added. Most of the ponds are "harvestable", in order to recover the capacity of the ponds. The harvestable ponds are periodically drained, and the precipitated salts are removed to stockpiles on site. When the process is complete, the emptied ponds are refilled with brine and brought back in the pond system.

A feasibility study has been conducted to determine future uses for the salts harvested from our evaporation ponds. Potential uses include mixing with earth for compacting roads and building additional ponds. We continue to work with local authorities to manage approval processes for potential uses of these materials. A potential future use for salts not used for other purposes is as filling material at the completion of operations.

##### Operational Waste

We are committed to reducing the amount of solid waste generated per person at our sites by establishing effective recycling initiatives, supported by monitoring and reporting of metrics against performance targets. Waste reduction and process efficiency is particularly important due to the very remote areas where we operate.

Allkem is committed to managing tailings storage facilities (TSFs) in a safe manner consistent with regulatory requirements, applicable guidelines and standards.



## Circular Economy Case Study

Borax Argentina has been working with local company Salta Plast since 2020 to implement a circular economy project. As part of the agreement, Salta Plast has provided containers and bags to aid in the correct classification and sorting of waste at our sites. The plastic waste collected by employees at each site is then provided to Salta Plast and used in the manufacture of more containers and bags.

Borax Argentina has been recognised as a leader in the province of Salta. The company continues to reinforce shared value through training employees and community members to facilitate the sorting process. In FY2022, 10,948 kg of plastic was delivered and to date, 1543 bags of recycled material have been received.

## Governance

At an operational level, Allkem has integrated KPIs and responsibility for waste/tailings management with the Environmental Superintendent and the Health, Safety and Environment Manager at each site. Allkem's Shared Value and Community teams also support engagement on the management of waste, undertaking stakeholder engagement projects in local communities, as well as supporting the Company's monitoring and remediation activities where applicable. At the Group level, the Corporate Health Safety and Environment team oversees waste management strategy and policy development and reports directly to the Chief Sustainability and External Affairs Officer. Oversight of waste management strategy implementation is the responsibility of the Board Sustainability Committee.

## FY22 Performance

### Mineral and Processing Waste

We continue to research opportunities to improve the handling, storage and repurposing of mineral process waste across our operations. During the year, approximately 1,170,000 tonnes of salts (mostly sodium chloride) were harvested from the concentrating brine in the ponds at Olaroz and stockpiled.

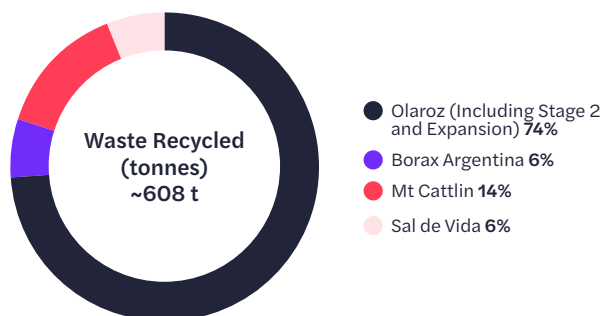
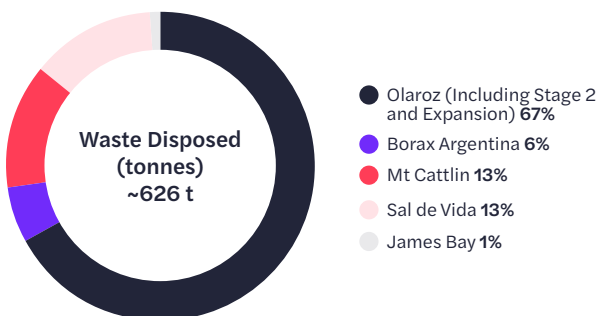
We estimate that the operations of Borax Argentina produced approximately 721.7 kt of mineral waste during the year. Of this, 14% was stockpiled dry tailings material and 5% (approximately 27 kt) was considered a by-product and was reprocessed in the Campo Quijano Plant. The remaining 81% was overburden material that is stockpiled on site.

The current in-pit TSF at Mt Cattlin (SE in-pit TSF) was commissioned during the year with the first tailings disposed in March 2022. The previous in-pit TSF (SW in-pit TSF) was decommissioned in February 2022. The in-pit TSFs have no raised embankment walls as they are backfilling completed mining pits and present a low safety risk. Mt Cattlin also has a decommissioned surface TSF (Paddock TSF) which has been capped and is being utilised as a storage area for waste rock. During the year, approximately 330,662 tonnes of tailings were generated and disposed of in the TSFs on site.

Lithium One Inc., (acquired by Galaxy Resources in 2012) included a closed, historic tailings and waste rock facility in the James Bay and Northern Québec Agreement region. During FY22 we completed detailed engineering and will commence remediation of this area in FY23 to ensure the site is environmentally safe for future generations. As a part of this process, we are consulting with the Cree Nation of Waswanipi. A summary of each of our TSFs is available in the Environment Performance data available on our [website](#).

### Operational Waste

Approximately half of all operational waste produced at our sites during the year was recycled. See performance data for detailed breakdown of waste and recycling metrics across each of our sites.



# Our Environment

## Land Use and Biodiversity Management

### Strategic Focus

Our business can only be sustainable if we operate within a thriving society that benefits from a healthy environment.

Allkem seeks to prevent and minimise biodiversity impacts and land disturbance through a common framework of standards and guidance across every Allkem operation while recognising the unique characteristics of each of our sites.

Allkem's Olaroz Lithium Facility is located within the Olaroz-Cauchari Reserve, in the province of Jujuy. This reserve was created in 1981 with the primary goal of protecting the vicuña (*Vicugna vicugna*) species. Vicuñas are native to the Puna, and are found in Peru, north-western Argentina, Bolivia, and northern Chile. The reserve was designated as a multi-use area in which agricultural, mining, and scientific-technical research programs are permissible.

Borax Argentina sites at Sijes and Tincalayu, are located in the Andes Reserve in Province of Salta. The Sijes site is also located within a Vicuña Reserve. The main wildlife risk identified for our Argentine operations and development projects is associated with increased likelihood of animal vehicle collisions associated with travel to and from our sites. We have implemented specific programs, including restrictions on vehicle movements, employee training on wildlife preservation and warning signs with reduced speeds in locations with animal presence, such as near rivers.

Our Mt Cattlin project has minimised the clearing of native vegetation by preferentially locating infrastructure and waste rock landforms on previously cleared land. We have also partnered with the local high school to grow tube stock for the waste stockpile rehabilitation program.

The James Bay project is characterised by hills and valleys containing peat bogs, and terrestrial communities composed mainly of jack pine and heaths. Several large species of mammals are likely to frequent the area together with small terrestrial wildlife species potentially present.

To mitigate against impacting these ecosystems, the project's site layout is planned to keep all structures close together and within the catchment to minimise the environmental impact. Environmental impacts of the project have been identified and mitigation measures proposed as part of the impact assessment approvals process.

At Sal de Vida, the direct area of influence of the project is on the salar. Our work is focused on mitigating any indirect impacts to the Los Patos river which flows through the site and its downstream basin. We also conduct a full evaluation and control any possible impact that brine extraction might have in other parts of the Salar.

Allkem is committed to preserving local biodiversity and to ensuring controls are in place to monitor potential impacts and establishing best practice mechanisms to maintain our social license to operate.

### Governance

Specific risks and opportunities are identified and managed at the site level. Each project and operation have an environment team reporting to the General Manager or Site Operations Director. At the site level, as part of each environmental impact and project feasibility study, we assess the biodiversity importance of an area, quantify our potential impacts and apply the mitigation hierarchy of avoidance, minimization, rehabilitation and offsets. None of our projects are in World Heritage listed areas.



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We identify and manage risks and opportunities through:

- The identification of ecosystems, habitats, species and communities of high ecological value that may be affected by our activities.
- An assessment of the extent to which our operations may have an impact on biodiversity, and the consideration of design alternatives and mitigation measures that minimise the effects on the environment and stimulate positive biodiversity outcomes.
- Where impacts cannot be avoided, we collaborate with local communities, indigenous peoples, government authorities and non-governmental organizations (NGOs) in the development of site-specific biodiversity strategies and projects to enhance rehabilitation and apply offsets if appropriate.
- We implement ongoing participatory monitoring of biodiversity health so that the impact of our operations can be measured, evaluated, communicated and addressed.

Allkem's biodiversity governance approach considers impacts within our zone of operations and the areas of influence surrounding our sites. The Corporate Environmental Manager, reporting to our Chief Sustainability and External Affairs Officer oversees implementation of the [Environment Policy](#) that outlines our expectations to protect biodiversity at each stage from feasibility and project design through to operation and closure. Allkem's Board Sustainability Committee oversees Board awareness of maintaining a longer-term outlook and evaluation of biodiversity impacts and potential impact on business strategy.

Biodiversity risks identified at the site level are incorporated in operational risk registers. Material risks are then included within Allkem's Risk Framework with oversight of the Board Audit and Risk Management Committee.

## FY22 Performance and Case Studies



### Olaroz—Vicuñas Case Study

Allkem has been working with the Olaroz Chico community since 2019 to implement the Sustainable Vicuñas Management Project. This project presents an opportunity to generate shared value with the community by supporting the traditional 'Chaku' vicuñas catching and shearing practices whilst also monitoring vicuñas population numbers in the region. Allkem contributes to this project by coordinating vicuñas specialists to provide the required technical support and training for the Olaroz Chico community. During the year, four participatory workshops were conducted by specialists to provide tools for the implementation of the Vicuña Conservation and Management Plan (PCMV). The PCMV was authorized by ministerial resolution, enabling the community of Olaroz Chico to become a Vicuña Management Community, and permission was received to begin construction of the required structure. During the year Allkem contributed approximately US\$ 32,270 to the project. This investment included lodging and meals for project participants and materials required for construction.

During the year Allkem contributed approximately US\$32,270 to the project.



## Mt Cattlin

The Australian Environmental Protection and Biodiversity Conservation (EPBC) Act Protected Matters Database and the Western Australia Department of Parks and Wildlife Threatened and Priority Fauna websites identifies notable species in the general area of the mine. Two Schedule 1 (Fauna which is rare or likely to become extinct) species; two Schedule 2 (Specially Protected Fauna), one Priority 1 Reptile, and five Priority 4 Fauna taxa may potentially occur in the region.

A habitat survey was conducted upon 598 ha within the Mt Cattlin tenements in November 2021 by an external consultant. Diverse fauna habitats were identified but threatened flora species are not present. One site east of the Mt Cattlin mine site was found to have vegetation that may support Mallee fowl and other significant species. A 2km buffer has been applied to this area.

Rehabilitation is planned for each Autumn / Winter planting seasons, with 1.47 ha planted in 2022, adding to plantings in previous years. Awareness of weed management, topsoil management and other rehabilitation activities are discussed regularly between the mining and environmental teams onsite to ensure the most productive outcomes. Rehabilitation strategies are being proposed to encourage the gradual return of several terrestrial species to disturbed areas after mine site decommissioning and rehabilitation.

As part of the Mt Cattlin mine closure plan, 45 ha is to be rehabilitated, despite only 15ha of native vegetation being disturbed by mining infrastructure. Upon confirmation dates for mine closure, rehabilitation partnerships with larger land-care groups may be investigated to provide benefits for both the environment and the local community.

Further information on biodiversity for each site and project is available in our [sustainability performance data](#).

As part of the Mt Cattlin mine closure plan, 45 ha is to be rehabilitated, despite only 15 ha of native vegetation being disturbed by mining infrastructure.

## FY23 Environment Future Focus Metrics and Targets

We have chosen to define water metrics and targets at the operational level due to the site-specific nature of water risk. Targets for Mt Cattlin will be reviewed following any decisions to extend the mine life.

Performance	FY22	FY23	FY25	FY30
<b>Mt Cattlin</b>				
Operational water use intensity (m <sup>3</sup> /dmt spodumene concentrate)	1.37	1.25	N/A	N/A
<b>Olaroz Lithium Plant (Stage 1)</b>				
Operational water use intensity (m <sup>3</sup> /t lithium carbonate)	49.9	48	<45	<40

# Communities and Shared Value

## Strategic Focus

Our licence to operate is gained and maintained by developing strong, trusted relationships with local communities and governments in areas where our operations are located.

We are privileged to have respectful partnerships with local and indigenous communities in Ravensthorpe, Western Australia, the provinces of Catamarca, Jujuy and Salta in Argentina and in the Quebec Province of Canada. We understand the importance of listening to all voices that make up our communities and being responsive to community and government concerns.

We monitor and manage social and environmental impacts and opportunities and make this information available through regular engagement activities.

Significant value flows back to the local communities where we are based. This value is distributed through fees, taxes and royalties paid to local governments, salaries paid to local community members who work at our operations and payments made to local suppliers and contractors who provide products and services.

We have aligned our shared value programs with the UN Sustainable Development Goals with a particular focus on SDGs 7, 8 and 13.



We develop strategic, collaborative projects and programs that promote the socio-economic resilience and autonomy of local communities in harmony with the environment, through utilisation of traditional livelihoods, natural resources and new technologies. Capacity building programs and initiatives enhance local employment and business opportunities and promote local economic development. Our aim is to measure the longer-term outcomes of our community activities, rather than only the short-term investment that we make or the activities that we undertake each year. This requires developing social baseline data so that we can measure the change that occurs.

## Governance

The Sustainability Committee oversees Board awareness of risks and opportunities associated with communities and potential impact on business strategy. This committee also oversees implementation and reporting on our strategy for building shared value with local communities.

Community engagement and shared value programs are developed and implemented at each site by the Shared Value and/or community relations teams, reporting directly to Allkem's Chief Sustainability and External Affairs Officer, who has responsibility for corporate level oversight of our community and shared value programs.

Allkem's commitment is outlined in our publicly available [Community and Social Performance Policy](#). This policy applies to Allkem, our employees and our suppliers.

## FY22 Performance



### Local Procurement\*



### Community Contributions



### Strategic Community Investment



### Grants and Donations

	Local Procurement*	Community Contributions	Strategic Community Investment	Grants and Donations
Olaroz	\$37,774,000	\$858,370	\$ 63,157 <sup>32</sup>	\$75,213
Borax Argentina	\$6,297,000	\$31,508	\$23,758 <sup>33</sup>	\$7,750
Mt Cattlin	\$2,084,000	\$177,681	\$36,315	\$80,075

\*Value of supply contracts awarded to local community suppliers.



## Community Capacity Building Case Studies

We have continued developing our impact measurement methodology aligned with the Business for Societal Impact (B4SI) Framework for our community investment initiatives in Argentina. We expect to be able to start reporting on long term measured outcomes for the Olaroz community capacity building projects in FY23.

### Argentina Community Infrastructure Projects

Allkem has contributed to infrastructure works on a primary and secondary school for the community near the Sal de Vida project. We have also provided solar hot water systems in each of the homes and implementation of wireless internet service that benefits the 11 families in the area.



#### 📍 Huancar

In Huancar, a community of 430 people, we have contributed to the building of a tourist lodge composed of two, family sized cabins. The lodge was built with local materials, using traditional construction methods. Revenue from the rental of these cabins to tourists will contribute to community funds and allow for further investment in maintenance of infrastructure systems and cultural and sporting activities. Financial investment in this project in FY22 was US\$17,446.



#### 📍 Catua

A synthetic turf soccer field has been constructed in Catua, a Pueblos Originarios community of 450 inhabitants. This is the first synthetic turf field in the Susques region of the puna, where a lack of suitable grass fields has previously prevented local communities from developing sporting activities such as football. This project was completed in partnership with the community and other businesses in the local area. Investment in this project in FY22 was US\$22,030.

<sup>32</sup> Includes amounts delivered through the Community Infrastructure program and Internet service for the communities.

<sup>33</sup> Although Borax Argentina does not have a formal Strategic Community Investment program in place, this category includes investment actions such as provision of internet services for communities and education programs.



**Argentina Local Food Production**

In the Andes area of the Puna region of North-West Argentina, communities are very isolated geographically. The people who live in this region participate in small-scale agriculture and livestock farming, and production of handicrafts and activities related to mining production. Allkem has worked in partnership with these communities to build Family Food Production Units. During the year, participants in this program have received training, materials, seeds, and technical support to build the units, plant, grow and harvest produce.

**Argentina Community Education Programs**

In July 2021, an agreement was signed between Allkem (Sal de Vida) and the Ministry of Education of the Province of Catamarca to develop a program for the completion of secondary studies for members of the local community of Antofagasta de la Sierra.

The program was developed and implemented over the year, culminating successfully in June 2022 with 16 participants completing their secondary studies. 10 of these successful participants are members of the Kolla Atacameña aboriginal community of Antofalla.

The Sales de Jujuy continuing education program has 85 participants. 54 employees of Sales de Jujuy and 31 employed by contractors. 27 students have now graduated with two students continuing their studies in Health and Safety with the help of scholarships funded by Allkem.

Our Shared Value team have also worked to increase local knowledge of regional agricultural and livestock development in the areas surrounding the Olaroz Lithium Facility. Monthly meetings were held from October 2021 with 46 members of the communities of Huáncar, Olaroz Chico, Puesto Sey, Pastos Chicos and Susques. Allkem participated with the technical knowledge of our Shared Value team, logistics and financial support.



**James Bay Community Consultation**

Throughout the planning and approvals process for the James Bay project in Quebec, we have maintained a strong focus on building trusted relationships with local community members. We have a Community Liaison Officer based in Eastmain who is available to discuss any concerns or questions that the community have about the project. We have also developed other communication channels for community feedback, questions, and grievances as we have undertaken the social and environmental impact assessment (ESIA) for the project.



Several public consultation sessions have been held during the year to discuss our project and understand the different concerns of the communities of Eastmain, Waskaganish and Waswanipi and find solutions together.

Our project will generate economic benefits in the Cree community during the operation phase. These benefits will include direct employments as well as the flow through benefits associated with the mine's activities on local existing and new businesses.



### Mt Cattlin Community Consultation Group (CCG)

The Mt Cattlin CCG is comprised of Ravensthorpe community members and personnel from the Allkem management team. This partnership is an important channel through which we have strengthened communication between our operations at Mt Cattlin and the surrounding community including Indigenous leaders, the Shire of Ravensthorpe, local schools, and community groups. Meetings are held quarterly, and we encourage community members to ask questions and raise any concerns or issues about our operations. Information gained from these meetings allows us to address community concerns and implement new initiatives. Through this engagement we have identified the following five focus areas:



#### Health and Wellness

Allkem identified that the local community gym which is owned and operated by the Shire of Ravensthorpe required upgrading. We are proud to be able to improve amenities in Ravensthorpe and provide residents with access to them, which also promotes healthier lifestyle choices.



#### Education and Learning

Our “Pitch your Project” initiative was created for the local community and not-for-profit groups to apply for financial support for their projects from Allkem. All applications are assessed to ensure they align with the community vision and focus areas.



#### Tourism and Economic Stimulation

Allkem recognises the importance of working with the community and to acknowledge this we hold an annual community event in appreciation of the town. The event is run by Allkem staff volunteers from both our corporate office and mine site. We provide entertainment for families, site tours and food and drink trucks. This is one of the biggest events for the town and we welcome over 500 people from both Ravensthorpe and Hopetoun to join us each year.



#### Supporting Indigenous Culture

We acknowledge the connection that Indigenous people have with the land and seek to work together to build constructive and respectful relationships. We have formed an important partnership with the elders of the Southern Noongar and Wagyl Kaip local Indigenous groups and by working together, we are able to understand the importance of the cultural heritage surrounding the Mt Cattlin mine. The Indigenous people in the local community are invited to perform blessings, smoking ceremonies and have developed awareness training to educate our workforce on the significance of the cultural heritage in the region.

During FY22 we sponsored the Songlines Genestreams Sculpture Project which is a nation-wide project combining art, ecology, geology and history, particularly First Nations Peoples connection with land and country. The project leaders identified Ravensthorpe as a suitable site to honour the deep time history of the region.



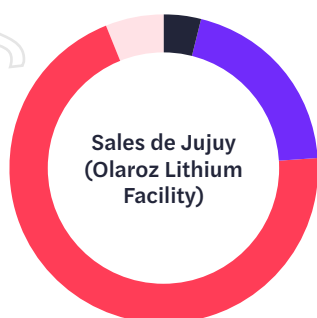
#### Youth Development

Our “Believe in Yourself” initiative aims to inspire and connect the youth of Ravensthorpe by assisting with the availability of focused services and programs in the town, including further education and training, events, workshops and sponsorship. These experiences develop leadership, communication and problem-solving skills, whilst challenging and discovering their strengths and talents.

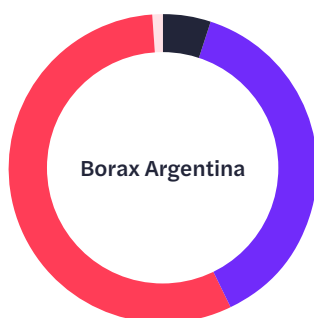
This partnership is an important channel through which we have strengthened communication between our operations at Mt Cattlin and the surrounding community including Indigenous leaders, the Shire of Ravensthorpe, local schools, and community groups.

## Suppliers

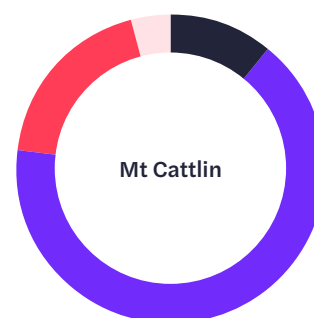
The number of local suppliers for each of our operations during FY22 are shown below.



- Local 4%/28
- Provincial 20%/157
- National 70%/529
- International 6%/45



- Local 5%/19
- Provincial 38%/160
- National 56%/240
- International 1%/6



- Local 11%/45
- Provincial 66%/262
- National 19%/75
- International 4%/14

### Value of supply contracts awarded to locally based suppliers (US\$)

**\$37.8m**

Olaroz

**\$6.3m**

Borax Argentina

**\$2.1m**

Mt Cattlin

The value of supply contracts awarded to locally based suppliers in FY22 tripled for the Olaroz Lithium Facility to approximately US\$ 37.8 million.

## Tax and Royalty Payments

The Allkem [Tax Policy](#) is available on our Company website, and outlines tax management practices that apply throughout Allkem and its Subsidiaries. We also plan to publish a separate Taxes Paid report from FY23. This will further increase transparency and ensure all stakeholders can easily understand the contribution we make in the countries in which we operate through payments of taxes and royalties. During FY22, the following taxes and royalties were paid in Australia and Argentina. We were not liable for taxes or royalties in Canada in FY22.

Country and Level of Government	Total Tax and Royalty Payments Borne US\$'000	Employee and Other Withholdings US\$'000
<b>Australia Total</b>	<b>18,184</b>	<b>3,480</b>
Australia Taxation Office	7	3,480
State of NSW	19	0
State of Queensland	86	0
State of Western Australia	18,072	0
<b>Argentina Total</b>	<b>29,893</b>	<b>9,289</b>
Administración Federal de Ingresos Públicos	24,986	6,842
Province of Jujuy	4,762	1,814
Province of Catamarca	0	410
Province Of Buenos Aires	0	36
Province Of Salta	78	187
Municipal of Campo Quijano	18	0
Municipal of San Antonio de los Cobres	34	0
Municipal of Susques	15	0

# Partnerships, Memberships and Affiliations

Allkem's [Code of Conduct](#) states that the Company does not engage in political activities and any employee who wishes to participate in this type of activity must do it individually, making it clear that they are not acting on behalf of the Company. Allkem (as a Group, or through our subsidiary companies) supported and contributed to the following industry associations and external initiatives during the reporting period.



## International Lithium Association (ILiA)

ILiA is the global trade association for the lithium industry and represents the entire lithium value chain. Allkem is a core member of ILiA. The primary focus areas of our involvement during the year have been:

- Developing industry level understanding of material ESG impacts and opportunities
- Industry response to proposed hazard level reclassification of lithium salts.
- Dialogue with Argentine government bodies and regulators to increase understanding of lithium industry structure and transfer pricing.



## Future Battery Industry Cooperative Research Centre (FBIIRC)

The FBIIRC is a partnership of industry, government and researchers focused on battery industries in Australia.



## Association Minière du Québec (QMA) and Argentine Chamber of Mining Entrepreneurs (CAEM)

Both CAEM and QMA support the Towards Sustainable Mining (TSM) Initiative developed by the Mining Association of Canada.



## United Nations Global Compact (UNGC)

Allkem has been a participant of the United Nations Global Compact since 2018 and is a member of the UNGC Network Australia.



## Certified Management Systems



Member of  
**Dow Jones Sustainability Indices**

## FY23 Community and Shared Value Future Focus Metrics and Targets

Successfully negotiating required agreements with indigenous communities, including the Impact and Benefits Agreement with the Cree and the revised Olaroz community agreement are key performance objectives that are linked with the short-term incentive (STI) for Allkem's CEO in FY23.

## INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S LIMITED ASSURANCE REPORT

To the Directors of  
**ALLKEM LIMITED**

### 1- Engagement purpose

We have been engaged by Allkem Limited (“the Company”) to issue a limited assurance report over certain indicators contained in the Sustainability Report 2022 (“the Report”), referenced with “✓”, for the year ended June 30<sup>th</sup> 2022, that have been prepared in line with the guidelines set by the Global Reporting Initiative (GRI) in the GRI Standards.

### 2- Board of Directors’ responsibility

The Company’s Board is responsible for the preparation and presentation of the Report in accordance with GRI Standards. This responsibility includes defining the bases and criteria for the preparation of the Report as well as defining, adapting and maintaining the management systems and internal controls from which the information is obtained.

### 3- Public Accountant’s responsibility

Our responsibility is to express a limited assurance conclusion on the GRI Standards indicators mentioned in item 1 and included in the Report, based on our assurance engagement.

### 4- Professional work

Our professional work was conducted in accordance with standards for other assurance engagements laid down in section V.A., second part of Technical Resolution No. 37 issued by the Argentine Federation of Professional Councils of Economic Sciences (“RT 37”), which is based on the international standard ISAE 3000 established by the International Federation of Accountants. These standards require that we comply with ethical requirements, as well as that we plan and execute the assignment in order to obtain limited assurance, in what is a matter of our competence, about whether the indicators included in the Report identified in item 1 and referenced with “✓” have been prepared, in all their significant aspects, in accordance with GRI Standards guidelines. Likewise, in accordance with these standards, a limited assurance engagement provides less assurance than a reasonable assurance engagement, due to differences in nature and length of procedures applied by the auditor to gather evidence that allows him to issue his conclusion.

*rdk*

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Consequently, our work included the review, on a selective basis, of the evidence obtained regarding compliance by the Company with the guidelines of the GRI Standards mentioned in item 1 and the application of other procedures that we consider necessary in accordance with the circumstances. We believe that the evidence we have obtained provides an appropriate basis for our conclusion.

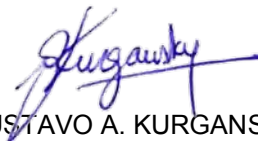
The procedures mentioned in the previous paragraph have been applied to the records and documentation provided to us by the Company. Our task was based on the fact that the information provided is accurate, complete, legitimate and free from fraud and other illegal acts, for which we have considered its appearance and formal structure.

#### **5- Conclusion**

Based on the work performed and described in item 4, nothing has come to our attention that causes us to believe that the GRI indicators included in the Report mentioned in item 1 and referenced with “✓” are not prepared, in all material aspects, in accordance with the Global Reporting Initiative’s GRI Standards guidelines.

Buenos Aires City,  
November 4<sup>th</sup>, 2022

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13



GUSTAVO A. KURGANSKY  
Partner  
Certified Public Accountant U.B.A.  
C.P.C.E.C.A.B.A. Vol. 309 – Fo. 176

# Appendix

## Forward Looking Statements

Forward-looking statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performances or achievements expressed or implied by such forward-looking statements, including but not limited to, the risk of further changes in government regulations, policies or legislation; the risks associated with the continued implementation of the merger between the Company and Galaxy Resources Ltd, risks that further funding may be required, but unavailable, for the ongoing development of the Company's projects; fluctuations or decreases in commodity prices; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; risks associated with development of the Company Projects; unexpected capital or operating cost increases; uncertainty of meeting anticipated program milestones at the Company's Projects; risks associated with investment in publicly listed companies, such as the Company; and risks associated with general economic conditions. Subject to any continuing obligation under applicable law or relevant listing rules of the ASX, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this Release to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statements are based. Nothing in this Release shall under any circumstances (including by reason of this Release remaining available and not being superseded or replaced by any other Release or publication with respect to the subject matter of this Release), create an implication that there has been no change in the affairs of the Company since the date of this Release.

## Competent Person Statements

### Olaroz

Any information in this announcement that relates to Olaroz Project Mineral Resources is extracted from the report entitled *Olaroz resource upgraded 2.5x to 16.2 million tonnes LCE* released on 4 April 2022 which is available to view on [www.allkem.co](http://www.allkem.co) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Any information in this announcement relating to Olaroz scientific or technical information, production targets or forecast financial information derived from a production target is extracted from the ASX Announcement entitled *Olaroz resource upgraded 2.5x to 16.1 million tonnes LCE* released on 4 April 2022 which is available to view on [www.allkem.co](http://www.allkem.co) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that all the material assumptions underpinning the scientific or technical information, production targets or the forecast financial information derived from a production target in the original market announcement continue to apply and have not materially changed.

### Cauchari

Any information in this release that relates to Cauchari Project Mineral Resources and Ore Reserves is extracted from the release entitled "*Cauchari JORC Resource increases to 4.8 million tonnes Measured + Indicated and 1.5 million tonnes Inferred LCE*" released on 7 March 2019 which is available to view on [www.allkem.co](http://www.allkem.co) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

### Sal de Vida

Any information in this announcement that relates to Sal de Vida Project Exploration Results, Mineral Resources & Ore Reserves is extracted from the report entitled *Sal de Vida capacity increased to 45ktpa in two stages* released on 4 April 2022 which is available to view on [www.allkem.co](http://www.allkem.co) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserves estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Any information in this announcement relating to Sal de Vida scientific or technical information, production targets or forecast financial information derived from a production target is extracted from the ASX Announcement entitled *Sal de Vida capacity increased to 45ktpa in two stages* released on 4 April 2022 which is available to view on [www.allkem.co](http://www.allkem.co) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that all the material assumptions underpinning the scientific or technical information, production targets or the forecast financial information derived from a production target in the original market announcement continue to apply and have not materially changed.

### Mt Cattlin

Any information in this announcement that relates to Mt Cattlin's Mineral Resources and Reserves is extracted from the report entitled *Mt Cattlin Resource, Reserve and Operations Update* released on 25 August 2022 which is available to view on [www.allkem.co](http://www.allkem.co) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

### James Bay

Any information in this announcement that relates to James Bay Mineral Resources & Ore Reserves is extracted from the report entitled *James Bay Lithium Project Feasibility Study & Maiden Ore Reserve* released on 21 December 2021 which is available to view on [www.allkem.co](http://www.allkem.co) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserves estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Any information in this announcement relating to James Bay scientific or technical information, production targets or forecast financial information derived from a production target is extracted from the ASX Announcement entitled *James Bay Lithium Project Feasibility Study & Maiden Ore Reserve* released on 21 December 2021 which is available to view on [www.allkem.co](http://www.allkem.co) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that all the material assumptions underpinning the scientific or technical information, production targets or the forecast financial information derived from a production target in the original market announcement continue to apply and have not materially changed.

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