Lynas
Rare Earths

2021
ESG Report

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1. Letter from our Chairman & CEO

Welcome to the Lynas Rare Earths ESG Report for 2021.

As an ethical and responsible producer of Rare Earth materials, ESG matters to our business. At Lynas, we are always striving to improve our performance and our approach to ESG is guided by our determination to achieve practical improvements and real outcomes throughout our operations.

In doing so, we aim to have a positive impact on our people, communities and the environment today, as well as seeking to achieve more challenging targets in the longer term.

In keeping with this approach, Lynas Rare Earths supports the Task Force for Climate-related Financial Disclosure (TCFD) and we continue to enhance our reporting in line with the TCFD framework.

This focus is also reflected in our commitment to the Science Based Targets initiative in September 2021. As a science-based business, we recognise the global challenges of climate change and we support the Paris Agreement goal to limit the global temperature increase to well-below 2°C compared to pre-industrial levels.

This commitment has been endorsed by the Board, the Leadership Team and Operational leaders. We will now establish Greenhouse Gas reduction targets in line with both the Science Based Targets initiative and with the recently launched Lynas Greenhouse Gas Policy. This Policy includes a commitment to always consider Greenhouse Gas emissions as part of business strategy and decision making and a commitment to actively reduce GHG emissions intensity and ensure efficient use of both energy and water at our sites.

Lynas also contributes to the energy transition through our products which are used in the manufacture of green technologies including wind turbines and hybrid and electric vehicles.

Our success depends on the hard work of our people and we are proud to have continued support for our employees and our communities through the ongoing COVID-19 pandemic. We value diversity in all forms and have set ambitious goals for gender diversity. It was pleasing to achieve a significant increase in the representation of women senior executives and total employees this year.

In Malaysia, our local communities have been affected by both the pandemic and a number of extreme weather events and we provided additional practical support to these communities during the year.

In Western Australia, we continue to support a wide range of community initiatives and have undertaken extensive consultation with local communities regarding our Kalgoorlie Rare Earths Processing Facility project.

The Group's first Modern Slavery Statement was released this year and ESG reporting was refreshed to reflect the recommendations of the World Economic Forum's common metrics initiative. Importantly for Lynas and our stakeholders, this new format ESG Report provides a framework to benchmark our ESG performance against industry leaders around the world.

We look forward to updating you on our ESG progress in FY22.

KATHLEEN CONLON
Chairman

AMANDA LACAZE
CEO & Managing Director

FY21 Key figures and highlights

First Modern Slavery Statement released

Modern Slavery Training in Malaysia and Australia

2 countries headquartered in WA

848 employees and contractors

50-50 gender parity on the Board

21% women in senior executive positions, up from 16.7%

19.2% women employees in, up from 15.5%

$489.0m Revenue

$157.1m Net Profit

Began reporting on most significant source of **Scope 3 emissions**

Gold Medal EcoVadis Sustainability Rating received for the 2nd time in July 2021

Commitment to **Science Based Targets initiative (SBTi)** September 2021

Enhanced **COVID-19 Health & Safety Protocols**

Participation in industry **COVID-19 working groups**

Supporting our communities through COVID-19 and extreme weather events

2. Our ESG reporting

The Lynas Environmental, Social and Governance (ESG) Report 2021 outlines the Company's ongoing commitment to report progress towards the principles of the United Nations Global Compact (UNGC), to which we are a signatory, and towards achieving the UN Sustainable Development Goals. The UN Global Compact is the world's largest corporate sustainability initiative.

The content is also informed by the Global Reporting initiative (GRI) Sustainability Reporting Guidelines which are also referenced in the ASX Corporate Governance Council, Corporate Governance Principles and Recommendations, 3rd and 4th Editions.

This report has been prepared in accordance with the GRI Standards: Core option, plus the Mining & Metals Sector Supplement and covers all of our operations globally. A copy of the GRI Content Index with links to relevant sections of the document is provided in the Navigation Index in Appendix 4.

For the first time, this Report has also been prepared with reference to the World Economic Forum's 21 core ESG metrics and disclosures across Four Pillars – Principles of Governance, Planet, People and Prosperity.

We have an excellent track record of compliance with local laws and regulations and we adopt international best practice in all jurisdictions where this is at a higher standard than local regulations.

External verification & ESG initiatives

Lynas participates in the following external accreditation and ESG initiatives:

- UN Global Compact
- Science Based Targets initiative (SBTi)
- Global Reporting initiative (GRI)
- Carbon Disclosure Project (CPD)
- Task Force for Climate-related Financial Disclosures (TCFD)
- ISO Standards 9001, 14001, 45001
- Together for Sustainability
- Life Cycle Assessment of our products
- Development of ISO TC 298 Rare Earth
- UN Guiding Principles on Business and Human Rights
- Initiative for Responsible Mining Assurance (IRMA) self-assessment

Lynas Malaysia was assessed by EcoVadis during the year as part of our participation in the Together for Sustainability initiative. Together for Sustainability, a global network of 31 multinational chemical companies, delivers the de facto global standard for environmental, social and governance performance of chemical supply chains, in line with the UN Global Compact and Responsible Care® principles.

In July 2021, Lynas Malaysia was awarded a Gold Medal Sustainability rating from EcoVadis for the second time, based on performance across the environment, labour and human rights, ethics and sustainable procurement. Only 5% of over 75,000 companies assessed by EcoVadis globally attain the Gold level.

The company's operating sites in Western Australia and Malaysia maintained certification to the ISO 14001 (Environmental Management Systems) and ISO 9001 (Quality Management Systems) standards during the year and transitioned from OHSAS 18001 to the new ISO 45001 (Occupational Health and Safety Management Systems) standard.

A summary of Lynas' entities, operations and our financial statements for 1 July 2020 to 30 June 2021 are reported separately in the FY21 Annual Report available at www.lynasrareearths.com.

All references to Lynas, the Group, the Company, refer to Lynas Rare Earths Limited (ACN 009 066 648) and its subsidiaries. All references to a year are the financial year ended 30 June 2021 (FY21), unless otherwise stated.

Assurance

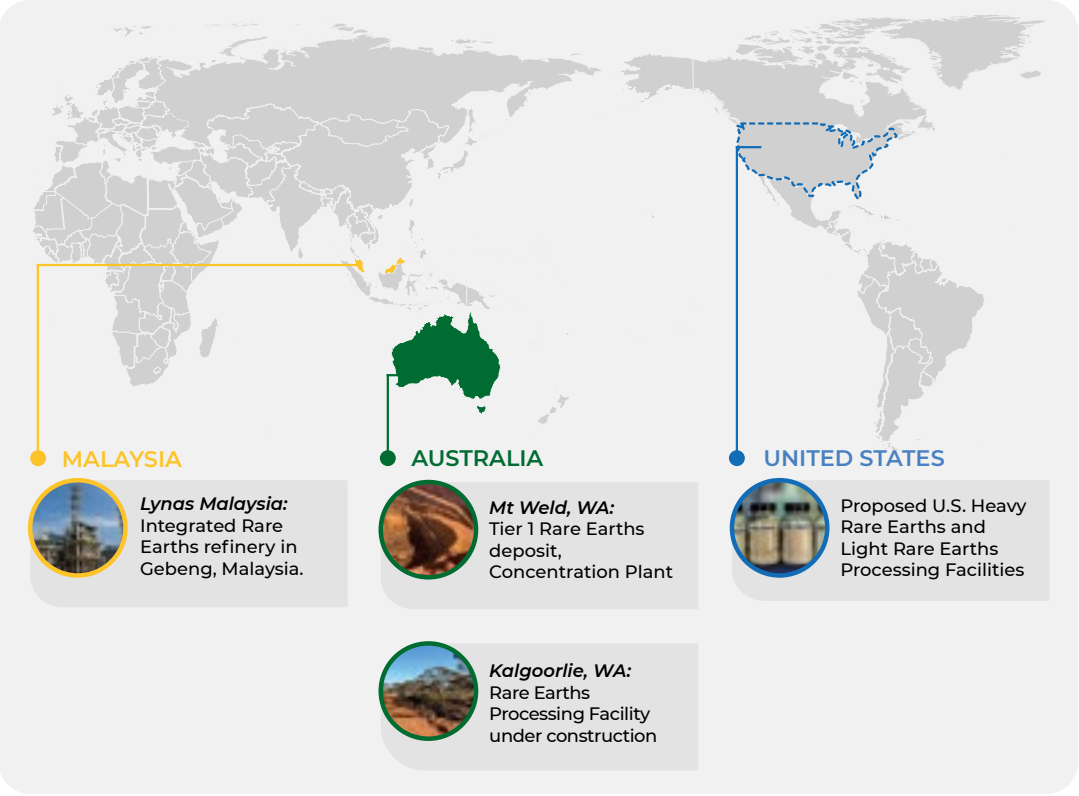
The process to verify the integrity of this report includes internal controls such as incident tracking and extensive management assurance over compliance obligations and environmental risks which are reviewed annually, and Board oversight. External assurance is provided by annual audits of environmental management practices, regulatory monitoring including Department of Environment reporting in Malaysia and Department of Mines Industry Regulation and Safety audits, NGER (National Greenhouse and Energy Reporting) and tailings dam audits in Western Australia. Lynas also offers a Whistleblower program for timely reporting of compliance breaches and participates in external verification initiatives including annual ISO accreditation audits and bi-annual EcoVadis sustainability assessments.

No additional external assurance has been sought regarding the content of this report.

Feedback

Lynas appreciates any feedback which will help the Company improve future reporting and communication with stakeholders. We invite you to send your comments or suggestions to: investorrelations@lynasre.com

3. Who we are



Lynas Rare Earths Limited (Lynas) is a publicly listed company incorporated in Australia and headquartered in Perth, Western Australia. Lynas is the only scale producer of separated Rare Earths outside of China. Our Mt Weld Rare Earths deposit in Western Australia is acknowledged as one of the highest grade Rare Earths mines in the world and we operate the world's largest single Rare Earths processing plant in Gebeng, Malaysia. Lynas' Rare Earth products include Neodymium and Praseodymium (NdPr) used in magnets, Lanthanum (La), Cerium (Ce) and Mixed Heavy Rare Earths (SEG). The key markets for these materials are manufacturing supply chains in Asia, Europe and North America.

4. Principles of Governance

a. Governing purpose

We aim to be the supplier of choice for our customers and a leader in sustainably produced Rare Earths. This vision lives through our people and the way we do business. Shared values and a culture which unlocks the potential of our people are fundamental to our success.

Our values

Care
We care for and respect each other, our communities and the environment. We make sure we all go home safe and well.

Achievement
We are resilient and committed. We overcome challenges to achieve our goals.

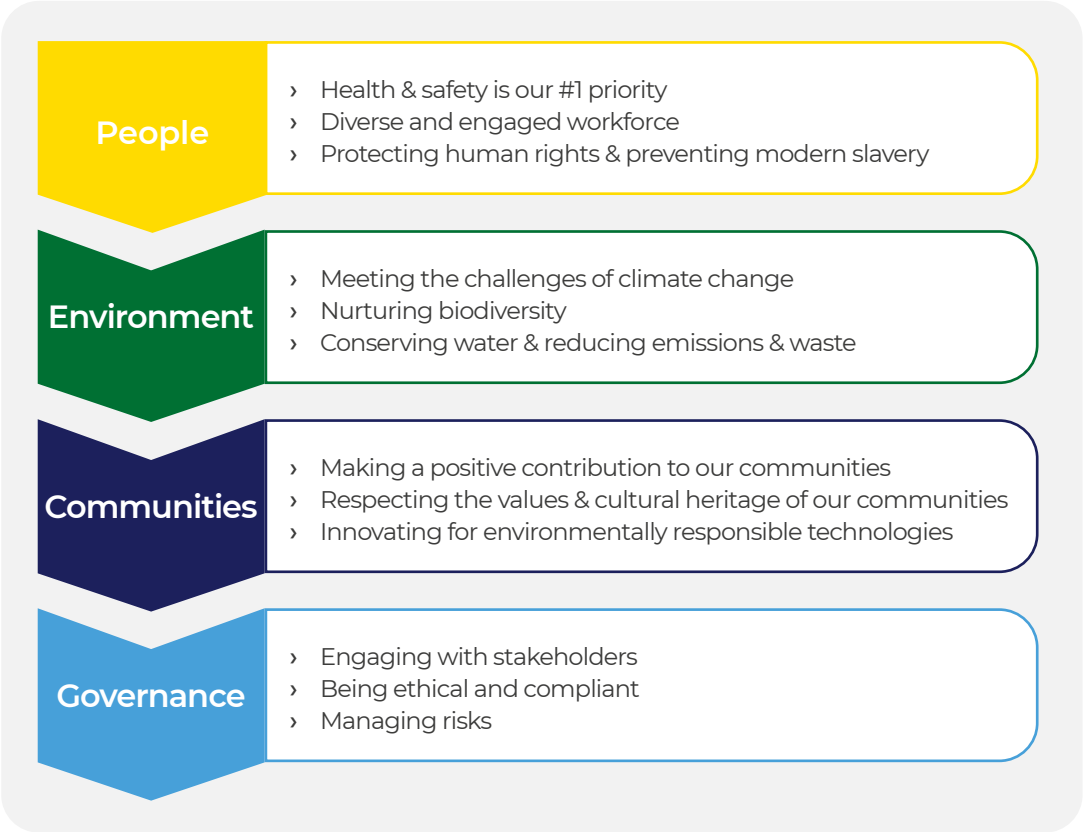
Expertise
We are driven to be the world's best in Rare Earths and to earn the respect of our customers.

Diversity
We are a multicultural company. We value and embrace diversity.

Sustainability
We are passionate about contributing to a sustainable future and green technologies.

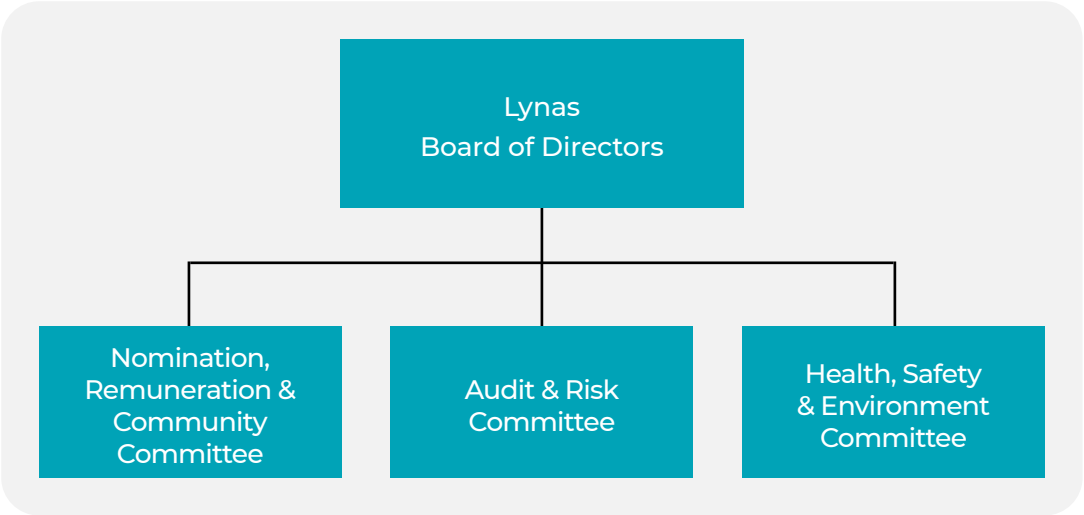
Our vision and values guide our approach to ESG. This approach is more than words, we live and work by our values every day.

Our ESG Approach



b. Quality of governing body

Lynas' Board of Directors has six members – five are independent and the sixth is our Managing Director and Chief Executive Officer (CEO). The Chairman of the Board is an independent non-executive Director. The Board has three Committees, each of which is chaired by an independent non-executive Director and has a Charter setting out its responsibilities.



The Lynas Diversity Policy recognises and champions diversity as it ensures a broad range of perspectives, experience and expertise. The Policy includes requirements for the Board to establish measurable objectives for achieving gender diversity in the composition of the Board, senior executives and the workforce generally, and for the Board to assess, on an annual basis, the objectives and progress in achieving them. The Policy is available at: https://lynasrareearths.com/about-us/corporate-governance/

Consistent with our focus on gender diversity, at 30 June 2021, 50% of the Board of Directors are women.

Level of the Organization	Gender Diversity Level at 30 June 2021	Target for the end of 2021	Target for the end of 2023
The Board	50%	50%	50%

Our FY21 Financial Report outlines the skills and experience each Board member contributes, as well as their independence, tenure, responsibilities for the full Board and its committees, and other significant Board positions. For more information on our corporate governance practices, see our Corporate Governance Statement, Constitution and Board Charter which are available on our website at https://lynasrareearths.com/about-us/corporate-governance/.

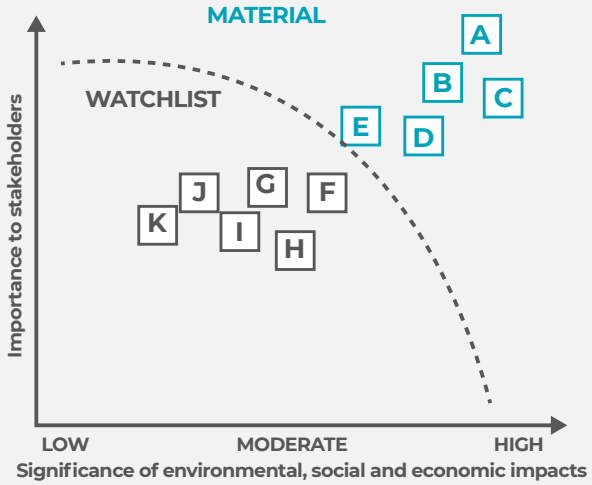
At a Board level, ESG is overseen by the Board on recommendations from the Audit & Risk Committee and the executive. At an executive level, the Lynas Leadership Team is responsible for ESG.

c. Stakeholder engagement

This report covers the key environmental, social and governance aspects which reflect the material issues of Lynas' operations. Material issues are those where we have a significant effect on the economy, environment and/or society (positive or negative), and which have a substantive influence on the assessments and decisions of stakeholders.

The process for determining FY21 material issues comprised four key steps: research, identification, prioritisation and validation. This process was conducted by a cross-functional team to ensure that we considered the full scope of the effects of our activities, both within our own operations and externally through interactions with investors, customers, communities, suppliers, the broader industry and others.

The following materiality matrix, updated for FY21, presents material issues for Lynas in FY21, by significance of impact and importance to our stakeholders. These material issues are continued areas of focus for the Company as we drive sustainable value creation.



MATERIAL
- **A** Health and Safety
- **B** Communities & Human Rights
- **C** Climate Change & Environement
- **D** Resource efficiency and Waste management
- **E** Product Responsibility and Stewardship

WATCHLIST
- **F** Emplyment & Skills
- **G** Ethics & Anti-corruption
- **H** Diversity & Equal Opportunity
- **I** Management of Natural Resources
- **J** Traceabillity & Provenance
- **K** Cyber security

Our material priorities are aligned with the UN Sustainable Development Goals:

Health & Safety	
Communities & Human Rights	
Climate Change, Environment & Resource Efficiency	
Product Responsibility & Stewardship	

In addition to our materiality assessment, we engage with stakeholders on an ongoing basis – ranging from an annual customer satisfaction survey to regular information sharing and consultation with our local communities and community partnerships (see Appendix 1: Stakeholder Engagement).

We communicate our progress to investors though our Annual Report (available in the Investors section of our website www.lynasrareearths.com), through financial reports and investor briefings for quarterly, half-year and full-year results and at the Annual General Meeting. We also communicate to a wide range of stakeholders through presentations to meetings and conferences, community consultations and engagements, media interviews, and since 2019, via the distribution of our annual Sustainability/ESG Report.

5. Ethical behaviour

a. Anti-corruption

Training on ethical behaviour and anti-bribery and corruption

Our Code of Conduct and Anti-Bribery Policy outline the standard for our business ethics, financial practice, health and safety, and environmental practices. During FY21, Lynas began working through Transparency International UK Guidance on Good Practice Procedures for corporate anti-bribery program to identify opportunities to improve our anti-bribery and corruption program, including enhanced staff training. This will be implemented in FY22.

All employees are bound by multiple policies that include our Code of Conduct, available in both English and Malay. Our Anti-Bribery Policy complements our Code of Conduct with additional guidance on compliance with our zero tolerance of bribery and other forms of corruption. Employees who are found to have breached our Code of Conduct or our Anti-Bribery Policy are subject to disciplinary action which may include termination of their employment and referral to relevant authorities.

Confirmed incidents of corruption	Total
Incidents confirmed in FY21 related to previous years	None
Incidents confirmed in FY21 related to the current year	None

b. Initiatives and stakeholder engagement to combat corruption

As part of our work to identify opportunities for improvement in line with Transparency International UK Guidance on Good Practice Procedures, Lynas engages with internal and external stakeholders as appropriate. This work will continue in FY22.

c. Protected ethics advice and reporting mechanisms

i. Seeking advice about ethical and lawful behaviour and organisational integrity

Lynas is committed to ensuring our employees, contractors and business associates can raise concerns regarding bribery, corruption or other improper conduct without being subjected to victimisation, harassment or discriminatory treatment, and to have such concerns properly investigated.

Our Code of Conduct and Supplier Code of Conduct outlines the official complaints procedure for our employees, contractors and suppliers. We also have a Whistleblower Policy in place to ensure there are multiple avenues for employees to raise concerns or report incidents. Our Whistleblower Policy contains protections and confidentiality provisions for whistleblowers, consistent with applicable legislation, as well as contact details for an independently operated Whistleblower Disclosure Line.

ii. Reporting concerns about unethical or unlawful behaviour and lack of organisation integrity

Lynas has engaged an independent organisation, STOPline, to run a Disclosure Line for our employees, contractors and business associates. Disclosures can be made by telephone, email, online, or by mail and contact details are available in the Whistleblower Policy and at: https://lynas.stoplinereport.com/

There were no reports to the Disclosure Line in FY21.

6. Risk and opportunity oversight

Lynas has a Risk Management Policy and a Risk Management Framework for oversight and management of material business risks.

We identify risks, then evaluate the inherent risk of an activity and the mitigation required. Risk assessments are updated by operations and management and reported to the Board of Directors. Our materiality process complements our risk practices as we assess the key external impacts of our activities and their related business consequences, including through reporting against the Task Force for Climate-related Financial Disclosures framework.

In FY21, the Lynas Board commissioned an external risk assurance mapping exercise aligned to the Board's risk appetite. This exercise adopted the 'three lines of defence' model (i.e.; front line controls, management assurances, and objective assurances).

Further developments in risk oversight and management are outlined in the FY21 Corporate Governance Statement available at https://lynasrareearths.com/about-us/corporate-governance/.

Cyber security

In light of the elevated risk of cyber-security threats to the Australian resources industry, as highlighted by Australian government security agencies, this year Lynas implemented advanced security tools to monitor and take action on potential threats in real time. Third party network penetration testing was undertaken which confirmed compliance with security standards and recommendations were implemented. External security assessments were completed and recommended enhancement actions are being implemented. In addition, regular cyber-security awareness training and phishing simulation testing has been conducted for all staff during the year.

a. Progress against strategic milestones

The following performance chart sets out our main environmental and social objectives and key performance indicators.

In relation to climate change, in FY21 a review of Greenhouse Gas (GHG) emissions target frameworks was undertaken and in September 2021, Lynas confirmed our commitment to the Science Based Targets initiative and released our Greenhouse Gas Policy. The Science Based Targets initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

We are now working to develop science-based GHG reduction targets in line with SBTi criteria and the Lynas GHG Policy, with the objective of limiting the global temperature increase to well-below 2°C. We will announce the new targets once they have been officially validated by the SBTi.

Key Indicators

Key indicators	Unit	FY20	FY21	Commentary	Target (FY22)
GHG Emissions					
A reduction in Scope 1 & Scope 2 CO_2 emissions across both sites by 2020 to 10% below 2018 levels and by 2021 to 10% below 2019 levels	tonnes CO_2-e/ REO tonnes produced	6.67 FY18: 6.03* [5.6]	6.17 FY19: 5.59* [5.98]	Intensity target not achieved in FY20 and FY21 due to COVID-19 related temporary production shutdowns (FY20) and operation at 75% of production capacity (FY21). On an absolute basis, CO_2 emissions were lower in FY20 and FY21 than in previous years.	Science-based GHG reduction targets being developed in line with SBTi criteria & Lynas GHG Policy. Targets will be disclosed once verified by SBTi.
Water					
Permeate water consumption reduction to 4.5 m^3 of permeate water per dry tonne of ore processed at Mt Weld	m^3 permeate water / dry tonne of ore processed	5.1** [4.67]	5.0	Target not achieved in FY21 as additional water utilised in the flotation process to negate the effects of different ore types being processed. Water was used to wash the froth and improve concentrate quality, which reduces chemical intensity in downstream processes.	Bore water abstraction better reflects the usage of a non-renewable resource and encompasses both consumption and water recycling initiatives. As a result, the FY22 target will be bore water abstracted per tonne of ore processed (see below).
Bore water consumption reduction	m^3 groundwater / dry tonne of ore processed	6.8	6.3	FY21 target was permeate water consumption reduction as above. Target will change to bore water reduction consumption in FY22 as noted.	6.2 m^3 of bore water abstracted per tonne of ore processed in FY22
Zero significant water-related incidents	Number of water related incidents	0	0	Achieved	0
Tailings					
Continue to manage tailings through their life cycle in a safe and environmentally responsible way	Number of tailings related incidents	0	0	Achieved	0
Promoting diversity					
Increase percentage of female employees in senior executive positions to 20% by CY21	% of women	16.7%	21%	Achieved in FY21	30% by the end of 2023

Key indicators	Unit	FY20	FY21	Commentary	Target (FY22)
Climate Change					
Develop a climate change policy and associated greenhouse gas emissions reduction targets			Achieved	Developed Greenhouse Gas Policy in FY21, effective September 2021	Science-based GHG reduction targets being developed in line with SBTi criteria. Will be disclosed once verified by SBTi.
Scope 3 emissions evaluation			Ongoing	Evaluation of the most significant sources of Scope 3 emissions in FY21 (raw chemicals)	Continue the evaluation to the entire Scope 3 emissions
Continue progress in TCFD reporting	Enhanced reporting against framework	Introduced	Ongoing	Enhanced reporting in FY21	Continue to enhance TCFD reporting in FY22

* Figure restated due to changes in emissions factors and additional flows. Previously disclosed baseline included in square brackets.

** Figure restated due to change in reporting definition. Previously disclosed figure included in square brackets.

b. Remuneration

Executive remuneration consists of a fixed pay component and an 'at risk' or performance related component. This comprises a Short Term Incentive (STI) which supports the delivery of annual performance goals selected by the Board considering the budget and Lynas' strategic initiatives and a Long Term Incentive (LTI) focused on long term performance goals which create sustained value for shareholders.

The STI includes both financial and non-financial performance conditions. In FY21, the non-financial performance conditions selected for the STI covered Safety/COVID-19 management, ESG, regulatory and growth projects.

The performance conditions applying to LTI grants were relative total shareholder return and the Lynas 2025 Project Target. Further details are available in the 2021 Annual Report available on our website at https://lynasrareearths.com/investors-media/

c. Public Policy Development

As the only significant producer of separated Rare Earths outside of China, Lynas is actively engaged with governments around the world to sustainably address critical minerals supply chain challenges.

The COVID-19 pandemic has highlighted supply chain vulnerabilities and many governments are focused on building diverse and resilient supply chains for critical materials used in manufacturing, including Rare Earth materials.

Lynas Rare Earths is a member of the Western Australian Government's Future Battery Industry taskforce.

i. U.S. Lobbying activities

2021 reports filed by lobbyists representing Lynas Rare Earths are available from the U.S. House of Representatives at: https://disclosurespreview.house.gov.

ii. Industry Associations

As a leader in the Australian critical minerals industry, Lynas is a member of industry associations. Through these associations, we share and develop industry best practice and contribute to industry and policy discussion and debate.

Our major industry association memberships are with the Minerals Council of Australia (MCA) and the Western Australian Chamber of Minerals & Energy (CME WA). Details of our membership of associations can be found in Appendix 5: Memberships and initiatives.

7. Caring for our People

At June 30, 2021, Lynas employed 848 people, comprising 816 employees and 32 contract workers across Malaysia and Australia. Contract employees are held to the same high safety standards as Lynas employees and receive equivalent safety training.

In June 2020, we undertook the inaugural company-wide Employee Engagement Survey and achieved a participation rate of 64%. The survey found 97% of staff agree with the statement "I believe the work we do is important because Lynas is a sustainable and environmentally responsible producer of Rare Earths".

In FY21 a bi-annual employee survey was undertaken at our Mt Weld operations. In response to feedback received, a program of actions is being implemented. The next company-wide Employee Engagement Survey will be completed in FY22.

a. Dignity and equality

i. Diversity and inclusion % (age, gender, ethnicity)

Valuing and embracing diversity is a core value at Lynas and we recognise the need to set diversity measures to monitor our progress. Our senior management is culturally diverse with over 10 nationalities represented in our executive and senior leadership ranks.

As a result of the continued focus on the development of women within our business, female employees increased to 19.2% of total employees at the end of FY21 (from 15.5% in FY20), and Lynas is well progressed towards our target of 20% female employees by the end of CY21.

The percentage of female employees in senior executive positions increased to 21% at the end of FY21 from 16.7% in FY20 (defined as all manager-level employees and above). This increase was achieved by using a formal talent management process that includes mentoring and succession planning.

A copy of our Diversity Policy is available at https://lynasrareearths.com/about-us/corporate-governance/.

Proportion of women (%)	FY19	FY20	FY21
Lynas Total Employees	15.9%	15.5%	19.2%
Senior Executives	15.1%	16.7%	21%
Lynas Board	33.0%	33.0%	50%

The objectives set by the Board for achieving gender diversity, and progress in FY21, are as follows:

Level of the Organisation	Gender Diversity at 30 June 2021	Target for the end of 2021	Target for the end of 2023
The whole organisation	19.2%	20%	30%
Senior Executives*	21%	20%	30%
Lynas Board	50%	33%	50%

Lynas prioritises local employment opportunities in each of the regions in which we operate. In FY21, local employees represented 99% of the workforce and expatriates accounted for 1% of the workforce.

The median age of employees in FY21 was less than 35 years old.

Age structure in FY21	< 35	35 – 44	45 – 54	> 54
Lynas Total (as % of total employees)	56.5%	27.7%	10.5%	5.3%

Lynas has zero tolerance of harassment and discrimination. Our Code of Conduct defines inappropriate behaviour and relevant disciplinary actions and all staff undertake training on appropriate workplace behaviour and conduct. A formal employee grievance process has been established to assist in identifying issues such as inappropriate workplace behaviour and behaviour that is inconsistent with Lynas' values and diversity objectives.

Lynas was not a "relevant employer" under the Workplace Gender Equality Act during the year ending 31 March 2021 as we had less than 100 employees in Australia.

i. Pay equality

Lynas plans to complete and disclose the results of gender pay gap analysis in FY22.

ii. Wage level

We value our people and recognise the dignity that comes from fair compensation. All Lynas employees receive pay and entitlements that are consistent with legislative requirements in Australia and Malaysia and applicable working time legislation is followed. Lynas also provides enhanced benefits, leave and allowances to foster employee wellbeing.

In Malaysia, we offer training, flexible working hours for non-operations employees, maternity leave above statutory requirements, part-time work transition from maternity leave, paternity leave and health schemes.

According to an independent economic impact assessment, 99% of jobs created at Lynas Malaysia are in the middle and high-income categories and the median income of Lynas Malaysia's employees is around 4 times the median income of the state in which Lynas Malaysia is located.[1]

In Australia, we offer training and development opportunities for our Mt Weld workforce. As a best practice employer, we 'top up' an employee's pay during the 18-week period of Government-funded Parental Leave to their full rate of pay and continue to make superannuation payments throughout this period. We also offer father and partner pay of one-week paid leave to new parents.

We believe employees should share in the prosperity of the company. All employees are eligible to benefit from a bonus pool under when key business targets are met. Payments are made to all employees (except the Executive and Management employees who receive STI/LTI Payments) in an equal amount.

b. Health and Wellbeing

At both sites, we remain steadfastly focused on production that is safe for our people, safe for our communities, and safe for the environment.

In light of the continuing COVID-19 pandemic, during the year Lynas reinforced and strengthened our well-established health and hygiene protocols in both Malaysia and Western Australia to protect the health and wellbeing of our people and communities. This includes communication and education, disclosure and reporting, testing, physical distancing, hygiene and precautionary isolation procedures.

Due to our strong health and hygiene protocols, no workplace transmission of COVID-19 was recorded in FY21.

We are proud to have continued to pay all employees throughout the COVID-19 pandemic, whether they were working on site, working from home or were not rostered on. We also offer a special leave policy to provide paid leave to staff required to self-isolate or affected by COVID-19.

1 https://lynasrareearths.com/wp-content/uploads/2019/06/181122-Lynas-Final-Report-full.pdf

i. Safety Performance

Lynas' safety reporting is aligned with the ISO 45001 (Occupational Health and Safety Management) guidelines for the recording and reporting of occupational injuries and illnesses.

There were no workplace fatalities or prosecutions in FY21 across both operating sites (Malaysia and Western Australia).

The 12-month rolling lost time injury frequency rate at 30 June 2021 was 0.8 per million hours worked (June 2020: 0.8 per million hours worked). In addition, the 12-month total recordable injury frequency rate as at 30 June 2021 was 2.1 per million hours worked (June 2020: 3.5 per million hours worked). Our safety performance includes both employees and contractors.

	FY19	FY20	FY21
Total Recordable Injury Frequency (TRIF) rate per million hours worked	3.6	3.5	2.1
Lost Time Injury Frequency (LTIF) rate per million hours worked	1.2	0.8	0.8
Fatalities	0	0	0

Note: Figures no longer include First Aid injuries

In FY21, we continued our series of occupational safety audits of high-risk activities. In addition to the numerous internal inspections and externally conducted audits at both operating sites, the Lynas internal audit team has been conducting occupational safety audits to analyse the effectiveness of safety risk management at both operating sites.

Care and ensuring that everyone working at Lynas goes home safe and well is a core value of our company. To reduce our injury rate and improve our safety performance, a Golden Rules training program was introduced in Malaysia in FY19. The program identifies top safety risks and develops more robust controls and systems to manage them. In light of its success in contributing to a reduced injury frequency, this program is being rolled out at Mt Weld as the 'Lifesaving Rules' program.

ii. Access to non-occupational medical and healthcare services

The health and wellbeing of our people is a priority for Lynas. Health and wellbeing treatment and support is consistently made available to both direct and contract employees.

We have an independently-operated Employee Assistance Program (EAP) in both Malaysia and Australia which is available to all staff on a confidential basis.

During the pandemic we have also implemented wellbeing training programs including stress management, and work from home tips and challenges for our Malaysian team members.

c. Skills for the future

i. Training provided

At Lynas, we believe our people should have meaningful training and development opportunities.

Currently, Lynas employees participate in annual performance reviews. Following feedback from employees, Lynas will implement twice-yearly employee performance reviews in FY22. Each respective department manager will work with their team members on development opportunities, with support from the People and Culture team.

Training and development opportunities are provided to 100% of Lynas Rare Earths employees in Malaysia and Western Australia.

Lynas employees received a total of 20,270 hours of training, equating to an average of approximately 25 hours per employee. The current data does not capture all training conducted at Mt Weld, on and offsite.

Six Sigma Green Belt Training:

Lynas is proud to offer a range of training courses to our people every year. In March 2021, 14 employees from Lynas Malaysia attended Lean Six Sigma Green Belt Certification training. Following 11 days of training and an exam, all employees successfully received their Green Belt Certification, highlighting a thorough understanding of enhanced problem-solving skills, with an emphasis on the DMAIC (Define, Measure, Analyze, Improve and Control) model.

d. Human rights and preventing modern slavery

Lynas Rare Earths is committed to protecting the human rights of all people with whom we have dealings, including our employees, our business partners and their families, and all people in the communities in which we operate. This is reflected in our Human Rights Policy available at https://lynasrareearths.com/about-us/corporate-governance/.

We recognise that our responsibility to protect human rights and manage the risk of modern slavery applies to our own global operations as well as to our supply chains and we take this responsibility seriously. In FY21 we released our first Modern Slavery Statement which outlines our commitments and actions to prevent modern slavery in our organisation and our supply chains. This Statement and associated policies and codes of conduct are available at https://lynasrareearths.com/about-us/corporate-governance/.

Lynas is a signatory to the United Nations Global Compact, which includes the protection of human rights and the elimination of all forms of forced and compulsory labour as part of its Ten Principles.

i. Human rights issues and grievances

As a lawful and compliant company, Lynas follows applicable laws in the countries in which we operate. Our Human Rights Policy and Modern Slavery Statement outline our commitments to upholding human rights and preventing modern slavery and we have an independently-operated Whistleblower Disclosure Line for our employees, contractors and business associates to report any concerns or breaches of our policies.

ii. Risk for incidents of child labour, forced or compulsory labour

Lynas has policies and procedures in place to mitigate the risks of modern slavery at our operations and in our supply chains. This includes our Human Rights Policy, employee Code of Conduct, and Supplier Sustainability Policy and Code of Conduct which requires all suppliers to agree to respect the basic rights of employees, institute strong health and safety and environmental protection standards, and not use “conflict minerals”. Our policies and

codes of conduct state our commitment not to engage in or support the use of any form of forced, compulsory or illegal labour and expressly forbid the employment of anyone under the minimum legal working age or fifteen (15) years old; whichever is higher.

We have assessed the risk of modern slavery among our people as very low due to the policies and procedures we have in place. This includes prioritising local employment, directly supervising all on-site employees and contractors, and following a process to ensure that no illegal foreign workers are engaged as either employees or contractors at our sites. In FY21 we conducted Modern Slavery training in Malaysia and Western Australia.

While supplier site audits were affected by COVID-19 movement restrictions in FY21, we undertook audits of our largest suppliers within Malaysia. We also undertook further analysis of our supply chains to identify higher risk suppliers and developed a modern slavery Supplier Assessment Questionnaire for modern slavery risks.

In FY22, we will continue to assess and address modern slavery risks in our operations and supply chains and report on our progress in line with the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities. The Lynas Rare Earths FY21 Modern Slavery Statement will be released prior to 31 December 2021.

8. Caring for our Planet

We aim to minimise any effects on the environment in which we operate and to minimise our lasting footprint. As both a major user of energy and a producer of technologies that are essential to a low carbon economy, we understand that we have a role to play by actively reducing our Greenhouse Gas (GHG) emissions intensity and efficiently using both energy and water at our sites.

The Lynas Environmental Policy and Environmental Management Plan (available at https://lynasrareearths.com/about-us/corporate-governance/) aligns with our stated objective to care for and protect our environment, as well as with the UN Global Compact, the requirements of ISO 14001:2016 International Standard for Environmental Management Systems and the ICMM principles for conservation of biodiversity.

Lynas has never been involved in an incident resulting in harm to public health or the environment, reflecting the strength of our processes and policies.

a. Climate change

In FY21 we developed a Greenhouse Gas (GHG) Policy which came into effect in September 2021. This Policy outlines our actions to address climate change, including considering GHG emissions as part of our business strategy and decision-making and pursuing innovative solutions to reduce energy use and increase energy efficiency in our direct operations. We will also continue to conduct Life Cycle Assessments as part of the sustainable management of the product life cycle.

Energy Use

We are working to reduce energy consumption and improve our operational efficiency throughout our operations.

A contract was awarded in FY21 to assess renewable energy options for the Mt Weld site, including modelling, sizing, and initial conceptual design. This proposed project would significantly reduce reliance on fossil fuels for power generation at the remote Mt Weld site.

Our Performance

Mt Weld Energy Use

At our Mt Weld operations, diesel is consumed in mining machines, processes and used to generate electricity.

During FY21, a new processing flowsheet was developed and implemented that significantly reduced the heating requirements of the flotation circuit. This reduced the energy demand of the diesel-fired boiler by 19% and reduced diesel consumption by over 870,000L. This initiative has been in continuous operation since July 2020 and is now embedded in the Mt Weld operation, resulting in a long term reduction in emissions intensity for the operation.

Mt Weld Energy Produced & Energy Consumed (GJ)			
Reporting Year	**FY19**	**FY20***	**FY21**
Energy Consumed Total (incl Energy Produced)	390 212	351 395	355 656
Energy Consumed Net	337 158	300 891	298 568
Energy Produced	53 054	50 504	57 088

*FY20 included temporary shutdown related to COVID-19 pandemic

Lynas Malaysia Energy Use

The Lynas Malaysia plant primarily uses natural gas and electricity, with some diesel consumed in machines and processes.

In FY21, consumption of natural gases increased by 23% due to higher heating demand as a result of an increased production compared to FY20 which included a temporary shutdown due to COVID-19 movement controls. Electricity consumption also increased during the same period, although remained lower than FY19.

Lynas Malaysia Primary and Secondary energy consumption			
Primary energy – Scope 1 (GJ)	**FY19**	**FY20****	**FY21**
Natural gas / liquid petroleum gas	694 141	595 095	732 384
Diesel	16 661* *[69 742]*	27 930* *[75 099]*	31 364
Total	710 802* *[763 883]*	623 025* *[670 194]*	763 748
Secondary energy – Scope 2	**FY19**	**FY20**	**FY21**
Electricity (MWH)	70 427	64 142	68 579
Steam (MT)	25 366	17 817	11 540

* Energy consumption have been restated due to reporting error identified. Previously disclosed baselines are included in square brackets.

** FY20 included temporary shutdown due to COVID-19 pandemic

i. Greenhouse gas emissions

Direct and indirect greenhouse gas (GHG) emissions are categorised into three broad scopes by the Geenhouse Gas Protocol. Scope 1 is all direct GHG emissions; Scope 2 is all indirect GHG emissions from the consumption of purchased electricity, heat or steam; and Scope 3 is other indirect emissions such as the extraction and production of purchased materials, 3rd party transport, waste disposal etc.

In compliance with the Australian National Greenhouse and Energy Reporting Act (NGER), we report Scope 1 and Scope 2 greenhouse gas emissions associated with our Mt Weld, Western Australia operations to the Clean Energy Regulator (see table below).

Our Scope 1 and Scope 2 greenhouse gas emissions consist of the consumption of electricity and fossil fuels for both our Mt Weld and Malaysian operating sites. We have also submitted greenhouse gas emission data and related information to the Carbon Disclosure Project (CDP).

Due to changes in our reporting, we are now able to report GHG emissions for the year in review, rather than the year prior. As a result of this change, this report covers GHG emissions for the 2020 and 2021 financial years.

In both FY20 and FY21, production capacity was reduced due to the COVID-19 pandemic. While we have reported a decrease in absolute emissions, COVID-19 related temporary shutdowns in FY20 and reduced production capacity in FY21 resulted in the GHG intensity targets for those years not being met. While efficiency measures were put in place at this time, the intensity measure includes periods when machinery was operating in idle mode and no material was being produced, or operating as usual, but with reduced production of Rare Earths materials.

In FY21 we worked with external experts to review our emissions data inventory and developed scalable, best practice tools for internal and external reporting. These tools provide enhanced data recording and increased visibility of our emissions performance. We also developed our GHG Management Plan for Mt Weld operations during FY21.

Our Performance

Scope 1 and Scope 2

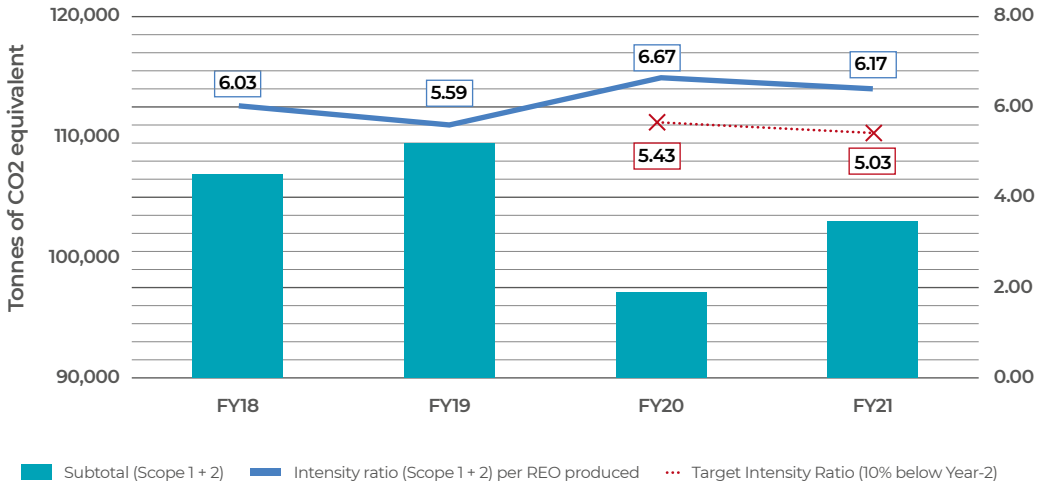
Greenhouse Gas Emissions (in metric tonnes of CO2 equivalents) (t CO2-e)					
Reporting Year		FY18*	FY19*	FY20	FY21
Mt Weld	Scope 1	27 726	23 693	21 137	19 697
	Scope 2	-	-	-	-
Malaysia	Scope 1	34 071 *[34741]*	34 071 *[34741]*	32 634	39 951
	Scope 2	45 407 *[36 931]*	49 544 *[49 299]*	43 387	43 917
Total	Scope 1	61 797 *[62 467]*	60 245 *[68 645]*	53 771	59 648
	Scope 2	45 407 *[36 931]*	49 544 *[49 299]*	43 387	43 917
	Scope 1+2	107 205 *[99 398]*	110 179 *[117 944]*	97 159	103 565

* Greenhouse Gas emissions have been restated due to changes in emissions factors. Previously disclosed baseline included in square brackets.

Scope 1 and Scope 2 emissions reduction targets

The FY20 and FY21 intensity targets were a reduction of CO2 emissions across both sites by 2020 to 10% below 2018 levels and by 2021 to 10% below 2019 levels. These targets were not met due to COVID-19 related temporary production shutdowns in FY20 and operation at 75% of production capacity in FY21. However, on an absolute basis, CO2 emissions were lower in FY20 and FY21 than in previous years, as reflected in the chart below.

Corporate Scope 1,2 GHG emissions and Intensity ratios



Scope 3

In addition to Scope 1 and Scope 2 emissions, in FY21 we commenced the evaluation of Scope 3 emissions. Scope 3 emissions are all other indirect emissions (not included in Scope 2) that occur in the value chain. For Lynas, this includes emissions related to the extraction and production of the materials we purchase for use at our operations and emissions from our customers processing our Rare Earth materials.

Scope 3 emissions are divided into different categories and Appendix 7 provides an overview of our evaluation status for each category.

Drawing on our Life Cycle Assessment (LCA), the most significant contributions to Scope 3 emissions in our value chain were identified as raw chemicals inputs to our production. Scope 3 emissions from raw chemicals inputs were assessed in FY21, as reported above. In FY22 we commenced a project to work with our upstream suppliers to gather data on their individual Scope 3 emissions and we will continue to assess additional Scope 3 categories in FY22.

Targeting a science-based GHG emissions reduction

Following the commitment to the Science Based Targets initiative (SBTi), Lynas is working to develop science-based GHG reduction targets for validation by SBTi, with the objective of limiting the global temperature increase to well-below 2°C. Targets will be disclosed once verified by the SBTi.

ii. TCFD implementation

Lynas became a supporter of the Task Force for Climate-related Financial Disclosure (TCFD) in FY20 and in FY21 we have continued to enhance our reporting in line with the TCFD framework. Our FY21 TCFD disclosures are available in Appendix 2. We will continue to progress our TCFD implementation in FY22.

b. Land use and ecological sensitivity

Our key biodiversity goals are to:

- Avoid adverse effects on biodiversity; and
- Achieve zero significant environmental incidents.

Lynas does not operate in or adjacent to key biodiversity areas such as Commonwealth or State listed priority ecological communities, threatened ecological communities, or World Heritage areas and in FY21 there were no significant environmental incidents.

Mt Weld Monitoring

The Mt Weld mine site is situated on approximately 423 hectares in a remote area of Western Australia. Since 2011, we have been completing terrestrial and subterranean ecological surveys to understand the flora, vegetation and fauna (both vertebrate and invertebrate) species on land and below the surface to complete detailed environmental impact assessments, with the most recent surveys in April 2020 and September 2020. The survey was conducted by experienced external biodiversity experts in line with guidance from the Western Australian Environmental Protection Authority (EPA).

As a result of these surveys across both seasons, Lynas has an enhanced understanding of the biodiversity at Mt Weld which will inform our future plans.

At Mt Weld, Lynas implements an Environmental Management Plan that has been approved by the EPA. Our Environmental Management Plan includes a mitigation hierarchy that sets objectives and targets for flora, fauna, surface water, and ground water. We perform quarterly groundwater seepage monitoring surrounding our Mt Weld tailings storage facilities with water analysis performed by an independent third party. Since we commenced operations we have seen no impact on groundwater quality. In addition, 14 years of vegetation health monitoring has shown that there are no significant impacts on flora surrounding the Mt Weld site.

The vegetation surrounding the Mt Weld site was surveyed by biodiversity experts in September 2021 and was assessed as being in "very good condition", the second highest rating available.

Mt Weld also has an approved Radiation Management Plan (RMP) as prescribed by the Mines Safety and Inspection Act, 1994. Ongoing monitoring has shown there is no increase in background radiation.

Mine Closure and Rehabilitation at Mt Weld

A Mine Closure Plan approved by the Department of Mines, Industry Regulation and Safety fulfils the requirements for decommissioning, rehabilitation and closure of the Mt Weld Project. The latest version of the Mine Closure Plan was approved in July 2021 with the next revision due in March 2026.

The 2021 Mine Closure Plan has been prepared with the aim of progressively rehabilitating and closing the Mt Weld Project so that all closure obligations are met and there is no unacceptable liability to the State of Western Australia and the community.

Lynas anticipates that the post mining land use for most of the Project will be 'Pastoral Land'. We are committed to the rehabilitation of all disturbed areas to the agreed final land use(s). The proposed post mining land use has been discussed with key stakeholders throughout the life of the Project. Further consultation with key stakeholders, including pastoral land holders, will take place as the mine progresses to ensure that pastoral use remains the most suitable post mining land use.

The Mt Weld Environment team has conducted a detailed rehabilitation trial on the waste rock landform. The trial was a milestone for the team in establishing a valuable rehabilitation trial that will produce data to refine the conceptual design in subsequent iterations of our Mine Closure Plan. This trial allowed the team to identify areas of improvement for progressive rehabilitation efforts. The detailed trial was a first of its kind for our operations at Mt Weld, improving on knowledge gained from the 2008 rehabilitation efforts, and will continue to be monitored over several years.

In May 2021, 12 baseline reference sites and seven rehabilitation sites were monitored and compared with two of the seven rehabilitation sites located on the 2008 rehabilitation. Four years of monitoring has shown that performance indicators have been achieved for vegetation closure objectives on the 2008 rehabilitation sites. The 2020 rehabilitation was assessed for the first time in 2021. Monitoring will be conducted annually over the coming years to assess performance against indicators for closure criteria.

Mt Weld Rehabilitation Monitoring Program 2021:

Topsoil health is essential to successful rehabilitation. In May 2021, topsoil stockpiles were monitored to assess vegetation development in relation to age and treatments such as direct seeding. Topsoil was monitored for vegetation cover, density of species, litter cover, presence of animals and overall vegetation health. Topsoil samples were analysed at an offsite laboratory with no concerning soil properties which could potentially inhibit vegetation development identified.

Vegetation that has grown from direct seeding in 2016 has survived low rainfall in recent years and continues to flower, adding seeds and nutrients to the topsoil improving the soil as a valuable source of rehabilitation material.

Before rehabilitation: September 2016

After rehabilitation: May 2021

Malaysia Monitoring

The Lynas Malaysia advanced materials plant is situated in the Gebeng Industrial Estate, a purpose-designed chemical/petrochemical zone in Gebeng, Malaysia.

Environmental monitoring carried out by Lynas and the relevant regulatory authorities since 2012 has shown there is no environmental impact of Lynas Malaysia's operation on the public and the environment.

Since 2012, when Lynas Malaysia commenced operation, two types of environmental monitoring programs have been implemented under the Environmental Radiological Monitoring Program (ERMP) and Environmental Management Plan respectively.

The Environmental Radiological Monitoring Program covers areas at 1 km, 5 km, 10 km and 20 km from the Lynas Malaysia plant. Environmental monitoring conducted in accordance with internationally accepted sampling and monitoring methods shows that there has been no increase in background radiation levels at 1 km, 5 km, 10 km and 20 km from the Lynas Malaysia plant in the over 9 years that Lynas Malaysia has operated.

Decommissioning Plan at Lynas Malaysia

Lynas Malaysia lodged a Decommissioning Plan with the Malaysian Atomic Energy Licensing Board in 2011, setting out plans for decommissioning, rehabilitation and closure of the Lynas Malaysia plant at the end of its operating life. The Decommissioning Plan is updated as required.

c. Freshwater availability

Clean and sufficient water is a critical resource for society and for Lynas' operations. We are focused on continuing to minimise freshwater usage in our operations.

Water consumption (in m3)	FY19	FY20	FY21
Total Water consumption	5 419 658	4 981 930	4 708 566
Total Water consumption (Malaysia)	3 965 989* *[4 476 494]*	3 548 779* *[4 013 546]*	3 166 772
Total Water consumption (Australia)	1 453 669	1 433 151	1 611 584
Water Recycled (Australia only)	239 936	189 653	329 984
% of Water Recycled Australia	16.5%	13.2%	20.5%

* Figure restated due to change in reporting defintion.

Mt Weld uses groundwater and recycled water. Lynas has established internal objectives and targets in line with the Lynas Environmental Policy to recycle our process water. An overall water consumption target of less than 4.5m^3 of permeate water per tonne of ore was set for the FY21 period and this target was not achieved (FY21: 5.0m^3/t) due to the ore types processed, which required additional water in the flotation process to improve concentrate quality. The water was used to wash the concentrate froth and remove ultrafine iron minerals that would have otherwise reduced the concentrate quality. The improved concentrate quality obtained from additional water usage has negated the need for higher chemical consumption in downstream processes.

Bore abstraction intensity better reflects the usage of a non-renewable resource and encompasses both water usage efficiency and water recycling efficiency in a single KPI. As a result, the Mt Weld water consumption metric will change to a bore abstraction intensity per tonne of ore processed (rather than a permeate metric) in FY22. Mt Weld abstracts groundwater from below the open pit mining activities. As a result, the open cut mine is progressively dewatered and this provides safe geotechnical conditions for mining. The groundwater is brackish in dissolved salts and requires reverse osmosis treatment to produce high quality water to the Rare Earth separation process. The salty brine water from the reverse osmosis is evaporated. Increasing the recycle of process water will help to reduce the abstraction of groundwater.

Bore water abstraction has reduced from 6.8m^3/t ore processed in FY20 to 6.3m^3/t in FY21 due to improvements in the water recycling flowsheet. Further improvements are planned in FY22, including modifications to pump gland seals and installation of high efficiency reverse osmosis membranes. The bore abstraction intensity target is set at 6.2m^3/t in FY22 (this figure includes salty brine water to be evaporated).

Detailed engineering will be completed by the end of 2021 for a larger and more efficient water recycling plant at Mt Weld. Once installed, the water recycle plant will deliver a significant step change improvement in our internal water recycling and offset groundwater usage.

In Malaysia, Lynas uses scheme water (city water) provided by the local water utility provider. Lynas Malaysia has three process water ponds with a total capacity of 38,000m^3 which supply water to the plant as needed at a rate of approximately 400m^3/hr. A dedicated water flow meter has been installed to process the incoming city water, enabling our team to precisely monitor water consumption.

Once water has been used in Lynas Malaysia's operations, it is treated and tested to ensure that it meets water quality standards prescribed by the Department of Environment prior to being released. Wastewater quality is strictly governed by local regulations, and parameters are set specifically for each watershed. Once the water is released, it is tested at 11 water quality monitoring stations along the Balok River. The Department of Environment has publicly stated that water leaving the Gebeng Industrial Estate is of a higher quality than water entering the Estate due to water treatment undertaken prior to discharge.

There were zero significant water-related incidents at both operating sites during FY21.

d. Paris-aligned GHG emissions targets

Lynas Rare Earths recognises the global challenges of climate change and we support the Paris Agreement goal to limit the global temperature increase to well-below 2°C compared to pre-industrial levels.

Following an extensive review process undertaken in FY21, in September 2021 Lynas Rare Earths committed to the Science Based Targets initiative (SBTi). We are now working to develop science-based GHG reduction targets for validation by SBTi, with the objective of limiting the global temperature increase to well-below 2°C. Targets will be disclosed once verified by the SBTi.

e. Impact of GHG emissions

Lynas conducts Life Cycle Assessments for our products and we have calculated an emission average of 30kg CO_2-eq per kg of REO from our internal LCA on year 2019 basis.

We have also released the results of the Life Cycle Assessment for permanent magnet motors used in water pumps, conducted in conjunction with value chain partners. This assessed the manufacturing data from two electric motor pumps, one an induction motor using copper coil for an electromagnet, and the second a permanent magnet motor using neodymium-iron-boron magnets.

	Induction Motor		Permanent Magnet (NdFeB) Motor	
Material	**Weight**	**Kg CO^2 eq**	**Weight**	**Kg CO^2 eq**
Copper	412g	1.90	146g	0.67
Magnet	0g	0.00	22g	0.44
Steel	670g	1.60	259g	0.62
Total	**1.082g**	**3.50kg**	**427g**	**1.73kg**

Source: Grundfos

The manufacturing of the pump from Rare Earth permanent magnets was shown to have 50% lower carbon dioxide equivalent emissions and over 10 years, will produce 75% lower carbon dioxide equivalent emissions. In addition, the permanent magnet motor pump was 50% lighter than the induction motor pump.

f. Air quality

As part of monitoring requirements for Mt Weld's Radiation Management Plan, high-volume environmental dust monitoring was performed throughout the year from several locations across Mt Weld. All high-volume samples were below the investigation trigger level during the reporting period. The environmental radiation monitoring program detected no contamination by radioactive material in the environment within or surrounding the Mt Weld site.

At Lynas Malaysia, Lynas carries out ambient and stack release measurements. Ambient air quality is measured at three residential areas located within 5 km from the Lynas Malaysia plant. Lynas met all emission standards during FY21.

Radiological air monitoring is also undertaken at Lynas Malaysia via two Aerosol Monitoring Systems that measure external radiation and radon-thoron activity concentrations at two locations (onsite and in the city of Kuantan). Monitoring shows there has been no change to background levels at both locations since Lynas Malaysia's operations commenced in 2012.

g. Impact of solid waste disposal

In line with the circular economy, Lynas' approach to our industrial by-products is: reduce, reuse, recycle, long term storage/disposal.

Waste management involves numerous systems to control waste management processes and identify the most appropriate methods of disposal as a last resort. All waste materials are stored and disposed of in a safe and environmentally responsible manner.

At Mt Weld, all Controlled Waste is traceable via the Department of Water and Environment Regulation (DWER) waste tracking network.

In Malaysia, all scheduled wastes generated from our operations are being managed responsibly in terms of their generation, storage, transportation and treatment. Scheduled wastes are collected by a licensed waste contractor that has been approved by the Department of Environment, Malaysia (DOE).

Mt Weld Tailings deposition and consolidation

Rare Earths production generates tailings at Mt Weld, composed of the gangue minerals, unrecovered Rare Earth minerals, and water from the floatation process. Part of the water is recycled, and tailings may become a future source of Rare Earths for re-processing.

In 2019, Lynas completed the Mt Weld Tailings Dam Questionnaire, in response to the Investor Mining & Tailings Safety Initiative. You can view the responses on our website at https://lynasrareearths.com/sustainability/residue-tailings-management/.

Building on our strong track record of tailings management, in 2021 we had zero significant incidents at our tailings storage facilities.

The annual geotechnical audit of the Mt Weld tailings storage facilities (TSFs) was completed in the March quarter. The three TSFs were all compliant with regulatory requirements. There was a further improvement in consolidation (dry density) for all three TSFs due to mudfarming. The TSFs continue to operate under the protocols that have been progressively developed (including layered Rheomax® ETD tailings deposition, solar drying, Amphirol mudfarming and contouring using a low pressure bulldozer) which have resulted in a 50% reduction in the tailings volume requiring storage for the same tailings mass.

Although tailings volumes generated over the life of mine will increase as milled ore tonnes increase, we are well positioned to manage tailings in current and future facilities, reducing our overall disturbance footprint.

Lynas Malaysia residues

Our Malaysian operations produce two solid residue as by-products:

- A magnesium rich gypsum known as NUF (Neutralisation Underflow) which is non-toxic and non-radioactive, and
- An iron phosphate material known as WLP (Water Leached Purification) that contains very low level Naturally Occurring Radioactive Material (NORM)

A long-term management plan for NUF residue has been agreed which includes commercialisation options and permanent storage in an approved, purposed-designed onsite NUF Secured Landfill.

NUF has been shown by Golder Associates (2014) and Standards and Industrial Research Institute of Malaysia (SIRIM) (2018) to be a non-toxic and non-hazardous material with negligible human health risk. In addition, its chemical composition showed potential for use in agriculture and the manufacturing of cements. NUF is non-hazardous according to the Globally Harmonised System of classification and labelling of chemicals. NUF is not classified as a dangerous good by the criteria of international air, road and sea transport (UNTDG, IMDG, IATA).

WLP residue is currently stored in regulator-approved temporary residue storage facilities. In keeping with the conditions of Lynas Malaysia's 3-year operating licence, in FY21 Lynas progressed work on the development of the Permanent Deposit Facility (PDF) for WLP residue, including community consultation, within the constraints presented by COVID-19. Lynas continues to engage productively with the relevant government and regulatory authorities regarding approvals for the PDF.

9. Caring for our Communities - Building Prosperity

We care for the communities in which we work and live, making it a priority to take an active role in building better communities. We aim to share the sustainable benefits of our operations by making a positive contribution to local employment, skills, education, health, and the environment.

The Lynas Community Policy outlines our commitment to employing local people and sourcing from local businesses in each of our operations and is available at https://lynasrareearths.com/about-us/corporate-governance/. We have internship programs at both of our operating sites that include a focus on employing local young people.

Lynas acknowledges and respects the Traditional Custodians of the land on which we operate. In Western Australia, we aim to increase training, employment and supplier opportunities for Aboriginal people and enrich our workforce through inclusion, understanding and appreciation of Aboriginal cultures.

Our approach includes information and consultation with local communities as well as partnerships with community organisations and educational institutions.

Lynas engages and consults with our local communities and other interested parties regarding environmental approvals and we undertake Social Impact Assessments to determine the effects of these operations on our local communities.

In FY21, Social Impact Assessments were undertaken in respect of the planned Permanent Deposit Facility in Malaysia and the new Rare Earth Processing Facility in Kalgoorlie, Western Australia. In both of those locations, Lynas participated in community presentations, meetings and consultations during the year. We also published community project updates and hosted a Pop-Up Information Point in Kalgoorlie for three weeks in September 2020 and during the month of June 2021. Community members visited the shopfront to discuss plans for the project with members of the Lynas team.

None of our projects have required physical or economic resettlement in the last ten years.

a. Employment and wealth generation

i. Absolute number and rate of employment

At June 30, 2021, Lynas employed 848 people, comprising 816 employees and 32 contract workers across Malaysia and Australia. Our employees include geologists, engineers, metallurgists, tradespeople, process technicians and others in support functions across both operating sites (Mt Weld and Gebeng) as well as professional and administrative functions undertaken at our offices in Perth, Western Australia and Kuala Lumpur, Malaysia.

In FY21, our employees were almost exclusively from in-country, with expatriates accounting for only 1% of our employees across our operations.

Employees	FY19	FY20	FY21
Lynas Total employees	**737**	**765**	**816**
Australia	87	90	105
Australian nationals	87 (100%)	90 (100%)	105 (100%)
Malaysia	650	675	711
Malaysian nationals	631 (97%)	656 (97%)	699 (99%)

(a) Employee turnover

Our company-wide turnover rate for FY21 was below the industry standard at approximately 9%. We use a 15% turnover rate as the industry standard.

ii. Economic contribution

(a) Direct economic value

Lynas Rare Earth's direct economic value generated and distributed in FY21:

FY21 Direct Economic Contributions	AUD
Revenue	$489.0m
Cost of sales	($302.2m)
Employee wages and benefits	$53.0m
Community investment	$0.739m

Companies like Lynas can have a significant local economic impact through our local procurement decisions and processes. In line with our commitment to prioritising local procurement, in FY21, over 90% of inputs were procured at the local (Pahang State in Malaysia or Goldfields region in Western Australia) or country level across the Company's operating sites. Lynas is a key customer to many local suppliers.

(b) Financial assistance received by the government

As announced on 26 February 2021, in light of the company's strong 1H FY21 results, the Lynas Board resolved to repay, to the relevant authorities, the Australian Jobkeeper subsidy and the Malaysian wage subsidy received in respect of 1H FY21. These payments totalled approximately $1.02m and represented the only Jobkeeper or Malaysian wage subsidies received in respect of FY21.

iii. Financial investment contribution

Lynas is investing approximately $500m in the Lynas 2025 growth plan. A $425m equity raising was successfully completed in FY21 and the funds raised will be used for the Lynas 2025 foundation projects, primarily the construction of the Kalgoorlie Rare Earths Processing plant and associated upgrades at the Lynas Malaysia plant.

Lynas did not conduct share buybacks or issue any dividend payments in FY21.

b. Innovation of better products and services

Rare Earths are used in future facing technologies designed to lower emissions and reduce energy consumption, as well as to improve efficiency, performance, speed, durability, and thermal stability. We have an in house research and development team that is focused on both continuous improvements and breakthroughs. Lynas has invested over $8m in R&D since commencing operations.

Supporting R&D

We're proud to support academic research as part of our commitment to the Australian critical minerals industry and the global Rare Earths industry. Lynas has supported a number of past and present PhD programs in Australia and collaborates on research with leading universities, technical colleges and research institutions in Malaysia and Australia. In November 2020, we welcomed our research partners and vacation students from Curtin University's WA School of Mines to our Mt Weld mine (pictured).

In July 2021, Lynas was awarded a $14.8m grant as part of the Australian government's Modern Manufacturing Initiative. The grant will enable Lynas to commercialise an industry-first Rare Earth carbonate refining process. Developed in house, the process has been tested at bench scale and has proved effective in producing a higher purity Rare Earth carbonate that can feed the Lynas Malaysia plant as well as the proposed U.S. Rare Earth processing facility. The process will be installed during the construction of our Rare Earth Processing Facility in Kalgoorlie and the grant is expected to contribute approximately 50 per cent of the implementation cost.

Lynas works with selected partners to provide mine to magnet traceability and conduct Life Cycle Assessments. We are also leading the effort to secure a fully traceable Rare Earth supply chain through the creation of a new ISO Standard, "Traceability of rare earths in the supply chain from mine to separated products" (ISO/TC 298). Lynas is fully committed to improving supply chain integrity to protect human rights and the environment, and to prevent the occurrence of modern slavery in the industry.

c. Community and social vitality

i. Total tax paid

Income tax expenses in FY21 were $404,000 due to the tax effect of prior period losses which were utilised in FY21. This figure excludes payroll taxes which are currently categorised as employee costs.

ii. Total social investment

The focus of our social investment is in the areas of health and wellness, education and employment, and supporting vulnerable community members.

In FY21, direct community investment expenditures across our operations were approximately AU$739,000 plus over 640 employee volunteering hours.

Key community investment initiatives for our Western Australian and Malaysian operations are outlined in Appendix 3.

Supporting communities affected by COVID-19

Our team in Malaysia has been working hard to support our local communities affected by a vigorous third wave of COVID-19 as well as extreme weather events during the year. Our annual Back to School contributions were provided to 17 local schools including stationery, bags, uniforms, and shoes and over 1000 daily necessity packs were distributed to surrounding communities affected by COVID-19. This is the 11th year of providing Back to School support. Lynas Malaysia also donated over 2,700 comforters to people affected by floods in January 2021.

10. Appendix 1: Stakeholder Engagement

Stakeholders	Interests	Engagement/response
Employees	› Ensuring a safe workplace › Fostering a rewarding work environment, where employees feel empowered through career development and opportunities › Building a strong and unique culture through a values-driven approach › Building and maintaining diversity and committing to being inclusive at all times › Sharing the prosperity enjoyed by the company with our employees	› Priority given to employing from our local communities › Regular, open, internal communication events including weekly team meetings › All Staff Briefings and Q&A with the CEO and executive team (held online) › Internal communication channels including daily pre-start meetings, Company emails, site notices, intranet and company events › Employee training programs including safety, technical and leadership › Company performance-based employee bonus scheme
Customers	› Sustainable, reliable and consistent supply and delivery of Rare Earth materials › Maintenance of strong technical and commercial relationships through timely, open and honest communication › Collaboration on research and development initiatives	› Regular engagement, including face to face and electronic communication › Annual customer satisfaction survey › Highly skilled and experienced marketing and sales team › Quality control of product › Implementation of targeted, continuous improvement programs, both company initiated and in partnership with customers › Mine to magnet traceability and life cycle analysis conducted in collaboration with customers › Visits to customer operations and customer visits to Lynas operations (where possible in light of COVID-19)
Shareholders and Investors	› Creation of shareholder value › Management of risk › Delivery of cashflows from operations › Strong governance	› Regular webcast briefings including quarterly, half year and full year results › Meetings and briefings with investors including post-result roadshows, conferences, and site visits › ASX announcements and email alert systems that allow interested parties to register for automatic ASX announcement notifications › Annual General Meeting
Local communities	› Community consultation and engagement on Lynas operations › Sustainable growth and development for communities through local training, employment and business opportunities, education and other services › Assisting disadvantaged members of the community	› Meaningful community consultation and engagement, including information booths, community forums and participating in community committees › Positive contribution to community initiatives in partnership with local and state government and education institutions, focussing on employment, skills, education and health › Making a difference for disadvantaged members of the community through volunteering and donations as part of the Lynas community support program

Stakeholders	Interests	Engagement/response
Suppliers and contractors	› Ensuring economic opportunity through sustainable business development › Working together to achieve mutually beneficial outcomes › Transparent communication through procurement process › Development of Supplier Sustainability Policy and Code of Conduct	› Strong policy framework › Priority given to development of capable local supply chains › Strategic relationships and partnerships developed with contractors and suppliers › Regular meetings, communication and reviews with strategic suppliers and contractors › Supplier Sustainability Policy & Code of Conduct and supplier audits
Government and regulators	› Job creation, economic activity and local content › Manufacturing supply chain resilience › Management of social and environmental impacts and biodiversity › Environmental, social and fiscal performance and compliance › Community development	› Ongoing engagement with government representatives in operating countries and key markets › Ongoing reporting to and communication with regulators and government bodies on environmental performance and other key indicators in operating countries › Public information including financial results and social contribution › Providing site visit opportunities
NGOs	› Management of social and environmental impacts › Community engagement › Environmental performance › Human rights performance	› Involvement in UN Global Compact and industry forums › Direct engagement with relevant NGOs › Reporting, ASX announcements and media releases › Maintenance of high environmental and community standards › Development of corporate policies
General community	› Social and environmental impacts and their management › Community engagement › Environmental performance › Human rights performance › Employment and business opportunities › Community support	› Ongoing direct community engagement with our local communities › Prioritizing local procurement › Continued support for community programs and events › Development and implementation of multiple programmes in our local communities
Educational institutions	› Providing access to career pathways and opportunities › Attracting high calibre employees by positioning the Company as an employer of choice	› Site visits and work placement opportunities › Active graduate and intern programs › Joint research opportunities › Participating in employer expos and industry forums › Innovative STEM-focused strategic alliance with Pahang State Education Department in Malaysia › Support for Curtin University's Future Battery Industries Cooperative Research Centre (CRC) in Australia › Participating in wide range of industry forums and events

11. Appendix 2: Task Force on Climate-related Financial Disclosures (TCFD)

In 2020, Lynas committed to continue to progress our disclosure against the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) framework.

We expect the transition to a low carbon economy will provide strong opportunities for our company as the products we produce are key inputs to future-facing green technologies including electric cars and wind turbines. We expect it may also lead to manageable risks.

Climate Governance

ESG is overseen by the Board on recommendations from the Audit & Risk Committee and the executive. In FY21, the Board:

- Led a review of Lynas' ESG reporting practices and disclosures resulting in alignment with the recommendations of the World Economic Forum common metrics initiative in the 2021 ESG Report.
- Supported the review of GHG target frameworks by management and endorsed Lynas' commitment to the Science Based Targets initiative (September 2021).
- Approved Lynas' Greenhouse Gas Policy.

At an executive level, the Lynas Leadership Team is responsible for ESG strategy and oversight including:

- The development and implementation of the Greenhouse Gas Policy.
- Overseeing Climate-related strategies, progress and reporting.
- Leading Climate-related projects and external engagement, including with customers, partners and suppliers.

Following confirmation of Lynas' commitment to the Science-Based Targets initiative, we are working to develop science-based GHG reduction targets in line with SBTi criteria, with the objective of limiting the global temperature increase to well-below 2°C. We will announce the new targets once they have been officially validated by the SBTi.

Climate Strategy

Lynas tracks our GHG emissions and in FY21 site specific and company-wide data capture and reporting tools were developed.

A review of Greenhouse Gas (GHG) emissions target frameworks was undertaken during the year and in September 2021, Lynas confirmed our commitment to the Science-Based Targets initiative and released our Greenhouse Gas Policy.

Climate Risk Management

Climate change and the rapidly evolving response to it may lead to a number of risks, including but not limited to:

- Increased political, policy and legal risks (e.g. the introduction of regulatory changes aimed at reducing the impact of, or addressing climate change, including reducing or limiting carbon emissions);
- Increased capital and operational costs, including increased costs of inputs and raw materials; and
- Technological change and reputational risks associated with Lynas' conduct.

Climate change may also result in more extreme weather events and physical impacts on Lynas due to the energy intensive nature of Lynas' operations, and our current reliance on fossil fuels for mining and processing activities. To mitigate this risk, and meet customer demand for sustainable production, Lynas is committed to transitioning to a hybrid energy solution for our Mt Weld mine and concentration plant, including renewable energy.

At Mt Weld, a contract was awarded in FY21 to assess renewable energy options for the Mt Weld site, including modelling, sizing, and initial conceptual design. This would significantly reduce reliance on fossil fuels for power generation at the remote Mt Weld site.

Metrics and Targets

Lynas monitors and reports our GHG emissions. This includes assessing Scope 1, 2 and (limited) 3 emissions in FY21.

Following Lynas' commitment to the Science Based Targets initiative in September 2021, we are working to develop science-based GHG reduction targets in line with SBTi criteria, with the objective of limiting the global temperature increase to well-below 2°C. Lynas will announce the new targets once they have been officially validated by the SBTi.

12. Appendix 3: Key Community Investment Initiatives

Goldfields Region, Western Australia (Mt Weld and Kalgoorlie)

Program	Purpose
Laverton Cross Cultural Association (LCCA)	The LCCA operates as a community hub to enhance employment opportunities and encourage local Aboriginal people to be creative through a number of different programs including art and music. The LCCA has a Keys 4 Life Program which assists locals to gain their drivers' licence by utilising the LCCA driver training vehicle. It also provides opportunities for consultation and collaboration with local government, businesses and community members.
SwimStars	SwimStars encourages children from the Laverton community to learn how to swim in a safe and friendly environment and promote water safety and confidence. Lynas' annual sponsorship of Laverton SwimStars includes provision of flights and accommodation for volunteers.
Shire of Laverton	Lynas offers assistance to the Shire of Laverton by transferring mattresses and bicycles from Perth to Laverton through Mt Weld shipping containers. The items are collected by the Shire of Laverton for the local community. Lynas employees also regularly volunteer for community events and numerous other Shire of Laverton initiatives each year, including ANZAC Day, Clean Up Laverton Day, NAIDOC Week Celebrations, and Christmas events.
Goldfields Women's Health Care Centre	Providing donations of goods for the Centre's Care Packs for Women in Need initiative for women in the Northern Goldfields

Malaysia

Categories	Purpose
Contributions	› Annual Back to School Program providing uniforms and educational materials for disadvantaged children › Bi-monthly Recycling program and Free Health Screening › Bi-monthly contribution to charitable homes › Festive contributions › Festive Celebration with various cultural groups › Community centre infrastructure repairs › Environmental programs › CSR activities as part of Lynas Staff events such as our "Amazing Race"
Education	› Science Technology Engineering & Maths (STEM) program with 4 schools in Pahang. › Creation of an IT Room at Library Balok › Knowledge transfer program venture between Lynas and local Universities › Participation in school excellence day awards › Sponsoring science conferences and convocation with Universities
Sports	› Annual Sports Carnival with our local community › Football and Futsal with our community and local industries › Futsal Clinic › Bowling events
Community Engagement	› Plant visits › Annual round table meeting › Fact sheets and Q&As in major newspapers › Community information website › Information and videos on social media and YouTube

13. Appendix 4: Navigation Index

The Navigation Index indicates the sections of Lynas FY21 ESG Report that align with the GRI Standards, the principles of the United Nations Global Compact, and the 10 principles of the International Council on Mining and Metals.

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
General disclosures				
102-1	Name of the organisation	Who we are – Page 5		
102-2	Activities, brands, products and services	Who we are – Page 5		8, 9
102-3	Location of headquarters	Who we are – Page 5		
102-4	Location of operations	Who we are – Page 5		
102-5	Ownership and legal form	Who we are – Page 5		
102-6	Markets served	Who we are – Page 5		
102-7	Scale of the organisation	Who we are – Page 5		
102-8	Information on employees and other workers	Employment and wealth generation – Page 25		6
102-9	Supply chain	Caring for our people – Page 15, Appendix 1: Stakeholder engagement – Pages 28-29		
102-10	Significant changes to the organisation and supply chain	Who we are – Page 5		
102-11	Precautionary Principle or approach	Principles of Governance – Page 6-8	1, 2, 4	7
102-12	External Initiatives	Our ESG reporting – Page 3, Appendix 5: Memberships and initiatives – Page 35	2	
102-13	Memberships of association	Appendix 5: Memberships and initiatives – Page 35	2	
102-14	Statement from senior decision-maker	Letter from our Chairman & CEO – Page 1	2	1, 4, 5
102-15	Key impacts, risks and opportunities	Lynas' Approach - Page 8		
102-16	Values, principles, standards and norms of behaviours	Who we are – Page 5	1, 2	10
102-18	Governance structure	Principles of Governance – Page 7-8	1	
102-40	List of stakeholder groups	Appendix 1: Stakeholder engagement – Pages 28-29	4, 10	
102-42	Identifying and selecting stakeholders	Principles of Governance – Page 7-8	4, 10	
102-43	Approach to stakeholder engagement	Principles of Governance – Page 7-8	4, 10	
102-44	Key topics and concerns raised	Principles of Governance – Page 7-8	4, 10	
102-45	Entities included in the consolidated financial statements	Our ESG reporting – Page 4		
102-46	Defining report content and its Boundary	Our ESG reporting – Page 3	2	
102-47	List of material topics	Principles of Governance – Page 7	2	
102-50	Reporting period	Our ESG reporting – Page 4	10	
102-51	Date of most recent report	Our ESG reporting – Page 4		
102-52	Reporting cycle	Our ESG reporting – Page 4		
102-53	Contact point for questions regarding the report	Our ESG reporting – Page 4		
102-54	Claims reporting in accordance with the GRI standards	Our ESG reporting – Page 3		
102-55	GRI Content index	Appendix 4 : Navigation Index - Page 32		
102-56	External Assurance	Our ESG reporting – Page 4	10	

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
103-1	Explanation of the material topic and its Boundary	Principles of Governance – Page 7	4, 10	
103-2	The management approach and its components	Principles of Governance – Page 7		
103-3	Evaluation of the management approach	Principles of Governance – Page 7		
Economic Performance				
201-1	Direct economic value generated & distributed	Caring for our Communities - Building Prosperity – Page 25-26	9	
201-2	Financial implications and other risks and opportunities due to climate change	Appendix 2: TCFD Disclosures – Page 30	6	7
Market Presence				
202-2	Proportion of senior management hired from the local community	Caring for our People – Page 12, Employment and wealth generation – Page 25		
Indirect Economic Impacts				
203-2	Significant indirect economic impacts	Caring for our Communities - Building Prosperity – Page 26-27		
Procurement practices				
204-1	Proportion of spending on local suppliers	Caring for our Communities - Building Prosperity – Page 26	2, 9	6
Anticorruption				
205-2	Communication and training about anti-corruption policies and procedures	Ethical behaviour– Page 8	1	10
Energy				
302-1	Energy consumption within the organisation	Caring for our Planet - Page 16-17	6	8
302-3	Energy intensity	Caring for our Planet - Page 16-19	6	8
302-4	Reduction of energy consumption	Caring for our Planet - Page 16-19	6	8
Water and Effluents				
303-1	Water withdrawal by source	Caring for our Planet - Page 21-22	6	7, 8
303-3	Water recycled and reused	Caring for our Planet - Page 21-22		8
303-4	Water consumption	Caring for our Planet - Page 21-22	6	8
Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Caring for our Planet – Page 20-21	7	8
G4-MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	Caring for our Planet – Page 20	6	8
G4-MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Caring for our Planet – Page 20-21	7	8
304-2	Significant impacts of activities, products, and services on biodiversity	Caring for our Planet – Page 20-21	7	8
304-3	Habitats protected or restored	Caring for our Planet – Page 20-21	7	8
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Caring for our Planet – Page 20	7	8

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
G4-MM10	Number and percentage or operations with closure plans	Caring for our Planet – Page 20-21	6, 9	7
Emissions				
305-1	Direct (Scope 1) GHG emissions	Caring for our Planet – Page 18	6	8
305-2	Energy indirect (Scope 2) GHG emissions	Caring for our Planet – Page 18	6	8
305-4	GHG emissions intensity	Caring for our Planet – Page 18-19	6	8
305-5	Reduction of GHG emissions	Caring for our Planet – Page 18-19	6	8
Effluents and waste				
306-2	Waste by type and disposal method	Caring for our Planet – Page 23	6	8
G4-MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	Caring for our Planet – Page 23-24		
Supplier environmental assessment				
308-1	New suppliers that were screened using environmental criteria	Caring for our People – Page 15	6	7, 8, 9
Employment				
401-1	Total number and rates of new employee hires and employee turnover	Communities - Building prosperity – Page 25	3	6
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Caring for our People – Page 13-14		6
Occupational Health and Safety				
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Caring for our People – Page 13	5	1
Employee Training and Education				
404-1	Average hours of training per year per employee	Caring for our People – Page 14-15	5	6
404-2	Programs for upgrading employee skills and transition assistance programs	Caring for our People – Page 14-15	3	6
404-3	Operations with significant actual and potential negative impacts on local communities	Caring for our People – Page 14	3, 9	1, 2
Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	Principles of Governance – Page 6-7, Caring for our People – Page 12	3	6
Human rights assessment				
412-2	Employee training on human rights policies or procedures	Caring for our People – Page 16	3	1, 2, 3, 4, 5, 6
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Caring for our People – Page 16	2	1, 2, 3, 4, 5, 6

14. Appendix 5: Memberships and initiatives

Malaysian memberships:

- Malaysian Australian Business Council
- United Nations Global Compact Network

Australian memberships:

- Minerals Council of Australia
- The Chamber of Minerals and Energy of Western Australia
- Kalgoorlie-Boulder Chamber of Commerce and Industry

Commitments to external initiatives and standards:

- United Nations Global Compact (UNGC)
- International Council on Mining and Metals (ICMM) Sustainable Development Principles
- Together for Sustainability
- ISO Standards 9001, 14001, 45001
- Science Based Targets initiative (SBTi)
- Initiative for Responsible Mining Assurance (IRMA)
- Rare Earths International Association (REIA)
- Global Reporting Initiative (GRI)
- ASX Corporate Governance Council's Principles
- ISO TC 298
- Carbon Disclosure Project (CDP)
- UN Guiding Principles on Business and Human Rights
- Task Force for Climate-related Financial Disclosure (TCFD)

15. Appendix 6: Scope 3 evaluation status

Category name	Evaluation status
Category 1: Purchased Goods and Services	300,000-350,000 tons of CO_2 eq
Category 2: Capital Goods	To be evaluated
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 & 2	To be evaluated
Category 4: Upstream Transportation and Distribution	Under evaluation
Category 5: Waste Generated in Operations	Under evaluation
Category 6: Business Travel	Under evaluation
Category 7: Employee Commuting	Under evaluation
Category 8: Upstream Leased Assets	Not applicable
Category 9: Downstream Transportation and Distribution	Under evaluation
Category 10: Processing of Sold Products	Under evaluation
Category 11: Use of Sold Products	To be evaluated
Category 12: End-of-Life Treatment of Sold Products	To be evaluated
Category 13: Downstream Leased Assets	Not applicable
Category 14: Franchises	Not applicable
Category 15: Investments	Not applicable

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