

Australia's newest lithium producer

Sustainability Report 2023



Sustainability

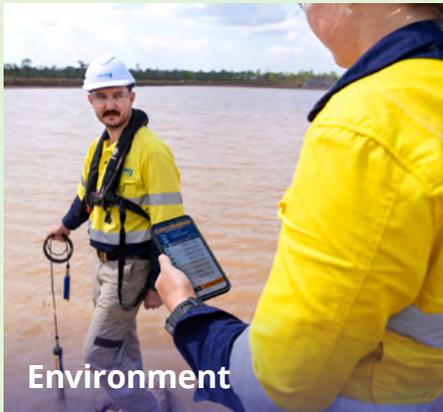
“We embrace our role in the energy transition and acknowledge our responsibility to sustainably manage our operations to contribute to a lower carbon future. As we grow in maturity, Core’s focus is on safe, reliable, and sustainable operations that consider the wellbeing of our people, the environment and the community in which we operate.”

Andrea Hall

Chair of Risk and Sustainability Committee



Sustainability Highlights



Environment

Weed, land and water management practices undertaken with support of the Kenbi Rangers

Capital allocation to upgrade and improve water management infrastructure post the learnings of our first operational wet season

Trialed the use of drone technologies to increase efficiency and safety during sediment control activities

Ongoing improvements of systems, procedures and technologies to better understand how to reduce our impacts



Social

Critical risk management deployed

Health and safety systems have evolved, monitoring and processes systems deployed

Stakeholder and community engagement strategy developed

Community Grants program launched and first round of grants awarded

Total rewards framework launched for employees

Core Central information system deployed

Darwin festival sponsorship

Community newsletters distributed across region

Diversity increased at board and executive level



Governance

Inclusion of modern slavery clause in our supplier standard terms and conditions

Strategic risk refresh underway

Payroll practices review completed

Charter developed for sustainability and risk committee

Sustainability

Core strives to be a responsible and sustainable participant of Australia's mining sector. We aim to be a company that contributes positively to responding to climate change both through our products and our practices.



As we mature, we aim to implement sustainable practices through all stages of our operations, from extraction through to processing and distribution. Our objective is to conduct our operations minimising environmental and social impacts and delivering positive outcomes for our stakeholders and the local communities where we operate.

Lithium has a fundamental role in shaping the global energy future, with battery storage key to the decarbonisation pathways the world will pursue.

We are excited to be part of that journey through mining and processing spodumene concentrate, material used to produce the lithium hydroxide that is essential to battery production.

We are embracing our role in the energy transition and acknowledge our responsibility to sustainably manage our operations to contribute to a lower carbon future.

Our Sustainability Program Journey

During the reporting year, our primary focus has been on the Finnis Lithium Project throughout its early stages of initial production and plant commissioning, ensuring it is a safe and stable operation.

We recently completed our first spodumene concentrate exports. While we have been delivering on our operational milestones and commissioning activities, the team has also been focused on our organisational design and developing the systems and processes needed to scale and support our maturing business.

During the reporting year we refreshed the senior management team, including the appointment of an Executive General Manager Sustainability, and established the Board Sustainability and Risk Committee.

The new team evaluated the legacy ESG program and agreed our approach needed adjusting to practically develop a program that fits Core's relative maturity and, importantly, its risk profile. We refer to the new program as the Sustainability Program, and ESG initiatives will also be referenced interchangeably.

A priority during the year has been progressing our strategic risk refresh program, which is a significant input to Core's Sustainability Program through identifying material sustainability-related risks.

Core aims to be a reputable supplier of sustainably and ethically sourced Australian minerals. We seek to develop an authentic and practical sustainability program that is both strategic and robust. It will have the appropriately defined approaches for managing our sustainability risks informed by data and monitoring systems for continuous improvement. Our intent is to make voluntary disclosures in the near term, and to make ambitious and genuine commitments that we can meet consistent with our maturity.

Our Approach

Core conducted a materiality assessment in 2022 which identified ten initial areas on which to focus our ESG initiatives. While these material areas have evolved during the reporting period, they reflect the current status and focus for the company and form the basis for reporting. As part of the Sustainability Program development, the Sustainability and Risk Committee will review our material topics with consideration of our risk profile, emerging sustainability-related risks and topics impacting our industry, and stakeholder perspectives. This will ensure that our program is focused on the current sustainability issues that are most material to our maturing business.

Our Progress

Climate Change

The Finnis Lithium Project will make an important contribution to the global effort to address climate change through reducing emissions, with the spodumene concentrate we produce essential for the technologies required to achieve it.

Now that we have demonstrated our ability to extract and export critical minerals within short timeframes, we recognise our responsibility to produce our materials with the lowest possible carbon footprint.

The Finnis Lithium Project is currently powered by onsite diesel generators. Where practicable, we will identify and implement energy efficiency measures and explore opportunities for renewable energy infrastructure to reduce our Scope 1 and 2 greenhouse gas emissions over the life of the mines.

Climate change was identified as a material threat to the business following the risk refresh in 2023. We aim to voluntarily disclose our climate-related risks in the near term by responding to a suitable framework, such as the recommendations from the Task Force on Climate Related Disclosures or the International Sustainability Standards Board's IFRS S2 Climate Disclosure Standards.

For FY24 we plan to

- Identify opportunities for renewable energy implementation and evaluate pathways to reduce carbon emissions over the project life
- Develop climate-related management and reporting capabilities to prepare to make disclosures in line with the incoming Australian climate-related disclosure standards
- Validate emissions baseline on Life of Mine forecast dataset



Biodiversity

One of Australia's greatest assets is its biodiversity, and this has been central to our design of the Finnis Lithium Project, located within the Darwin Coastal Bioregion.

Before we started our operations, we undertook extensive studies spanning ecology, heritage, soils and land capability, waste rock characterisation, surface and groundwater, rehabilitation, and mine closure, to ensure we understood our risks and residual impacts to biodiversity value and could put in place measures to mitigate and address them.

Our approved Mine Closure Plan outlines the actions we are taking to preserve biodiversity values in the areas where we operate. The plan is periodically revised and updated as our mining activity develops. In the design of our management practices, we are actively thinking of ways we can do things better through trialling new technologies and methods to enhance biodiversity outcomes in the rehabilitation of the site. During the year, we commenced rehabilitation trials for closure preparedness at the Finnis Lithium Project.

Environmental Management

We acknowledge the impact of our operations on the environment and believe that environmental management is more than meeting what is asked of us. In our Sustainability Program design, we seek to make genuine environmental commitments that we can fulfill based on the maturity of our organisation.

Our mining and processing activities are governed by robust regulations and our environmental management policy ensures we reduce our operational impact through sound operational practices, monitoring and reporting.

Significant progress was made during the year in establishing systems and procedures for environmental management. Core has established weed, land, and water management practices in close partnership with the Kenbi Rangers, and together we have undertaken various operational activities including prescribed burning, using traditional Indigenous burn-off techniques.

Sustainability

Water and Effluents Management

By maintaining effective water management in our operations, we are minimising our impact and safeguarding invaluable water resources. We closely monitor our water consumption and we seek to maintain suitable levels of water inventory to manage throughout both the wet and the dry seasons.

Core's operations in the monsoonal region pose significant water related risks in both the wet and dry seasons that need to be sensitively and proactively managed. Our operational water management plan and systems are designed with these local climatic extremes in mind, ensuring we have measures in place to avoid and mitigate impacts on water environmental quality.

Water is used in our operations for dust suppression, ablutions, and potable water, washing down site vehicles and equipment, and ore processing operations. Water is sourced from a combination of the existing Observation Hill Dam, water from process recycling, and wet season inventory captured within water storage facilities. Core does not currently extract ground water from bores for use in our operations. Our water management plan ensures that we maximise recycled water by capturing and reusing stormwater that falls on the mine site and recycling water from processing activities. We seek to continually improve our water use efficiency and management to reduce our demand on external water sources and we monitor and report our water use in accordance with our licence conditions.

Core has a waste discharge licence in accordance with the *Water Act 1992* to discharge mine affected water that meets the required water quality criteria. Our systems are designed to minimise discharge and ensure water quality meets the accepted guidelines to protect aquatic ecosystems, recreational, cultural and aesthetic values of waterways downstream from the mine.

Our first operational wet season and review in 2022/23 resulted in improvements to our water management infrastructure and processes. We also trialled new methods of using drone technology in water monitoring and treatment practices to reduce loading in sediment basin water. We have increased our capital spend to improve the efficiency of our sediment basins and increase the available storage capacity of the mine water dams. Core is also installing an additional network of pumps and pipes to proactively manage and distribute water onsite to optimal storage locations. By managing water on site in this way, we will be able to identify and separate water based on water quality, store water appropriately for dry season usage, in line with best practices and ANCOLD Guidelines.

For FY24 we plan to

- Enhance water reporting for consumption, recycling and water balance
- Optimisation of water usage and reuse within mining/processing circuit
- Complete the construction of the 2023 approved capital works program for water management infrastructure at Grants

Waste and Hazardous Materials



85,000t to 95,000t of fines material set to be recovered and sold in FY24

We acknowledge our duty to proficiently manage waste in our operations, and we are actively implementing practices to minimise our operational footprint.

Core currently uses open pit mining and intends to adopt underground mining in the future, which will see a reduced footprint from operations.

We have an extensive waste rock characterisation program in place involving laboratory analysis of samples to detect the presence of acid forming materials, or other materials that require special management. We also use long-term kinetic testing programs to assess how the waste rock will react to environmental conditions when placed in stockpiles. We are taking a continuous improvement approach to waste rock management informed by testing materials as we mine, and our aim is to reduce the risk of offsite impact or long-term legacy from our waste stockpiles.

During the year, one of our ongoing site improvement projects has involved the recovery of commercial lithium materials from by-product materials to further reduce our impact.

For FY24 we plan to

- Undertake an assessment of fines and water storage facilities to ensure safe management and operability



Health and Safety



CRM implemented

Our core value is safety. For us, it's about providing an environment and culture that enables working safely in good mental and physical health and ensuring our people are travelling safely to and from work.

We recognise there are inherent hazards that cannot be eliminated. However, while we accept that health and safety incidents do occur, we operate on the guiding principle that all accidents are preventable, and we actively manage and mitigate risks to reduce them as low as reasonably practicable. We manage safety by identifying and mitigating risks through the implementation of systems, processes, and training and by capital and operating investment in plant and equipment to keep it well maintained.

This year, Core implemented its Critical Risk Management (CRM) program which has been adopted widely across the mining industry. The program prioritises the identification of fatality risk and implementing and verifying critical controls and their effectiveness. CRM has been implemented to both employees and contractors. An occupational health monitoring program was established to inform our control processes for potential health exposure hazards including dust, noise, and silica. Core has contracted Care Flight a Darwin based aeromedical service for emergency medical response services to our operations.

Engagement and training in health and safety was a priority during the year as we focused on safe, stable operations to commission and ramp up the operational activity at the Finnis Lithium Project. We introduced additional safety management controls, including an operating system for daily leadership routines and the Take 5 pre-task job hazard assessment. We also rolled out emergency response protocols and training across our workforce.

There was one recordable injury during the year, a minor hand laceration. Vehicle collision and rollover has been identified as the highest operational critical safety risk. There were several loss of control events involving heavy machinery in FY23. No injuries were sustained however the events have heightened our focus on hazard awareness and control effectiveness particularly during the wet season.

For FY24 we plan to

- Review and update our Health and Safety Policy
- Further develop and implement our HSEC management system and Health and safety risk management focussing on our critical risk and control effectiveness program
- Operationalise a routine audit and review program to validate the sustainability of learnings post incidents should they occur
- Implement a regular schedule for assurance activities including auditing and compliance against agreed ways of working

Employee Attraction and Engagement



More than 360 people employed at the Finnis operations and elsewhere in Australia

The way that we reward people can change not only the face of Core Lithium but also the face of our communities and we recognise that people are more than just what they do in their professional lives.

As a producer of the critical minerals, we will also be an employer for the future, providing contemporary work practices that deliver ambitious performance outcomes and foster inclusivity, with work being recognised as just one single part of a well-lived life. Being an employer of the future means that we need to develop and create meaningful jobs, guide our people to understand how they can best contribute to Core's success, and reward them for the outcomes that they achieve as a business and individually by being transparent and fair.

The Finnis Lithium Project currently employs more than 300 people on site including our contracting partners. A further 60 people work in support functions across Australia. We are taking a fresh look at workforce practices to ensure that how we design our people processes aligns to the culture we need for success. As we have scaled up our operations, we have focused on establishing the necessary systems to support our growing workforce.

During the year, we implemented Core Central, a Human Resources Information System, to increase transparency and to enable ease of access individual and company information, and to see business performance data in real time. We have approved and are implementing a Total Rewards Framework that incentivises high performance with a focus on output delivered rather than hours worked. Core has undertaken a payroll practices review to ensure we meet all legislative requirements in how we pay our people. We are also designing a holistic people performance process, to ensure that our people are clear on where they need to focus to deliver on Core's commitments to shareholders.

For FY24 we plan to

- Promote employee wellness through benefits and role design, including flexible work arrangements

Sustainability

Diversity and Inclusion

 **32% female employees**

Achieving a workplace where people can bring their different ideas and perspectives to solve business challenges is fundamental to our ability to perform at our best and deliver on our commitments to shareholders.

We respect, value, and leverage diverse cultures, experiences, and perspectives to foster performance and collaboration and unlock our workforce's full potential to manage risks better. Our goal is to design systems of work that embed this across the organisation.

In implementing Core's diversity policy during the year, we are initially prioritising gender diversity, as we set out our approach to managing diversity. The Board is committed to this policy with a particular focus on the representation of women in director and senior leadership roles. The Board has set the following measurable objectives, with targets to be achieved by 30 June 2024:

- At least 30 per cent of directors are women.
- Increase numbers of women in all levels of the Company that do not currently have a representation of at least 20 per cent.

During the year, Core increased diversity at the Board level to 20 per cent with the appointment of Andrea Hall as a Non-Executive Director. Core also appointed two women to its expanded executive team, with Samantha Rees, EGM People and Culture and Melissa Winks, EGM Sustainability joining the organisation. Alicia Sherwood was also appointed General Manager of Operations in March 2023.

Overall, the Core organisation increased its gender diversity from 21 per cent to 32 per cent at the end of the financial year. We are committed to embedding and realising a supportive, diverse, and inclusive team. This includes working with our contracting partners to create a workplace where we all can thrive.

Local Community Impacts and Engagement

 **12 recipients of community grants**

Most of our staff are local Darwin residents, and we are proud to be a part of the community and a long term-partner of the Northern Territory.

We are creating opportunities, engaging locally with our stakeholders, and are focused on building mutually beneficial relationships with the communities we share.

We understand that community expectations are at the heart of our social license to operate, and we proactively seek to manage risks and opportunities through regular community engagement and by ensuring that we fulfill our commitments.

Engaging with our local communities was a key task during the year following the implementation of our stakeholder engagement strategy. We have met with key local stakeholders to establish and maintain connections within our local community, identify opportunities to engage and support activity, inform of our community investment program development, and keep people up to date on Core and our projects through the launch of our quarterly community newsletter.

We were also proud to establish and launch our community grants program to support community groups in the Darwin region. In the reporting period, we funded 12 recipients to undertake sporting, educational and other community-led initiatives. We were also pleased to be able to provide corporate sponsorship to the Darwin Festival.

For FY24 we plan to

- Evolve the community investment program and identify further opportunities for partnerships



Human Rights and Modern Slavery

Core is dedicated to upholding a stringent policy against modern slavery, ensuring that our operations and supply chains are free from any forced labour or exploitation.

During the year, Core introduced a modern slavery clause in our supplier contract terms and conditions to safeguard the human rights of those involved in our operations and supply chain.

While Core is comfortable that our employment practices eliminate the risk of modern slavery practices within our operations, we acknowledge that there is a risk that we could contribute to modern slavery practices through our actions in our supply chain. We aim to complete a risk profile and gap assessment of our suppliers against the Global Slavery Index to improve our understanding of our supplier base, identify any risks, and ensure we only procure from businesses whose products and services have been ethically sourced and are free of modern slavery.

As part of our ongoing efforts, Core also aims to roll out employee training to educate employees on modern slavery risks. We aim to implement a human rights policy and release our first modern slavery statement in the next financial year.

For FY24 we plan to

- Implement Human Rights Policy
- Undertake modern slavery supplier screening
- Publish Modern Slavery Statement and action plan

Indigenous Relationships, Opportunities and Cultural Heritage

Core actively seeks opportunities to consult and engage with traditional owners and local indigenous people in the region to address local issues, create training and contracting opportunities and provide local employment. Core has a longstanding partnership with the Kenbi rangers and Ironbark Aboriginal Corporation.

Employment and contracting opportunities extend to our contracting partners and we are pleased to see their continued support for local Indigenous people.

For FY24 we plan to

- Further develop our indigenous relationships and business opportunities

Corporate Governance

The Board believes that high standards of corporate governance are a prerequisite for creating sustainable value for shareholders. While it is a priority, we are taking time to design our governance framework with additional policies, work processes and behavioural expectations that will lead and allow Core and our people to reach desired standards of behaviour.

A summary of the Company's ongoing corporate governance practices is set out in the Company's Corporate Governance Statement and can be found on the Company's website at www.corelithium.com.au/corporate-governance.

The Board is accountable for Core's overall corporate governance performance, including sustainability oversight. A key development during the year was establishing the Sustainability and Risk Committee, responsible for the ongoing review and management of sustainability-related risks and opportunities which may materially impact the company. The Committee is also responsible for the approval of Core's risk and sustainability policies; related reporting and disclosure of material risk and sustainability issues; and monitoring the company's performance in relation to risk and sustainability-related matters. The Board assigns the responsibility of the risk structure, adaptation and response to emerging risks, and advocacy for the Sustainability Program and initiatives to the Chief Executive Officer. The EGM Sustainability reports into the Chief Executive Officer and is responsible for designing and implementing the Sustainability Program that includes the development of standards, initiatives, and disclosures.

For FY24 we plan to

- Establish regular cadence for the Risk and Sustainability Committee
- Establish management KPI's for Sustainability Program delivery and performance
- Embed risk management framework, risk appetite statements and KRI's
- Evaluate our materiality assessment against the company's risk profile



Sustainability

Stakeholder Engagement

Since the commencement of the Finnis Lithium Project, we have established and maintained connections with a wide range of stakeholders and aim to keep them regularly informed.

As part of this year's review of our stakeholder engagement approach, we developed a Stakeholder Engagement Strategy to build on our previous and ongoing stakeholder engagement for the Finnis Lithium Project. The engagement plan is regularly updated to ensure it remains relevant and appropriate both for Core and the local community and our stakeholders. To keep track of all consultation efforts with stakeholder organisations and individuals, all stakeholder interactions are recorded in a centralised stakeholder relationship manager platform.

During the year, our stakeholder engagement was focussed on the following:

Stakeholder Group	Approach	Main topics discussed
Core Board	<ul style="list-style-type: none"> • Updates through Chief Executive Officer • Scheduled updates via board papers • Attendance in Darwin for NT Resources week • Attendance onsite for mine opening celebrations and board meeting April 2023 	<ul style="list-style-type: none"> • Project approvals • Community engagement • Government engagement
Core Management	<ul style="list-style-type: none"> • Presentations at community information sessions • NT Resources Week (attended, sponsored, presented) • Finnis Lithium Mine open event October 2022 • Face to face interactions with internal and external stakeholders 	<ul style="list-style-type: none"> • Project and operational update including health, safety, environmental and community outcomes – project and operational approvals • Heavy vehicle safety and road conditions
Core employees	<ul style="list-style-type: none"> • Internal communications (email, intranet, face to face meetings and town halls) • Social media • Community newsletter • Finnis Lithium Mine open event October 2022 • First concentrate celebrations 	<ul style="list-style-type: none"> • Project and operational updates including health, safety, environmental and community outcomes • Company performance and plans • Strategy
Shareholders	<ul style="list-style-type: none"> • Investor updates (email and webinar) • Investor roadshows and conferences • ASX Announcements • Social media • Finnis Lithium Mine open event October 2022 	<ul style="list-style-type: none"> • Company performance and plans • Strategy
Key contractors	<ul style="list-style-type: none"> • Internal communications (email, intranet, face to face meetings and town halls) • Social media • Community newsletter • Finnis Lithium Mine open event October 2022 • First concentrate celebrations 	<ul style="list-style-type: none"> • Project and operational update • Company performance and plans • Heavy vehicle safety and road conditions • Community engagement • Strategy
Northern Territory Government and Departments	<ul style="list-style-type: none"> • Multiple briefings and stakeholder meetings • Email information and factsheets • Written responses to stakeholder consultation 	<ul style="list-style-type: none"> • Project and operational update • Economic and employment opportunities/growth for the Northern Territory • Managing environmental and social impacts • Emergency response plans, bush fire and backburning management • Legislative and licensing requirements • Feedback on regulatory reform and consultation
Local government and councils	<ul style="list-style-type: none"> • Email information and factsheets • Community meetings • Presentations at community information sessions (Wagait Community, Dundee Breach Community, Belyuen Community) 	<ul style="list-style-type: none"> • Project update • Managing environmental and social impacts • Community impacts • Feedback and grievances • Employment • Community grants program

Stakeholder Group	Approach	Main topics discussed
Local schools	<ul style="list-style-type: none"> Email information and factsheets In person meetings with school leaders Engagement with students on mining employment and career opportunities 	<ul style="list-style-type: none"> Project update Community grants program Funding for School activity
Aboriginal groups	<ul style="list-style-type: none"> Sharing information and factsheets Working relationship through existing contracts (Kenbi Rangers) Attendance at local council meeting 	<ul style="list-style-type: none"> Ensuring consistent and transparent consultation Identifying and ensuring protection of sacred sites Jobs, contracting/services, and training opportunities Sponsorship opportunities Land access arrangements
Local community	<ul style="list-style-type: none"> 24/7 1800 hotline and email address Community meetings Email information, consultation and distributed fact sheet hardcopy at key locations Quarterly community newsletter emailed to stakeholders, on Core website and available in hardcopy at key locations Core Community Grants Program launched April 2023 	<ul style="list-style-type: none"> Impacts on community (environmental, traffic, infrastructure) Economic development and opportunities for community
Community, environment and land groups	<ul style="list-style-type: none"> Stakeholder briefings and meetings Quarterly community newsletter emailed to stakeholders, on Core website and available in hardcopy at key locations Email information and fact sheets Core Community Grants Program launched April 2023 	<ul style="list-style-type: none"> Environmental management and closure and rehabilitation License conditions Weed management and catchment improvement activities
Business and industry (companies and associations)	<ul style="list-style-type: none"> Finniss Lithium Mine open event October 2022 Hosted Korean media delegation in June 2023 Hosted Indonesian delegation July 23 NT Resources Week in August 2022 (Core was a major sponsor, Board and Management attended and presented) NT Women in Resources Awards (Core management attended) June 2023 Participation on key advisory and industry groups 	<ul style="list-style-type: none"> Project update Building the local capacity to provide services and supplies Feedback as part of consultation on industry matters and regulatory reform
Pastoral lease Landholders holders and Pastoralists	<ul style="list-style-type: none"> In person meetings and phone discussions with pastoralists and lease holders Working relationships (eg drill pad preparation and rehabilitation) 	<ul style="list-style-type: none"> Ensuring consistent and transparent consultation Interactions with landholder activities Land access protocols

Core has established a complaints and grievances framework that allows the public to raise grievances, complaints or concerns about any matter relating to the Company, including contractor-related complaints, to resolve matters before they escalate. Complaints and grievances can be lodged either by individuals or as part of a collective and can be anonymous.

Our next steps and strategic priorities

Core's focus in 2024 will be the design of an integrated organisational and sustainability strategy and the development of strategic programs to guide the delivery of our activities.

These plans will lead us to the next level of performance for shareholders, employees, and the communities where we operate.

We are committed to continually improving our performance and learning from our people, our partners, the community, and industry to make a positive impact.