



RESOURCES

*resourcing the new economy
for a better tomorrow*

SUSTAINABILITY FRAMEWORK & MATERIALITY ASSESSMENT

V1.1

EQ RESOURCES LIMITED

ABN 77 115 0009 106

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SUSTAINABILITY FRAMEWORK AND MATERIALITY ASSESSMENT

EQR is committed to operating in alignment with the United Nations Sustainable Development Goals

Environment	<p>We are committed to embedding and embracing resource efficiency in our operations. As a producer of a new economy critical mineral, we aim to minimize our impacts on the environment and prevent degradation through the optimal extraction of tungsten from a secondary source and the integration of advanced processing technology.</p>	
Social	<p>Safety is our strategic priority and we are committed to promoting and enhancing a safety culture in our operations. Our commitment to society includes empowering local communities through creating employment opportunities, sourcing materials locally where possible and investing in our employees and communities for social development.</p>	
Governance	<p>As a value-oriented resources company, we are committed to acting in a transparent, accountable and responsible manner in all our business dealings and operations.</p>	

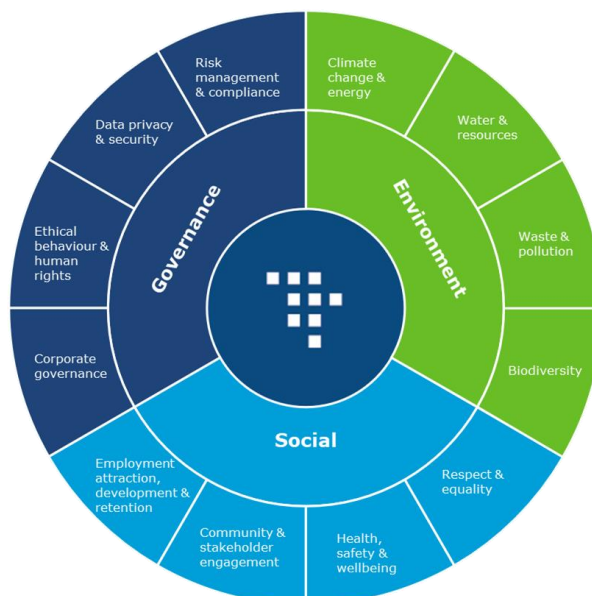
COPORATE ESG PROGRAM DEVELOPMENT

Utilising the Turner & Townsend JukesTodd ESG Categorisation framework (pictured below) to manage its ESG program, the Company’s ESG program and Foundational Commitments align to its values and purpose, and where possible, include metrics for reporting. (see: Quarterly Activities Report, page 7. Dated 31 January 2023).

The program incorporates the environmental and social aspects most material to its stakeholders as identified in EQR’s 2021 Stakeholder Sentiment Survey. It includes a governance framework and a program workbook which underpins how the Company measures, tracks and reports on the program’s objectives.

The Company is committed to continuously updating and improving ESG Policies as it grows and evolves. The policies and programs continue to be reviewed, ensuring practical application and implementation in line with the Company’s values and Shareholder requirements.

TURNER & TOWNSEND JUKESTODD ESG CATEGORISATION FRAMEWORK



MATERIALITY ASSESMENT: 2021 STAKEHOLDER ESG SENTIMENTS

Responsible and Sustainable mining has always been a priority for EQR. In 2021, parallel to our pre-feasibility study for our Mt Carbine mine expansion, we undertook an ESG Materiality assessment, where we surveyed key internal and external stakeholders to improve our understanding of perceptions around our current performance and the areas considered most material to our stakeholder groups. The assessment helped inform our future ESG program and provided insight into where to focus attention to be most impactful. It is intended that materiality assessments will be conducted on a semi regular basis to ensure we remain in touch with evolving stakeholder priorities and continue to adapt and improve towards a more sustainable future.

ESG ORGANISATIONAL PERFORMANCE

ESG Organisational Performance

Stakeholders were asked to rate whether the organisation was perceived to be leading or lagging across each of the 12 ESG themes. They were asked to do this for current state, as well as for where they felt the Organisation should be positioned / aiming to be.

This information has been overlayed with the top 3 themes considered to be most material across the stakeholder groups

Organisational Performance Scale
 Lagging - Organisation is not investing in this category. Meets compliance obligation but nothing additional.
 Leading - Substantial investment in this category. Significantly advanced compared to industry average

Respondent Understanding of ESG

When rating their own understanding of ESG, most stakeholders felt they had moderate to strong knowledge of what ESG is.

Category	Count
Limited	1
Moderate	4
Good	10
Strong	4



ESG PROGRAM FRAMEWORK ALIGNED TO 2021 Stakeholder ESG Sentiments and EQR Core Values

EQR CORE VALUES		ESG FOUNDATIONAL COMMITMENTS	ESG REPORTING METRICS
Act Safe. Feel Safe.	Act safe at work. Care and respect each other. Feel safe to be yourself.	<ul style="list-style-type: none"> • Our approach to Health and Safety includes wellbeing and highlights the importance of mental health. • H&S programmes focussing on maturing our safety management system, undertaking physical and psychological safety training and continuing to look for opportunities to improve site safety. 	Health & Safety Statistics <ul style="list-style-type: none"> • H&S incidents and injury • H&S improvements • H&S innovations
Embrace Difference	Diversity of thinking, skills and background creates value and drives innovation.	<ul style="list-style-type: none"> • We pride ourselves on our existing diversity: Women and Indigenous workforce participation, as well as diversity of backgrounds and skills mix • Looking for opportunities to increase diversity through targeted programs. (E.g., Youth training) 	Diversity & participation statistics <ul style="list-style-type: none"> • % Women • % Indigenous • Training participation
Tread Lightly	Embed resource efficiency to minimise environmental footprint & deliver positive societal impact	<ul style="list-style-type: none"> • Acknowledgement of climate change and commitment to low carbon future, adoption of technology and GHG Tracking. • Investigating opportunities for future renewables uptake • Endeavouring to reduce our environmental footprint through adoption of emerging technologies and being more resourceful. 	Environmental Statistics <ul style="list-style-type: none"> • Energy use / mix • Scope 1, 2 and 3 GHG reporting • Water use / recycle stats • Waste reduction / reuse / recycle
Dig Deep	Go one better. Strive to continuously learn and improve. Challenge the status quo.	<ul style="list-style-type: none"> • Implementing cost effective measures for recovery, reuse or recycle of energy, natural resources and materials throughout project design, operation and de-commissioning. 	<ul style="list-style-type: none"> • Tomra sorting technology • Plotlogic mapping technology • Other innovation initiatives • Decarbonisation collaborations, initiatives
Buddy Up	Collaboration is key to realising shared value.	<ul style="list-style-type: none"> • Prioritising social and cultural collaborations, partnerships and provision of materials with councils, community, industry, university and research institutions and environmental NFP organisations 	Local procurement partnering and engagement statistics <ul style="list-style-type: none"> • \$\$ spent and on local procurement • % overall procurement purchased locally • # of community feedback sessions held / attendance or feedback received
Lead with Integrity	Have courage to do the right thing. Be accountable.	<ul style="list-style-type: none"> • Endeavouring to operate openly, ethically and transparently. • Senior leadership involvement in ESG Council meetings and internal engagement through employee Sub-committee participation. • Participating in authentic stakeholder engagement, taking on feedback 	<ul style="list-style-type: none"> • Alignment with UN SDGs • (Potential future) Sustainability reporting

ESG PROGRAM INITIATIVES

EQR has adopted an initiatives workbook using the Turner and Townsend JukesTodd Categorisation framework. This tracks EQR's ESG initiatives by assigning ownership, adding adoption and completion forecasts, and accountability through EQR's dedicated ESG Committee. Initiatives are also aligned to multiple sustainability frameworks including ICMM, GRI and ISSB/TCFD. This ensures that as EQR's ESG program matures, initiatives can be guided by best practice and supported by reportable metrics and measures. This alignment will also assist EQR in developing its future sustainability reporting in line with emerging disclosure and reporting requirements in Australia.

Below is a screenshot of what EQR's workbook looks like.

ESG INITIATIVES WORKBOOK																		
Theme	Considerations	Initiative	Initiative Comments	Strategic / Operational	Current / Proposed or New	Initiative endorsed for release	Status	Escalation in Priority	Start Date	Forecast Completion	Owner	Initiative adoption by time			Active / Inactive	Next Review (MM / YY)	Initiative Update (Comments)	
												T2 Mid	3 Years	5+ Years				
Climate Change & Energy Use	Greenhouse gas emissions & associated impacts on climate change (incl. Decarbonisation planning)	Climate Change Risk Position Statement Acknowledgement (Corporate Policy)	Climate Change Risk Position Statement Developed	Strategic	Current	Yes	In Progress	3	Oct-22	Nov-22	Ryan M	x			Active	Jul-23	06062023 - To be updated to website - with Res 47102022 - Climate Risk Position Statement Developed - awaiting board approval	
		Continued participation in pilot GHG tracking program with ARTEH	Participated in ARTEH / UQ University Pilot Program for Emissions Tracking. Continuing to use tools to develop Scope 1-3 emissions tracking and reporting	Strategic	Current	Yes	Stated	1	Jan-21	Ongoing	Ryan M	x	x		Active	Aug-23	202208025 - Latest update good as top follow points to manage low height as interim progress - 202209024 - Write what's been Update in BS (initial 202209001) - Shared looking at the BS (initial 06062023) - Partnered with orgs	
		Committing to accelerating transition to a low carbon future. (incl. research for process) (NetZero Commitment)	Achieving NetZero by a particular year through Decarbonisation plan.	Strategic	Proposed	Pending	Under Investigation	1		Ongoing	Ryan M				x	Active	Aug-23	06062023 - Principal consultant for T1/T2 onboarding will assist with decarbonisation Strategy. Net Zero readiness assessment completed with T1/T2
	Energy usage (Energy Intensity Emergencies)	Investigate independent power provider agreement for access to renewable power or opportunity to build solar farm on mine site (TSP3 Rehabilitation Plan)		Strategic	Proposed	Pending	Under Investigation	1	Nov-22	Ongoing	Ryan M				x	Active	Jan-24	310810202 - Decision to be made pre-tender
Integrating new technologies to reduce energy usage. (elaborate)			Strategic	Current	Yes	Under Investigation	2		Ongoing	Ryan M				x	Active	Jan-24	KN 19112022 - REP CA received for signature pre proposal for solar energy uses. RE Fuel tracking system replace to be rolled to include 1 to monitor fuel usage per equipment / area / for costing plus potential reduction efficiencies	
Water and Resources	Water cost, source, availability and resilience directly impact the company's ability to operate	Incorporated Water Stewardship statement as part of Water Management Plan	ICM recommends adoption of a Water Stewardship Practice	Strategic	NEW	Yes	Stated	2	Nov-22		Kate	x			Active	Aug-23	060623 - Kate Grundy onboarding to assist with water stewardship initiatives	
		Enhanced water security to help mitigate extreme weather events (elaborate)		Strategic	Current	Yes	Under Investigation	2			Kate				x	Active	Aug-23	03112022 - BS forwarded CPM Water Stewardship requirements to MFI for inclusion into the updated water stewardship initiatives
		Increased water reuse, storage and alternative, sediment and erosion best practice.		Operational	Current	Yes	Under Investigation	2			Kate					Active	Aug-23	060623 - Kate Grundy onboarding to assist with water stewardship initiatives

PROGRAM GOVERNANCE

The ESG Committee meet monthly to review initiatives and commitments. They also discuss best practise within the industry and how EQR can deliver positive sustainability outcomes for the business, the environment and the communities in which it operates. EQR believes in making targeted investment into areas that align with the Company's purpose and values and are material to our stakeholders, while delivering critical minerals to support the transition to a low carbon future.

ESG initiatives are showcased on EQR's Linked In page and reported on Quarterly and Annually.

RELEVANT DOCUMENTS

Environment, Social and Governance Policy

Modern Slavery Statement

Sustainable Procurement Policy

Supplier Code of Conduct

Whistleblower Policy

REGISTERED OFFICE:

Level 4, 100 Albert Road, South Melbourne, VIC 3205

ABN: 77 115 009 106 (ASX: EQR)

T: (07) 4094 3072

F: (07) 4094 3036

W: eqresources.com.au

