

Release of 2023 Sustainability Report

Frontier Energy Limited (ASX: FHE; OTCQB: FRHYF) (Frontier or the Company) is pleased to announce the release of its 2023 Sustainability Report (**Sustainability Report**).

This Sustainability Report is Frontier's second Sustainability Report and provides an overview of the Company's sustainability activities for 2023. The Sustainability Report forms part of Frontier's overall annual reporting and should be read together with the Company's 2023 Annual Report and Corporate Governance Statement.

As the Company progresses towards the development of the Waroona Renewable Energy Project, it recognises the importance of presenting a transparent account of its sustainability objectives and outcomes, so that host communities, government, shareholders and other key stakeholders can understand and engage on Frontier's sustainability performance.

Authorised for release by Frontier Energy's Board of Directors.

To learn more about the Company, please visit www.frontierhe.com, or contact:

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Grant Davey
Executive Chair
+61 8 9200 3428



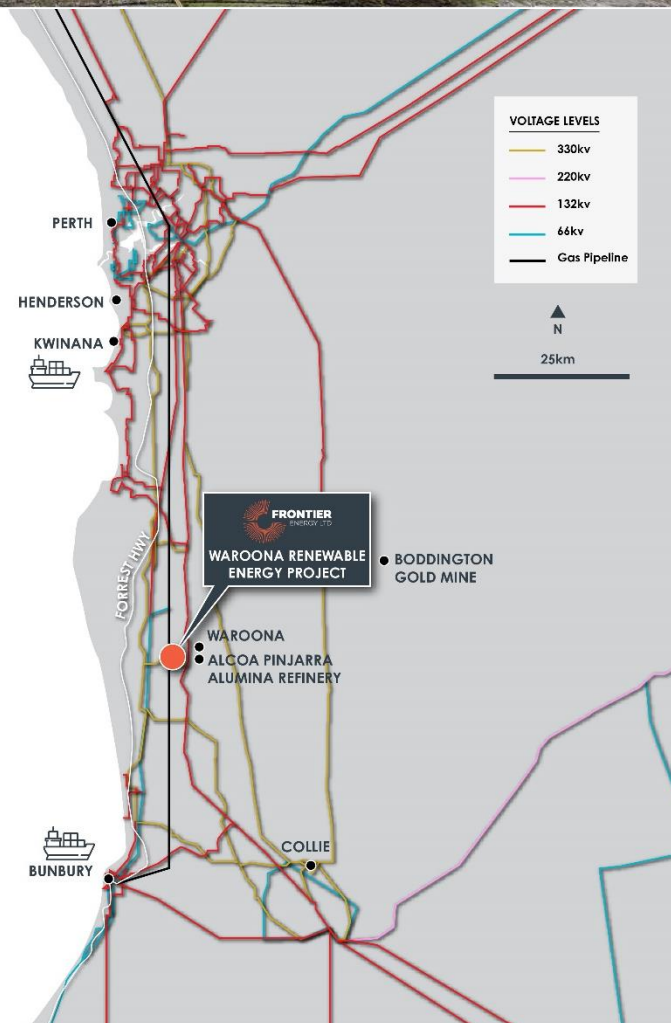
About Frontier Energy

Frontier Energy Ltd (ASX: FHE; OTCQB: FRHYF) is developing the Waroona Renewable Energy Project located 120km south of Perth in Western Australia.

Waroona has the potential to become one of Western Australia's largest standalone renewable energy projects, as the Company controls 868ha of adjoining freehold land whilst also having approvals in place for a connection onto the WA electricity network (SWIS) with a terminal adjacent to the Project.

The Company released a positive DFS on a Stage One development that consists of a 120MW solar farm and 80MW 4-hour battery.

Frontier is fully committed to making the Project one of WA's major renewable energy hubs, incorporating multiple value-adding initiatives including batteries and green hydrogen, with full renewable energy potential of more than 1GW based on potential connection capacity.



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Directors and Management

Mr Grant Davey
Executive Chairman

Mr Adam Kiley
Chief Executive Officer

Mr Chris Bath
Executive Director

Ms Dixie Marshall
Non-Executive Director

Ms Amanda Reid
Non-Executive Director

Registered Office

Level 20, 140 St Georges Terrace
Perth WA 6000

Share Registry

Automatic Registry Services
Level 5, 126 Philip Street
Sydney NSW 2000

For a comprehensive view of information that has been lodged on the ASX online lodgement system and the Company website, please visit asx.com.au and frontierhe.com, respectively.

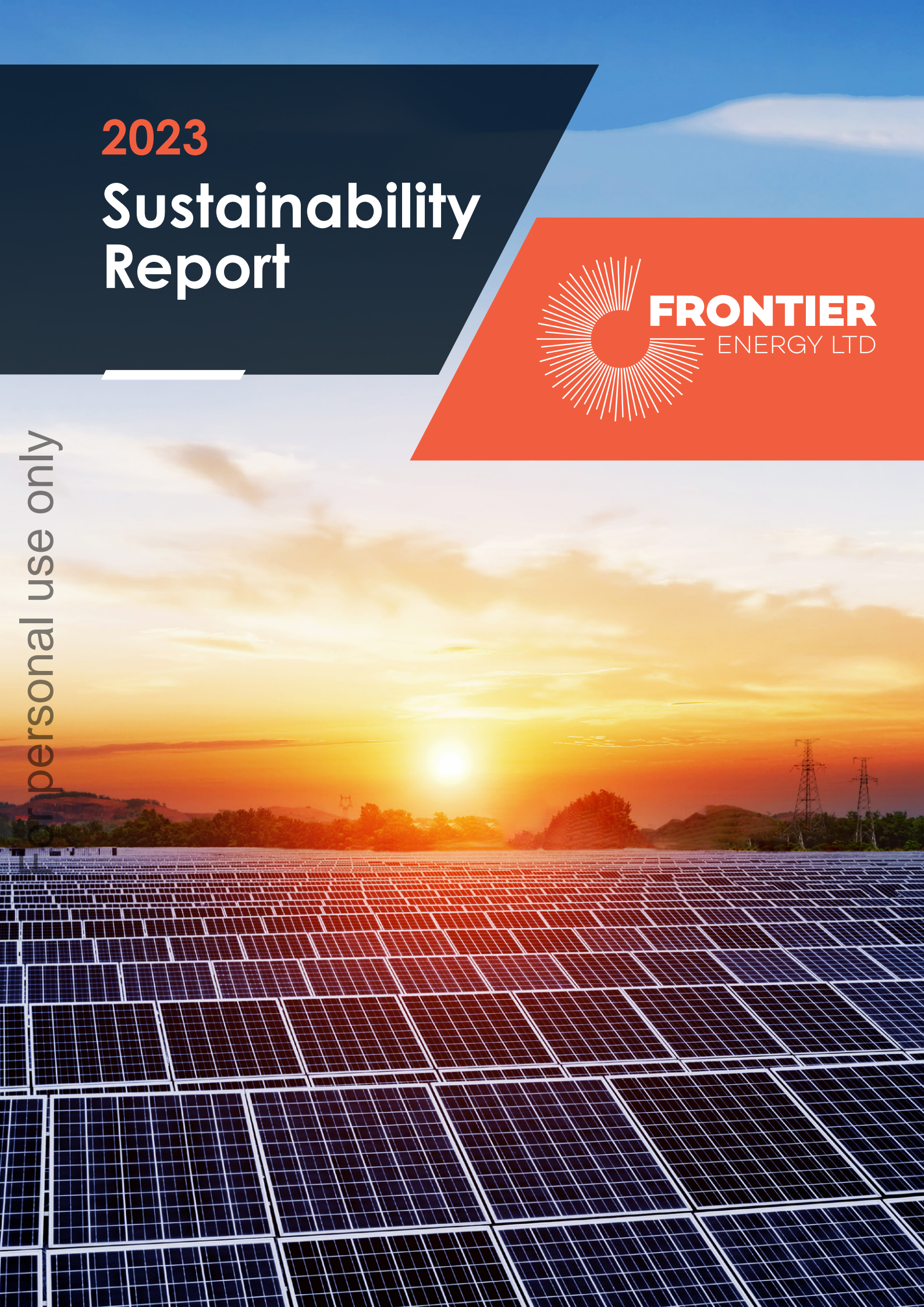
2023

Sustainability Report



FRONTIER
ENERGY LTD

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About this Report

This Sustainability Report highlights the Environmental, Social and Governance (ESG) aspects of Frontier Energy Limited (Frontier or the Company) activities during 2023 (1 January – 31 December). It covers activities across our Perth office and Waroona Project. This Report has been approved for release by Frontier's Board of Directors.

This marks Frontier's second annual Sustainability Report, showcasing our ongoing commitment to sustainability best practice. The Report has been prepared using the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) as a guide.

In October 2023, Frontier entered into an agreement to acquire Waroona Energy Inc (Waroona Energy). The acquisition concluded in December 2023. This Report discusses activities relating to Frontier's renewable energy collaboration agreement with Waroona Energy prior to full acquisition. For more information on the history of the acquisition, please refer to Frontier's 2023 Annual Report.

Frontier's 2023 Annual Report includes its Directors Report, Remuneration Report and Financial Statements. The Remuneration Report and Financial Statements have been independently audited and the 2023 Sustainability Report aligns with this reporting period. No external assurance has been sought specifically for the 2023 Sustainability Report. Additional information related to our ESG reporting can be found at www.frontierhe.com/sustainability/.

We are committed to communicating openly with our stakeholders, and we welcome your feedback. If you would like to provide feedback, please send your comments to:

Amy Sullivan, Sustainability Manager
community@frontierhe.com

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Forward Looking Statement

This Report contains 'Forward-Looking Statements' (referred to as 'Statements') that reflect the Company's expectations, estimates and projections as of the Report's date. Statements can be identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend", as well as expressions suggesting that an event or result "may", "will", "should", "could" or "might" occur (and other similar expressions).

It is important to note that Statements and the information herein provided are susceptible to both known and unknown risks and uncertainties that could potentially lead to outcomes that differ from current expectations. This includes factors such as: economic, competitive, political and social uncertainties; valuations and regulatory changes and approval delays; the cost to procure and build plant and equipment (including potential delays); the ability of the Company to secure financing and the terms of the same.

Statements are based on management's estimates and opinions as of the Report's date. This document will not be revised even in the event of changes in circumstances, estimates or opinions.

Disclaimer: The images of solar panels contained on the cover of this Report are not actual assets of the Company but are representative of the proposed renewable energy project.

Acknowledgement of Country

Frontier acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We acknowledge the Nyoongar Whadjuk peoples and the Bindjareb Nyoongar peoples and pay our respect to their Elders past, present and emerging. We extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Introduction

Frontier is a renewable energy development company that is listed on the Australian Securities Exchange (ASX: FHE) and the OTCQB market in the United States (OTCQB: FRHYF). Frontier is developing the Waroona Renewable Energy Project (the Project or the Waroona Project) located 120km south of Perth in the Shire of Waroona, Western Australia. The Project has potential to become one of Australia's largest standalone renewable energy projects, with access to 868ha of adjoining freehold land, whilst also having approvals in place for a connection onto the WA electricity network (SWIS) with a power terminal adjacent to the Project.

Frontier is focused on becoming an active player in Australia's decarbonisation strategy and is rapidly advancing Stage One of the Project, consisting of a large scale 120MW solar farm and integrated 4-hour 80MW Battery Electric Storage System (BESS).

Clean energy solution
in the heart of WA



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Sustainability Snapshot



No workplace illnesses, injuries, health and safety incidents or non-compliances were reported during 2023.



Zero material non-compliances with any laws or regulations reported in accordance with Frontier's activities.



50% of Board members are female.



Completed the Definitive Feasible Study for the Stage One 120 MW solar facility with an integrated 80MW 4-hour battery.



Stage One energy generation



~ 218,500 t CO₂-e per year avoided¹
~ 41,500 homes per year powered with renewable energy.²



Sponsored University of WA Football Club Wellbeing App.



Participated in the annual Waroona Show.



Hosted intern from the University of Notre Dame.

We are committed to delivering safe, reliable and sustainable clean energy solutions for future generations.

1 The emissions avoided is calculated over the lifetime of the facility (assumed 30 years), namely Lifecycle Emissions (LCE's). This takes into account the following key factors:

- a) SWIS Grid LCE (published for Australia by the International Energy Agency).
- b) PV System LCE from manufacture / construction of Waroona Solar (based on generic equipment for that capacity, published by the IPCC).
- c) Energy to Grid (from Waroona Solar itself, taking into account losses / degradation).

2 Based on 4 person household (17 kWh/day per household). Ref - CSIRO (2018) CSIRO Energise Insight - Household types and energy use <https://www.csiro.au/-/media/EF/Files/Energise-insights/Insight-28-Household-types-and-energy-use.pdf> Accessed 22 April 2024

Message from the Sustainability Committee Chair

It gives me great pleasure to present Frontier's second annual Sustainability Report.

This Report outlines our dedication to developing an Australian renewable energy company and becoming a participant in providing affordable, reliable and low carbon energy to support Australia's transition to renewable energy.

During 2023, we were pleased to see the WA State Government demonstrate its ambition to become a leader in the decarbonisation of Australia's energy supply, with the introduction of the Climate Change Bill. This Bill established a target of net zero carbon emissions by 2050 and formalised the State Government's near-term goal to reduce emissions by 80 percent below 2020 levels by 2030.

Frontier is well-positioned to become a major contributor in assisting Western Australia reach these targets, as highlighted by the Stage One Definitive Feasibility Study for our Waroona Renewable Energy Project. The development of which is expected to commence during 2024.

This Project is a 120MW solar facility with an integrated 80MW four-hour battery. This energy generation would reduce carbon emissions from the SWIS by approximately 218,500 t CO₂-e per year compared to current emissions (February 2024) and is enough energy to power over 41,500 households per year. The inclusion of a battery will enable the Company to supply energy when demand is at its peak (between 4:30pm to 8pm). This is also the time of day that carbon emission energy assets, namely coal, have historically been essential for energy supply. It is only the development of renewable energy projects, such as our Waroona Project, that will enable the closure of State owned coal energy assets by 2029.

Stage One of our Waroona Project is only the beginning for our Company. We have outlined an ambitious, yet achievable, long term goal to become a large-scale generator of 1GW of renewable energy at our Waroona Project, making the Project one of the largest integrated solar/battery projects in Australia.

Finally, our commitment to sustainability is integral to how we operate and we are focused on including sustainability in our decision making processes as we work to become a long-term leader in providing sustainable clean energy solutions for generations to come.

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“ Thank you to the Frontier Board, management and employees for the significant work undertaken in 2023, positioning the Company for growth and sustainability in 2024 and beyond. ”

Amanda Reid
Sustainability Committee Chair

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Overview of the Waroona Renewable Energy Project

The Waroona Renewable Energy Project is a large, utility scale renewable energy project located 8km south west of the town of Waroona and 120km south from Perth's CBD. It has the potential to grow into one of Australia's most extensive renewable energy initiatives.

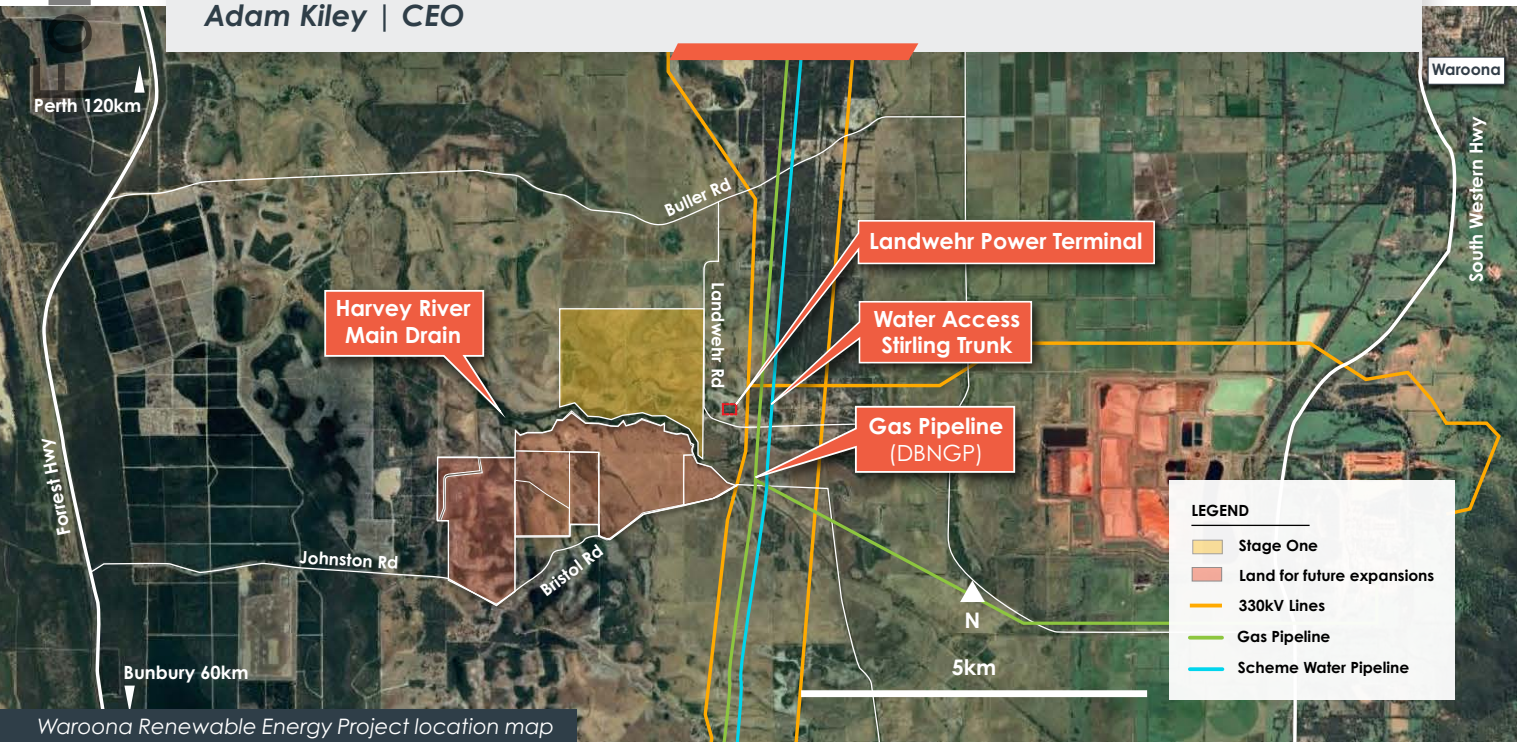
The Project is in close proximity to significant existing infrastructure offering various strategic benefits. This includes Western Power's Landwehr Terminal, the Stirling Trunk Water Main and the Dampier to Bunbury Natural Gas Pipeline.

Frontier completed the acquisition of Waroona Energy in December 2023, combining two neighbouring projects to create a large-scale Australian renewable energy company. Frontier has access to 868ha of freehold land and has the potential to expand renewable energy generation capacity to more than 1GW.

Additionally, in December 2023, Energy Policy WA changed the reference technology for the 2024 Benchmark Reserve Capacity Price for the 2026/27 capacity year to a 4-hour battery storage system. Following this, the Company evaluated integrating a battery into the solar project. After assessing a range of alternative strategies, Frontier concluded the combination of 120MWdc solar facility with an integrated 4-hour 80MW battery provided the strongest financial returns, while also offering reduced technical risk and lower carbon emissions compared to alternatives. In February 2024, Frontier released a DFS for the 120MWdc solar facility with integrated 4-hour 80MW BESS.

"Renewable energy is the most dynamic industry in Australia. Both the Federal and State governments are continuously updating regulations and policies, while also providing new financial incentives for industry to align with these changes. Changes in policy aim to ensure Australia not only meets its decarbonisation targets, but also support growing electricity demand as part of this major energy transition. Frontier continues to assess these ongoing changes by Government to ensure the Company is best positioned to leverage its renewable energy strategy."

Adam Kiley | CEO



Waroona Renewable Energy Project location map

Accelerating the Renewable Energy Transition

Through the development of the Project, we aim to actively contribute to global efforts to mitigate climate change impacts and transition to clean energy technologies whilst also delivering shareholder value.

The impact of climate change is being increasingly felt worldwide. In recent years, we've seen more frequent extreme weather events, rising global temperatures and ever-increasing spending on disaster recovery. In 2023, there were "six record breaking months and two record breaking seasons"³ in terms of global temperature averages, making it one of the hottest years on record.

According to Australia's Annual Climate Change Statement 2023⁴



Our climate has warmed on average by 1.48°C since national records began in 1910.



Oceans around Australia are acidifying and have warmed by around 1°C since 1900, contributing to longer and more frequent marine heatwaves.



Increases in extreme fire weather and the length of fire season, across large parts of the country since the 1950s, especially in southern Australia.



Rainfall between April and October has declined across parts of southwestern Australia since the 1970s and southeastern Australia since the 1990s.



29 natural disasters were declared in Australia in 2023, with 20% of Australian local government areas impacted to date (as of 16 October 2023).

The transition to net-zero carbon emissions remains a significant global challenge calling for a complete transformation of how the world generates energy. Replacing high carbon emitting energy sources such as coal, gas and oil-fired power with renewable energy sources, such as solar and green hydrogen, will significantly reduce carbon emissions.

³ Copernicus Climate Change Service (2023) November Climate Bulletin <https://climate.copernicus.eu/copernicus-november-2023-remarkable-year-continues-warmest-boreal-autumn-2023-will-be-warmest-year>. Accessed on 9 February 2024

⁴ Annual Climate Change Statement (2023) Australian Government <https://www.dcceew.gov.au/sites/default/files/documents/annual-climate-change-statement-2023.pdf>. Accessed on 9 February 2024

Accelerating the Renewable Energy Transition

In 2022, the Australian Government released new legislation, the *Climate Change Act 2022*, to accelerate the country's decarbonation strategy in line with the Paris Agreement. The legislation set the following greenhouse gas emissions reduction targets:



Reducing Australia's net greenhouse gas emissions to 43% below 2005 levels by 2030

Reducing Australia's net greenhouse gas emissions to zero by 2050

To compel action and help achieve these legislated targets, the Federal Government also announced its target to increase renewable energy use to 82% of total market share by 2030⁵.

In December 2023, the Australian Government reported the progress towards achieving these goals in its second Annual Climate Change Statement. Australia's emissions are now 24.5% below 2005 levels, driven largely by emissions reductions in the electricity and land use sectors. To reach its 2030 emissions reduction target, Australia needs to decarbonise at an annual average rate of around 16 Mt CO₂-e. The share of renewable energy has been steadily increasing, mostly driven by increases in wind and solar generation.

Frontier's development strategy aligns closely with Australia's renewable energy targets aimed at reducing greenhouse gas emissions. We acknowledge the urgency of addressing climate change and are committed to developing renewable energy projects that create long-term sustainable value.

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⁵ Australian Energy Council (2023) The 82 per cent national renewable energy target <https://www.energycouncil.com.au/analysis/the-82-per-cent-national-renewable-energy-target-where-did-it-come-from-and-how-can-we-get-there/>, Accessed on 11 March 2024

Sustainability at Frontier

We aim to align our sustainability journey with global best-practice while also meeting the expectations of our stakeholders. With the foundation of our sustainability approach firmly established, our objective is to create long-term sustainable value.

We care for our community, environment, and all stakeholders, by delivering safe, reliable, and sustainable clean energy solutions.



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Sustainability Committee and Charter

The Company has in place a Sustainability Committee (Committee) and a formalised Sustainability Committee Charter (Charter), which outlines the Committee's objectives and duties. These ensure sustainability standards are integrated into the highest levels of governance.

The Committee's role is to assist the Board to fulfil its responsibilities in relation to environmental, social, and governance matters. It drives accountability and responsibility for compliance with the Company's sustainability strategy and the associated risks, policies, standards and procedures, as well as reviewing and assessing the effectiveness of the Company's governance program in complying with relevant regulatory and legal requirements. The Committee is also responsible for participating in the annual materiality assessment and approving the annual material topics.

In 2023, the Committee included three directors, the majority of which are Non-Executive Directors:

- Committee Chair: Amanda Reid, Non-Executive Director
- Member: Dixie Marshall, Non-Executive Director
- Member: Sam Lee Mohan, Managing Director (Resigned in December 2023)

Committee meetings are held every quarter with extra meetings planned as required. Four meetings were held during 2023. Sustainability updates were also included as a standard item in Frontier's Board meeting agendas.

The Company's Sustainability Policy outlines our sustainability objectives. It applies to all directors, employees, contractors, and relevant suppliers. It empowers these groups to implement continuous improvement and sustainable practices in everyday tasks, and to establish the responsibilities for implementing sustainable systems.

Frontier's Sustainability Ecosystem


Materiality Assessment

As part of our ongoing objective of providing sustainable renewable energy solutions, we acknowledge the importance of integrating additional sustainability factors into our decision-making.

To establish what sustainability considerations are most important or are likely to have the greatest impact, the Company undertook a materiality assessment. This assessment included considerations taken from an industry peer review. The peer review assessed sustainability reporting components, such as the level of disclosures and data, frameworks engaged, and material topics, which provided valuable insight into the current ESG landscape within the renewable energy industry.

Stakeholder expectations were also considered when establishing the sustainability issues to be prioritised. Frontier's key stakeholders include:

- Employees
- Federal, State and Local Government
- Local Members
- Local communities
- Landholders
- Indigenous and Torres Strait Islander People
- Government utilities
- Suppliers and contractors
- Customers
- Business consultants and partners (including lobbyists)
- Shareholders
- Competitors and peers
- Industry Groups

 We will continue to engage with our stakeholders through the life of the Project.



Frontier's Booth at the Waroona Show

Frontier's Sustainability Ecosystem

Representatives from Frontier's Board and management team completed a materiality assessment workshop to assess financial risks and opportunities related to Frontier's activities as well as assessing the Company's impacts on the environment and social factors. The materiality assessment considers impacts that could be actual or potential, negative or positive, short-term or long-term, and may change over the year. These material topics are the focus of this Sustainability Report and will be revisited annually and amended to align with the Company's business strategy as we continue to grow. The Sustainability Committee is responsible for reviewing and approving the reported information, including the material topics.

Frontier's Material Topics



Governance

- Business Ethics
- Responsible Procurement Practices*
- Regulation and Government Policy



Social

- Health, Safety and Wellbeing
- Diversity
- Local Community



Environment

- Renewables and Decarbonisation
- Water

*New material topic, added in 2023

Frontier's Sustainability Ecosystem

Sustainable Development Goals

The United Nations developed the 17 Sustainable Development Goals (SDGs) with the help of more than 170 countries and decades of work. The SDGs act as a sustainability framework to encourage urgent action by all countries to act in a global partnership, to work together to end poverty, combat inequality and address climate change by 2030.

At Frontier, we recognise the importance of the SDGs in guiding international efforts to achieve sustainable development. We have identified three SDGs relevant to our business where we can have the greatest impact and make a positive contribution.



We are committed to **providing a gender diverse and inclusive working environment.**

Starting with our Board, which is now 50% female.

Followed by our management team, now 29% female.



We are committed to **providing renewable energy solutions.**

To help Australia meet its greenhouse gas emission reduction targets under the terms of the Paris Agreement, we are collaborating with the State government to lower barriers for renewable energy technologies and include them in our energy mix.



We are committed to **actively contributing to the global movement to mitigate climate change.**

Successful acquisition of Waroona Energy to form one of Australia's largest renewable energy producers.

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Governance



Business Ethics

We are dedicated to upholding the highest standards of ethical conduct and transparency. We strive to act in an honest, ethical and responsible manner as outlined in our Code of Conduct.

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As part of our commitment to generating and delivering value for our stakeholders, we manage the Company's operations in compliance with the highest standards of corporate governance.

To complement this commitment, we have set up a corporate governance framework that consists of charters, policies, and procedures. The framework is routinely evaluated and updated in response to modifications to the Company's operations, advancements in corporate governance, and changes in legislation. The framework includes our Corporate Governance Statement, which was revised and approved by the Board in February 2024.

We aim to be compliant with all relevant laws and regulations including the *Corporations Act 2001* and the Australian Securities Exchange (ASX) Listing Rules and to report against the *ASX Corporate Governance Council's Principles and Recommendations (4th Edition)*.

Our Code of Conduct provides a decision-making framework by establishing principles and values to guide decisions and actions. The Code promotes an organisational culture that enables employees to respond appropriately in a variety of situations and to be accountable for their actions.

The Code of Conduct applies to directors, managers, contractors and employees. Any material breaches of the Code of Conduct are reported to the head of the relevant business unit, or to the Company Secretary.



For more information, a copy of the Company's charters, procedures and policies are on the Company's website. The Anti-bribery and Corruption Policy, and the Code of Conduct outline the minimum standards that are expected from all personnel and representatives. The Whistleblower Policy provides guidance for reporting actual or alleged breaches. Any material incidents reported pursuant to the Whistleblower Policy are brought to the attention of the Board.

Governance

Role of the Board

The Frontier Board is responsible for establishing the standards for compliance, governance, and business ethics. The Board sets the tone by demonstrating to all parties, both internally and externally, that the Company aspires to be a trustworthy and ethical renewable energy company.

The Company acknowledges the advantages of having a diverse range of ages, races, and backgrounds on the Board, as this can contribute to a range of viewpoints and experiences being incorporated into decision making.

The Board composition for the majority of 2023 included an Executive Chairman, Executive Director, two Non-Executive Directors and Managing Director. Two of the Company's five Directors are female.

The Board has adopted a formal Board Charter which sets out the matters specifically reserved for the Board, including, the Board composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. The Board Charter is available under Corporate Governance on our website.

The Board has the ability under the Company's Constitution to delegate its powers and responsibilities to committees of the Board. Special Board committees shall be formed as required to give guidance and provide oversight concerning specific matters to the Board. The first Board sub-committee to be created was the Sustainability Committee.

Frontier's Corporate Governance Framework

- Corporate Governance Statement
- Board Charter
- Sustainability Charter
- Code of Conduct
- Anti-bribery & Corruption Policy
- Communications Policy
- Community Policy
- Continuous Disclosure Policy
- Diversity Policy
- Environmental Policy
- Health & Safety Policy
- Risk Management Policy
- Securities Trading Policy
- Sustainability Policy
- Whistleblower Policy



Board composition, diversity, and independence

No. of Directors	No. of Independent Directors	No. of Female Directors	Separate Chair and Managing Director	Length on the Board (Years)	No. of Board Meetings	Average meeting attendance
5	2	2	Yes	2.5	9	4.78 (96%)

Governance

Due to the size and composition of the Board and the scale of the company's activities, a separate Nomination and Remuneration Committee and Audit and Risk Committee are not considered to be appropriate at the present time. The Company will establish such committees when warranted by the composition of the Board and the Company's circumstances.

The Company's objective is to have an effective mix of expertise and experience on the Board, and where appropriate, its committees. The Corporate Governance Statement lists the following key areas:

- Strategy and business development
- Commercial acumen
- Risk management
- Health and safety
- Financial knowledge and experience
- Government relations
- Corporate governance
- Executive leadership.

2023 Performance

Frontier's Board conducted a self-assessment of its skills, experiences and expertise and prepared a skills matrix. The list of attributes in the skills matrix include:

- Corporate leadership
- Public policy and government relations
- Electricity and energy
- Other board level experience
- Project development
- Strategy
- Capital markets and business development
- Corporate governance
- Risk management and compliance
- Health and safety
- Environmental, social and governance
- Accounting and finance
- Strategic communications.

The outcome of the Board skills assessment is available in the Company's Corporate Governance Statement.

During the reporting period, there were no instances of bribery or corruption, or breaches of the Code of Conduct reported.

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Responsible procurement practices

Responsible procurement benefits business, the environment, people and communities.

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We acknowledge the pivotal role played by the organisations involved in our supply chain. As an essential part of our business, we rely on them to ensure that we deliver on our ambitions to be a sustainability focused energy producer.

Frontier defines its local service providers as those located in the Perth, Peel or South West regions of WA. Frontier has completed a DFS for the Project which identified that the majority of our capital requirements for the Solar and BESS infrastructure will need to be sourced from international suppliers.

Frontier however, is committed to supporting the local communities in which we operate and plans to engage local service providers and provide local employment opportunities where possible, during development, construction and operations.

In conducting business with us, we encourage our suppliers to adhere with ethical and accountable practices in alignment with Australian and international laws. Our supplier engagement process will involve assessing modern slavery, environment and health and safety performance of our proposed suppliers.

We recognise that strengthening our supply chain management is crucial to advancing our sustainability commitments.





Regulation and Government Policy

At Frontier we are working collaboratively with the Government to reduce obstacles that delay the deployment of new renewable energy technologies.

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Energy regulation and policy is continuously evolving in Australia. At a Federal level, the Australian Energy Regulator for the first time mandated a value of emissions reduction be included in the National Energy Objectives. This will continue to spur demand for renewable energy, via capacity planning mechanisms. For example, Australian Energy Market Operator (AEMO) will be required to factor in the value of emissions reductions when it conducts its annual system planning needs.

In Western Australia, the Government introduced its Climate Change Bill in 2023. The Bill established a target of zero net emissions by 2050 for Western Australia. It also formalised the State Government's near-term target to reduce its emissions by 80 percent over 2020 levels by 2030. This will be achieved mainly by the retirement of coal-fired power generation units owned by Synergy. This will continue to underpin demand for renewable energy projects in the Wholesale Electricity Market (WEM). Frontier is well-placed to take advantage of these trends.

The Climate Change Bill required the publication of an associated emissions reduction strategy. Released as a consolidated strategy on 13 December 2023, the Sectoral Emissions Reduction Strategy for Western Australia set out key actions and priorities for reducing emissions to support the State Government's targets, and technologies that could support this effort. Frontier continues to monitor these developments and opportunities including helping individual Government agencies to meet their reduction targets via renewable energy offtake agreements.

The Reserve Capacity mechanism is administered by AEMO and is a key instrument for ensuring that the SWIS has adequate installed capacity available from generators and demand-side management options at all times.⁶ The 2024 Benchmark Reserve Capacity Price ((BRCP) for 2026/27 was released by AEMO in December 2023. It was announced that Energy Policy WA had adopted a 4-hour BESS as the reference technology for Benchmark Reserve Capacity Payment. This is a significant change from the previous technology of an open-cycle gas turbine. This reflects the shift away from carbon emission fuel sources towards renewable energy solutions.

⁶ Economic Regulation Authority (2023) Benchmark Reserve Capacity Price <https://www.erawa.com.au/electricity/whole-sale-electricity-market/price-setting/benchmark-reserve-capacity-price>. Accessed 21 April 2024

2023 Performance

We have engaged with both the State and Federal Governments throughout the year. In WA we continue to work with the Department of Jobs, Tourism, Science, and Innovation (JTSI) to support and contribute to the development of the evolving renewable energy regulatory frameworks through the following activities:

- Regular meetings and correspondence with the WA Government and regulators more broadly.
- Ongoing meetings with JTSI as part of the Lead Agency engagement process. These meetings are used by Frontier to table areas for Government support, policy settings and approvals.
- Advocacy through alliance and discussion with entities and key stakeholders with shared interests and investment in WA in the long-term.
- Providing informed and considered responses to consultation papers.
- Presenting at various industry conferences to promote our renewable energy project and the renewable energy industry.

In developing our commercialisation strategy in an emerging industry, we have been proactive and innovative in our thinking and in carrying out studies to develop propositions that align with government objectives. For example, in response to the release of the 2024 Benchmark Reserve Capacity Price for the 2026/27 capacity year, we updated our 120MWdc solar facility DFS to include an integrated 4-hour 80MW battery.

From a Federal perspective, the Company had regular meetings with members of parliament and senators to discuss the development of the project. This included our local members as well as surrounding electorates. We also had ongoing meetings with the Australian Renewable Energy Agency (ARENA) about our Project and submitted an EOI for Hydrogen Headstart Program⁷. We were however unsuccessful in being shortlisted for the Government's \$2 billion Program.

The Company remains committed to the green hydrogen industry in the long term and will continue to assess future opportunities.

We maintain compliant with all our licences and permits required to conduct our operations and will seek approval for additional permits as required. Permits will be obtained from regulatory bodies in advance of activities occurring.

During 2023, there was no material non-compliance with any laws or regulations reported in accordance with Frontier's activities.

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⁷ ARENA (2023) Hydrogen Headstart <https://arena.gov.au/funding/hydrogen-headstart/> Accessed 4 March 2024





Risk Management

The Company is focused on ensuring effective risk management practices across all of its operations and activities.

Frontier is continuing to develop its policies and procedures and during 2023, published a Risk Management Policy on our website. This Policy describes our risk management framework and responsibilities for managing risk within the business.

The Company's Risk, Internal Controls and Assurance (RICA) frameworks consists of:

- Comprehensive risk processes, templates and standards that establish context and effectively guide leaders and their teams through identification, analysis, evaluation, treatment, communication and reporting of applicable risks to their respective areas of responsibility
- Clear identification of risk "owners" for each risk at the appropriate organisational level
- Regular monitoring, periodic review, evaluation and reporting of the RICA framework, supporting systems and tools, and material risks by the Board.

The DFS for Stage One included a risk assessment for construction and operations of the Project. The risk assessment was undertaken by Frontier's management team and assessed the following categories:

- Stakeholder/Market Risks
- Regulatory Approvals Risks
- Design Risks
- Health, Safety and Environmental Risks (including Climate Change)
- Procurement Risks
- Financial Risks
- Opportunities

We will continue to conduct robust risk assessments as part of each design stage.



Social



Health, Safety and Wellbeing

Frontier is committed to the health, safety and wellbeing of our people.

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Our Health and Safety Policy reflects our commitment to striving for a workplace free of workplace illnesses and injuries. The Policy is based on a set of core values that recognise that workplace illnesses and injuries are preventable through effective health, safety, and wellbeing management. Communication with our team, contractors, consultants and the community is essential for creating a positive health and safety culture and maintaining a safe working environment.

Frontier's approach to safety includes proactive risk management activities to identify, prioritise, and control all risks that may negatively impact health and safety in the workplace. Frontier aims to report and rectify all hazards, non-compliances, near misses, and incidents to provide a safe working environment for all.

The Company strives to comply with all relevant legislation, applicable standards and guidelines, and all relevant policies and procedures. We also aim to continually improve our health and safety systems, and performance.

2023 Performance

Frontier has a small management team that works closely with consultants and contractors. Prior to undertaking site work, Frontier requires consultants, contractors and other organisations who work with Frontier, to detail the health, safety and environmental procedures to be used during the fieldwork. This includes undertaking Job Hazard Analysis (JHA) to address hazards likely to be present in the field. The JHAs are regularly reviewed and are amended while in the field if new hazards are identified.

The Project is in a bushfire risk area. Annual mitigation activities include maintaining a firebreak around the boundary of our properties. This was undertaken in November last year by engaging a local contractor.



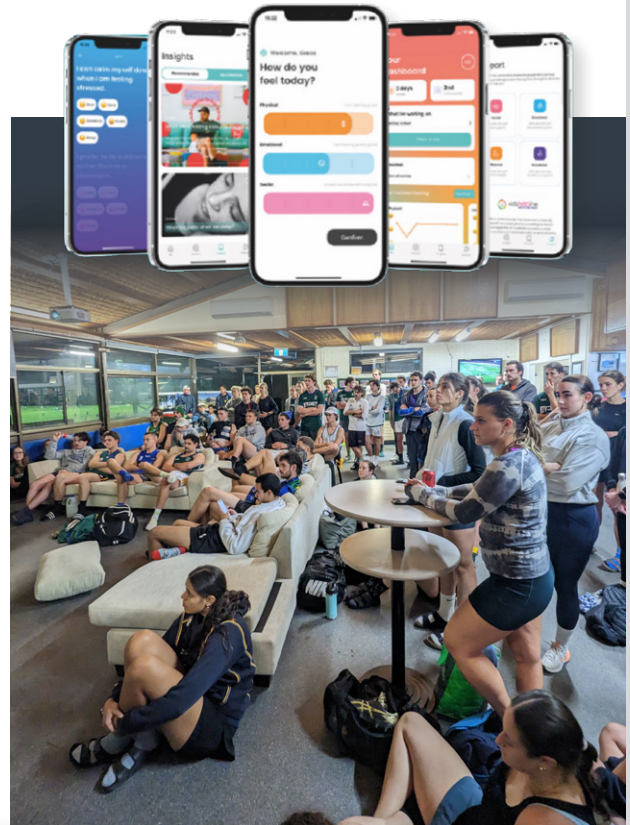
No workplace illnesses, injuries, health and safety incidents or non-compliances were reported during 2023.

Social

Sponsorship: UWA Football Wellbeing App

During 2023, we sponsored the implementation of a Liminal Wellbeing app at the University of Western Australia's Football Club (UFC). The UFC has eight playing teams, including two women's sides, with over 300 players.

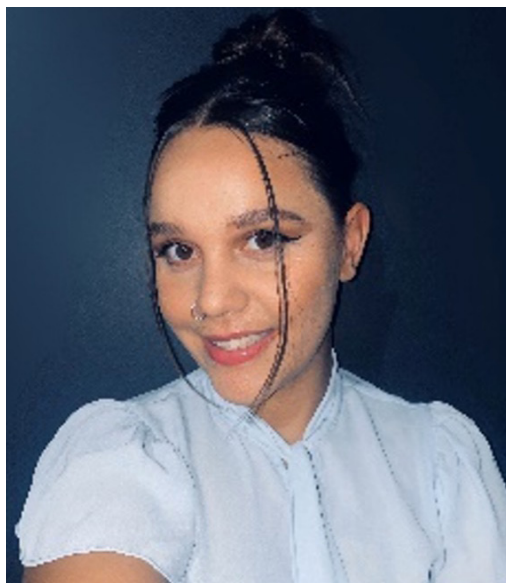
Our support helped the UFC to kickstart a focus on mental health and wellbeing for its players through the introduction of the Liminal Wellbeing app. This app is designed to start important conversations in the club, encouraging an open dialogue and elevating the importance of mental health and wellbeing in community sport as well as providing a platform for connection to the past players, providing job opportunities and work experience for the UFC players. By changing the dialogue, the UFC was able to create more meaningful conversations about mental health and generate valuable feedback from its members. The app kick-off session was met with great engagement, with all attendees downloading the app.



"UFC are are very grateful for Frontier's support and we are super excited to progress with paving the way in this area and continue to foster meaningful relationships, inclusion and community within our club and we want to continue to add more tools to our toolkit to ensure positive outcomes for every member of our club."

University of Notre Dame Australia's Science Internship Program

In 2023, Rickeisha Batty, a student from the University of Notre Dame Australia, completed an internship with Frontier. Rickeisha was studying Bachelor of Science (Majoring in Environmental Management). She worked with our ESG Manager, assisting with environmental and planning approvals, community engagement and sustainability reporting. Rickeisha described her experience as,



"I am so incredibly grateful to have had the opportunity to intern with Frontier. I developed essential skills during my time as an intern and these have aided exponentially in securing a highly sought after graduate position post uni completion"



Diversity

Diversity drives innovation and creativity.

At Frontier, we strongly believe that diversity among the Board, employees and contractors is essential for creating a vibrant and successful work environment.

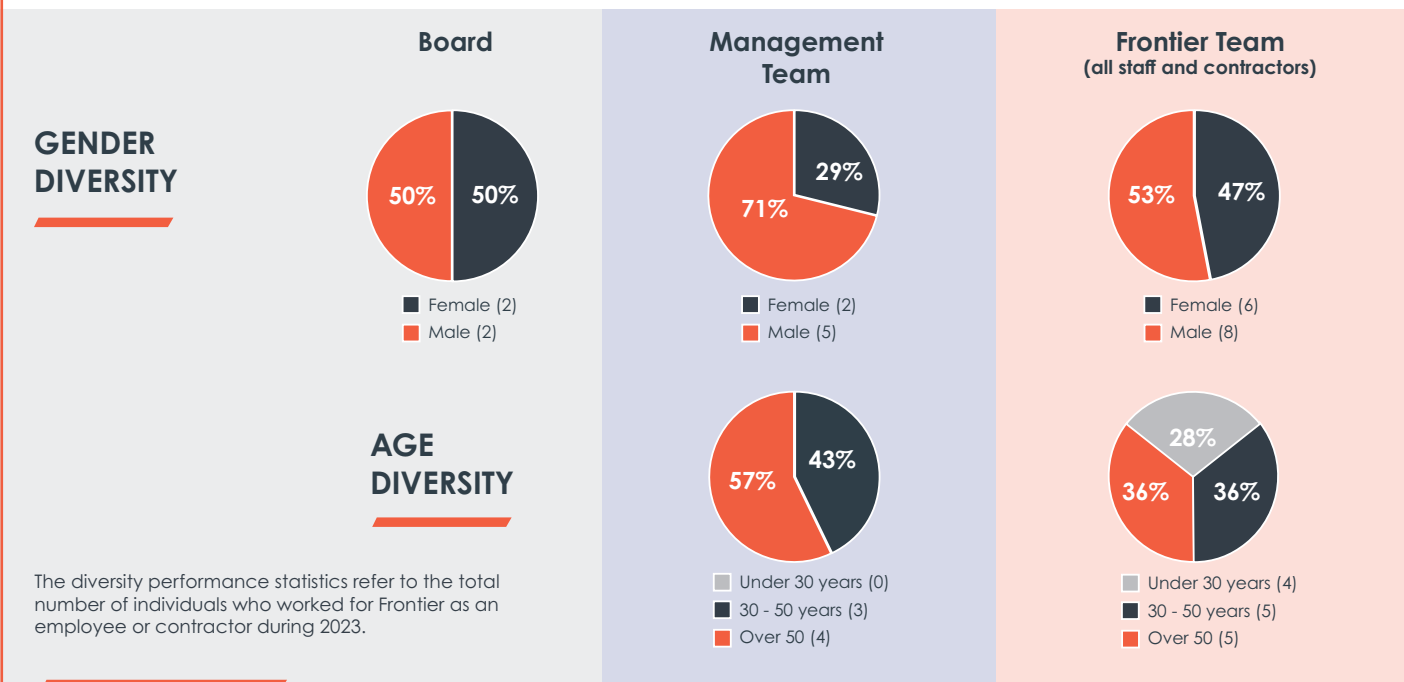
Frontier's Diversity Policy establishes our diversity expectations. The objectives of this policy are to:

- Build a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals
- Create a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff
- Improve employment and career development opportunities for women
- Instil awareness in all staff of their rights and responsibilities with regards to fairness, equity, and respect for all aspects of diversity.

2023 Performance

Frontier is committed to workplace diversity and has a focus on supporting the representation of females at the senior level of the Company and on the Board.

Frontier also has strong female representation within the business with 47 per cent (6) of roles held by females and has an even spread of age diversity across the business.



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Local Community

We are committed to working with local communities to develop sustainable projects which create value for our stakeholders and shareholders.

We are dedicated to having respectful, meaningful interactions with members of our local community. Community participation is important as it advances social cohesiveness, builds trust and relationships, and cultivates a feeling of identity and belonging among community members.

Building partnerships based on mutual respect and trust is important and we acknowledge it requires a commitment to active listening and understanding community members' needs and perspectives.

Frontier's Community Policy establishes our community engagement expectations. It describes our commitment to conducting community engagement activities in a transparent and culturally appropriate manner and providing a mechanism whereby individuals, groups and communities can provide input and voice their concerns and interests. Frontier's engagement process is designed to enable community concerns and interests to be recognised, respected, and considered for incorporation into key decision-making processes.



Waroona Agricultural Showgrounds



Railside Park



New Community Precinct

2023 Performance

We commenced our community engagement program during 2022 and continued to take part in community events in 2023, including:

- Meeting with local landholders and businesses
- Commencing our engagement with the Gnaala Karla Booja Aboriginal Corporation (GKB) and the Waroona Aboriginal and Torres Strait Islander Corporation (WAATSIC)
- Hosting a booth at the Waroona Show
- Holding a community meeting and drop-in day at the Waroona Memorial Hall
- Attending the Peel Chamber of Commerce After Dark Networking event
- Regular meetings with government, regulators and the Shire of Waroona
- Presenting at industry forums such as the Australia Hydrogen Council and WA Major Projects Conference.

Through our engagement we provided Project updates and sought feedback on our Project. Our community engagement involved face to face and virtual meetings, emails, phone calls, site visits, and networking events. Key topics discussed included Project updates, approvals, environmental management, green hydrogen, water supply, strategic location and our access to key infrastructure, land holdings, biodiversity, Net zero certification, dual fuelled hydrogen peaker plant and the Hydrogen Headstart Program, heritage, Harvey River and renewable energy.

Overall, our community engagement program has been well received.

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Social

The Waroona Show

In October 2023, Frontier participated in the annual Waroona Show for the first time. The Waroona Show is hosted by the Waroona Agricultural Society and brings the local community together in a celebration of arts, culture, and agriculture. It is the largest single event in the Shire and is the single biggest fundraising event in the year for local community organisations.

The show provides entertainment for young and old, and includes animals, log chopping, home produce, cooking, art, craft, photography, sideshow alley, farm machinery, wine tasting, food and trade stalls and a stunning fireworks finale.

Frontier was honoured to be a part of the celebrations with team members hosting a booth at the Show. It gave us the opportunity to engage with local community members on project aspirations, renewable technologies and answer questions.

The Waroona Show is a cultural, agricultural, and sporting event that brings the community together for a day of fun and festivities.



Environment



Renewables and Decarbonisation

We are committed to the development of sustainable renewable energy operations that benefit our people, community and other stakeholders.

Frontier's goal is to actively support the global effort to reduce the impacts of climate change and the shift to net zero carbon emissions through development of the Waroona Renewable Energy Project.

Renewable energy is derived from natural sources that are replenished at a higher rate than they are consumed. Generating renewable energy creates far lower emissions than burning fossil fuels. Fossil fuels currently account for the majority of global carbon emissions. Transitioning from fossil fuels to renewable energy is key to addressing the climate crisis⁸.

To encourage the renewable energy transition, governments are setting ambitious targets for decarbonisation. This includes Australia, where the Federal Government has set the goal of reducing emissions by 43% below 2005 levels by 2030 and achieving net zero by 2050 as well as increasing renewable energy to 82% of total market share by 2030.

In line with this strategy, renewable energy sources supplied 39.4% of electricity demand in Australia during 2023, edging the nation closer to the halfway mark of its target of 82 per cent renewables by 2030⁹. This included the share of rooftop solar increasing to an annual average of 11.2%, large-scale solar to 7% and wind to 13.4%⁹.

Solar combined with battery storage is expected to play an important role in reaching the nation's emissions targets. Batteries are a key element of the Company's strategy, They will store solar energy generated during the day and dispatch it early evening when there is a peak demand for power and solar energy is no longer available to meet the energy requirements.



Renewable energy sources supplied 39.4% of electricity demand in Australia during 2023.

⁸ United Nations (No Date) Climate Action - What is renewable energy, <https://www.un.org/en/climatechange/what-is-renewable-energy>. Accessed 14 April 2024

⁹ Clean Energy Council (2024) Clean Energy Australia 2024, <https://assets.cleanenergycouncil.org.au/documents/resources/reports/clean-energy-australia/Clean-Energy-Australia-2024.pdf> Accessed 14 April 2024

Depiction of the proposed solar facility

2023 Performance

In December 2023, we updated our strategy to assess the opportunity to align with Energy Policy WA's revised reference technology. Following a detailed assessment, Frontier amended Stage One to include a 120MWdc solar farm with integrated 4-hour 80MW BESS. These changes were included in the updated DFS which was released in February 2024.

In May 2023, the Bristol Springs Project successfully completed pre-certification for the Zero Carbon Certification Scheme (the Scheme) of the Smart Energy Council (the Council).

The Council is the peak independent industry body in Australia advocating for Australia's renewable energy industry. In December 2020, the Council launched the Scheme as an industry led format to accelerate the development and deployment of renewable hydrogen in Australia and around the world. The Scheme certifies all renewable hydrogen, green ammonia or green metal has been made from renewable energy sources and provides an embedded carbon rating. This is a critical tool, as we move to decarbonise Australia's energy industry.

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We aim to become a significant renewable energy producer into Western Australia's main electricity grid, the SWIS, serving the high demand energy markets in the State.



Water

We recognise that water is an essential resource that is vital for our community's health, wellbeing and economic prosperity.

Frontier is committed to managing water resources responsibly. We are focused on ensuring that water-related risks are considered and integrated across all stages of our decision-making processes, especially when it comes to water consumption and the impact of our operations on local water supplies.

The Harvey River is an important part of the region and flows through our land holdings. The river flows north-easterly from the Harvey Reservoir to its discharge point at the southern end of the Harvey Estuary. It is approximately 80km in length and has three main tributaries waterways: Drakes, Samson and Logue brooks. We will implement management systems to ensure our activities do not adversely impact on the Harvey River.

Several options for water supply have been considered as part of Project planning, including groundwater, Harvey Water and desalination water to be supplied via the Stirling Trunk Main. The water will be scheme water supplied by the Water Corporation from WA's Integrated Water Supply Scheme.

It is essential we acknowledge the value of water and take a responsible approach to its consumption and use. Water use in relation to solar power generation and battery storage is minimal. No water is consumed directly for power generation, with a small amount of water required for construction and for cleaning the solar panels. The Project will also have a number of water tanks for bushfire protection. These tanks will only be filled during construction and following a bushfire event, if required.

As the development phase of the Project has not commenced, no water was withdrawn, discharged or abstracted during 2023.

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Waroona Dam

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