ARAFURA
RARE EARTHS LIMITED

Arafura Sustainability Report FY24

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Acknowledgement of Country

Arafura acknowledges the Traditional Owners and Custodians of the lands where the Nolans Project is located in the Northern Territory, the Anmatjere People.

We also acknowledge the Whadjuk people of the Noongar Nation who are the Traditional Owners and Custodians of the lands where our head office is located in Perth.

Arafura pays respects to their Elders, past and present.

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This report accounts for Arafura Rare Earths Limited (Arafura or the Company) contributions to sustainable development between 1 July 2023 and 30 June 2024, unless stated otherwise. The report covers our 100%-owned Nolans Project, located in the Northern Territory, Australia. The report has been prepared in line with Arafura's eight sustainability elements and 'with reference' to the GRI Standards framework.

For further information about our sustainability approach, or to provide feedback about this report, please email arafura@arultd.com.

Unless otherwise stated, the currency used throughout this report is in Australian dollars.

Forward-looking statements

This report includes forward-looking statements. These statements relate to Arafura's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like 'will', 'progress', 'anticipate', 'intend', 'expect', 'may', 'seek', 'towards', 'enable' and similar words or expressions containing same.

The forward-looking statements reflect Arafura's views and assumptions with respect to future events as of the date of this report and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to Arafura, or any of its affiliates or persons acting on its behalf. Arafura does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Neither Arafura nor any other person, gives any representation, warranty, assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. To the maximum extent permitted by law, Arafura and each of its advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise.

Production Targets and Forecast Financial Information

The information in this report that relates to production targets is extracted from the Company's ASX announcement dated 11 November 2022 (Nolans Project Update). The production target is based on 12% Proved Reserves, 62% Probable Reserves and 26% inferred resources as reported in the Company's ASX announcement dated 11 November 2022. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. Arafura confirms that all material assumptions underpinning the production target set out in the Company's ASX announcement dated 11 November 2022 (including any assumptions referred to in the Company's ASX announcement dated 11 November 2022 that were used from the DFS as set out in the Company's ASX announcement dated 7 February 2019 (Nolans Project Definitive Feasibility Study) or from the Updated Mining Study as set out in the Company's ASX announcement dated 16 March 2020 (Major Increase in Mine Life for the Nolans Project), continue to apply and have not materially changed.

The information in this report that relates to forecast financial information (including forecast financial information derived from the production target) is extracted from the Company's ASX presentation dated 23 July 2024 ('Arafura achieves major debt funding milestone'). Arafura confirms that all material assumptions underpinning the forecast financial information (and forecast financial information derived from the production target) set out in the announcement released on 23 July 2024 continue to apply and have not materially changed.

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Contents

Sustainability snapshot 04
Market outlook 05
Message from the Chairman & Managing Director 06
Message from the Chair of the Sustainability Committee 07
About us 08
- Who we are 08
- What matters to us 09

Our approach to sustainability 10
Developing the Nolans Project 14
Sustainability performance 16
- Responsible Business Practices 18
- Climate Change 22
- Environmental Management 26
- Health and Safety 30
- People and Culture 32
- Supply Chain 34
- Indigenous Partnerships 36
- Stakeholders and Communities 38

Appendices 39
- Appendix I — Disclosures 41
- Appendix II — GRI Index 53

Sustainability snapshot

Environmental and Social Due Diligence (ESDD) completed on the Nolans Project against three international standards;[1] recognised as going beyond common practice for Australian projects. Compliance confirmed in a number of areas. Environment and Social Action Plan (ESAP), developed to address gaps, received Board approval - implementation progressing

Key principles developed for our Community Benefit Program

Commenced alignment with the principles of the Taskforce for Climate-related Financial Disclosures (TCFD)

Established an Environmental and Social Management System (ESMS)

Prepared our Human Rights Policy, governing our approach to protecting and respecting internationally recognised human rights

Established our Local and Indigenous Business Growth Program to support existing and new Indigenous-owned businesses

External, independent technical due diligence completed

Refreshed Board and Executive Leadership Team brought a renewed focus on sustainability - newly created Head of Sustainability and Environment role reporting directly to the CEO

[1] *International Finance Corporation (IFC) Performance Standards, EP4 Equator Principles IV, and Global Industry Standard on Tailings Management (GISTM)*

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Market outlook

01 Estimated potential supply gap of 11.3kt Neodymium and Praseodymium (NdPr) oxide from 2028[2]

02 Nolans is one of few shovel-ready NdPr projects in the western world

03 Nolans is expected to produce 4,440 tonnes per annum of NdPr,[3] which is enough to include in the manufacture of four million electric vehicles (EVs)

04 EVs are key to a lower carbon future

05 A new thematic of rare earths dependency is emerging in robotics, driven by AI and machine learning

[2] Global Offshore Wind 2024 Report, Argus Global EV Outlook 2024, Project Blue 2024 Long-term Outlook (narrowing of the supply gap in 2029 is due to forecast production from Iluka and Lynas, and ramp-up in Arafura contributing to RoW supply. Assumptions based on Lynas and Iluka reaching full forecast production). Refer to slide 12 of ASX announcement dated 23 July 2024 for graphic
[3] Refer ASX Announcement dated 11 November 2022

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Message from the Chairman & Managing Director

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Welcome to Arafura's FY24 Sustainability Report

Dear readers

Every day the world is focused on ways to achieve the Paris Agreement ambition of net zero emissions by 2050. Arafura is poised to play a role in this global transition to a lower carbon future by supplying the rare earths required for green technologies, including electric vehicles (EVs) and wind turbines.

Nolans is situated on Anmatjere land in the Northern Territory, Australia and is expected to produce an average of 4,440 tonnes per annum[1] (tpa) of responsibily mined and processed Neodymium and Praseodymium (NdPr) over its 38-year mine life.[2] It will be Australia's first ore-to-oxide downstream rare earths processing facility. A preliminary study completed for Nolans Phase 2 in 2024 considered the potential for expanding the size of the Nolans processing facility by factors of up to 150 percent.[3] This has the potential to help unlock Australia's rare earth sector more broadly if a third-party processing hub can be established.

Arafura is preparing to create and deliver value to all stakeholders and we acknowledge the role of Nolans as a multi-generational project. Our eight elements of sustainability will guide us in the preparation for construction and, ultimately, operations.

Over the past 12 months we have made significant progress on our sustainability journey.

In late 2023 we completed early site works, which has set us up to commence construction when a final investment decision (subject to funding) on Nolans is made.

In 2024, our focus has been on executing the funding strategy. In July 2024 we announced more than US$1 billion in debt funding, completion support and loan guarantees from commercial banks and export credit agencies from Australia, Korea, Germany and Canada.[4] This highlights the geostrategic importance of Arafura's role in a diversified global supply chain.

The quantum of the debt funding required completion of an Environmental and Social Due Diligence (ESDD) for the lender group and was completed against three internationally recognised standards. An impressive outcome for a company of Arafura's size and maturity. We are proud of our ambition to play a key role in Australia's position as a leader in responsible manufacturing of rare earths.

Our refreshed Board and Executive Leadership Team (ELT) has brought a step change in expertise and a renewed focus on delivering sustainability outcomes. A significant indicator of our commitment to change was the elevation of sustainability and environment to the ELT, with the newly created role of Head of Sustainability and Environment reporting to the Managing Director and CEO.

Our dedication to responsible project development, minimising environmental impact and creating long-term value for our stakeholders has never been stronger. We are committed to positively impacting the communities where we live and work, deeply respecting that our social licence to operate is essential for a sustainable value proposition.

On behalf of the Board, we extend gratitude to our people, partners and stakeholders for their unwavering support and dedication – we are in good hands as we develop Nolans and play our role in a sustainable future.

Sincerely

Mark and Darryl

Mark Southey
Chairman

Darryl Cuzzubbo
Managing Director

[1]Refer ASX Announcement dated 11 November 2022
[2]Excluding two-year ramp up period and final five years of processing low-grade material off long term stockpiles
[3]Refer ASX Presentation dated 23 July 2024, slide 11
[4]Refer ASX Announcement dated 23 July 2024

Message from the Chair of the Sustainability Committee

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Dear readers

I am immensely proud to have led Arafura's Sustainability Committee over the past 12 months – a period of exciting growth and development for Arafura.

The Sustainability Committee oversees our sustainability management, performance, assurance and reporting practices. It is tasked with managing sustainability-related risks and opportunities, ensuring that we have effective systems and frameworks in place to support our sustainability focus areas.

We are guided by our eight sustainability elements as we mature our organisation and remain committed to constructing and operating Nolans in a responsible manner.

Over the past 12 months we have reached several key milestones that reflect our dedication to sustainability and operating responsibly. These achievements are a testament to the hard work and commitment of our team and stakeholders.

Following completion of the early site works, we progressed the Environmental and Social Due Diligence (ESDD) required by nine Australian and international lenders, which led to the debt funding package of more than US$1 billion.[4] The resultant Environmental and Social Action Plan (ESAP) was approved by the Board and has set us up for success; it will guide our proactive approach to managing environmental, social and governance aspects over the life of the project.

Completing ESDD against three internationally recognised standards was a key achievement; these will continue to guide our practices through ongoing compliance and satisfaction of the lender group as part of the finance facilities.

Looking ahead, we are now focused on securing the equity to achieve a final investment decision and we remain fully committed to transparency and continuous improvement in our sustainability practices.

I must acknowledge our people for their unwavering commitment to delivering Nolans. There is recognition that we have a unique opportunity to be sustainably focused, from the start.

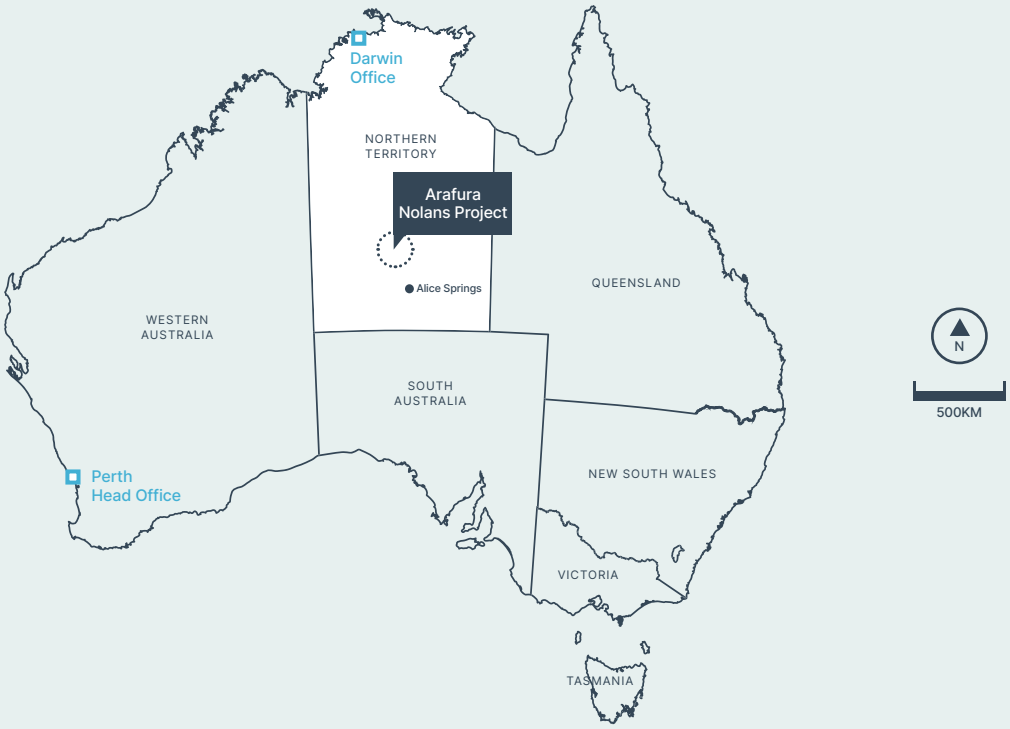
Thank you for your ongoing support and engagement as we work towards a successful future.

Sincerely

Cathy

Cathy Moises
Chair, Sustainability Committee

About us



The Nolans Project, 135 kilometres north of Alice Springs, is a fully permitted,[1] construction-ready,[2] single site ore-to-oxide project with an anticipated mine life of 38 years. A Phase 2 preliminary study indicates potential to expand production capacity and unlock a third-party downstream processing hub. Nolans is close to significant infrastructure including roads, rail, water supply, natural gas pipeline and has access to the deep-water ports in Darwin.

Who we are

Arafura Rare Earths Limited is an Australian, ASX-listed company (ASX:ARU) focused on the responsible future production of the rare earths elements Neodymium and Praseodymium (NdPr) from its Nolans Project in the Northern Territory.

NdPr is used in ultra strong, high-performance neodymium-iron-boron (NdFeB) magnets which are critical in electric vehicles, wind turbines and other modern technologies driving the electrification economy. Demand for NdPr is anticipated to nearly double by 2032,[3] and Arafura intends to play a key role in the global diversification of the NdPr supply chain.

At Arafura, we are proud of the role we will play as a leading, responsible global provider of rare earths, which are essential to helping the world achieve its net zero ambitions.

[1]All Northern Territory Government approvals granted / Awaiting approval of relevant management plans in support of Commonwealth Government approvals already received
[2]Commencement of construction is subject to finalisation and financial close of debt financing facilities and receipt of equity funding sufficient to proceed to construction
[3] Refer ASX Presentation dated 23 July 2024, slide 5

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What matters to us

Our vision

To be the trusted, leading rare earths partner of customers in high-impact technologies and enduringly lift the sustainability of our planet.

Our values

Our values underpin everything we do – they guide the decisions we make, the way we operate and how we approach delivery of the Nolans Project. They keep us focused on what is most important and assist us to define what sustainable delivery and responsible mining and processing operations look like for our business.

We are committed to our purpose and stakeholders

Our purpose is to deliver on our vision. We maintain strong relationships with our stakeholders as a cornerstone of successfully delivering the Nolans Project. We are committed to long-term, meaningful engagement to understand the needs of our stakeholders and ensure we always respond appropriately to deliver reciprocal value.

We are ethical and accountable

We know that we are accountable for defining how to deliver the Nolans Project responsibly, and we embed the required practices throughout our organisation to achieve this – from strategy and planning through to delivery and verification. Ethical behaviour is the cornerstone of good business and we uphold this attribute in every aspect of our decision making and the behaviours we demonstrate.

We are resilient and innovative

We anticipate that the local, domestic and international environments in which we operate will continue to evolve. We welcome change and are never static. We draw upon our culture of adaptability to grow and expand. We apply an innovative mindset to explore new opportunities in all areas of our business.

We are authentic and transparent

We are transparent in the way we conduct our business and report on our performance – we celebrate our successes and own the areas in which we have room to grow and improve. We are authentic in our commitments, and we follow through on them to build and maintain trust.

We are inclusive and respectful

We foster a culture of inclusivity and respect within our organisation. This is brought to life by our people and their actions, in the ways we engage with our stakeholders and through the businesses we choose to work with. We are authentic in our interactions, recognising that ways of communicating and operating need to vary; in this way we aim to ensure that we are always inclusive and that no-one is left behind.

Our approach to sustainability

Arafura's eight elements of sustainability guide our approach to sustainability. They are informed by globally recognised sustainability frameworks and are tailored to our business. Our vision and values sit at the heart of our sustainability elements, guiding our decision making every day. This report reflects Arafura's sustainability performance progress in FY24, aligned with the eight elements.

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Disclosures

Arafura's sustainability disclosures are presented in Appendix I and in a separate, downloadable spreadsheet on our website. We are continuing to evolve our disclosures towards the widely recognised Global Reporting Index (GRI) Standards.

The GRI Standards support organisations to disclose their economic, environmental, social and governance performance. Established in 1997, the GRI Standards provide a framework for transparent and comprehensive sustainability reporting, helping stakeholders to evaluate sustainability efforts and promoting accountability and transparency in businesses worldwide. Arafura is reporting in FY24 'with reference' to the GRI Standards, with the objective of working towards reporting 'in accordance' with the standards in future.

Table 1 provides a summary of the disclosures relevant to each of our eight sustainability elements. Appendix II contains a GRI Index summarising our disclosures for FY24 in this report and other publicly available reports and information.

Materiality

Arafura's material topics are shown in Figure 2. At the time of preparation of this report, a final investment decision had not yet been made for Nolans. In line with this, the existing materiality assessment was taken into consideration when developing this Sustainability Report.

There are 11 topics identified as 'material' to Arafura and our stakeholders, with a further nine designated as 'watch topics' for potential future materiality. All topics are influential in our eight elements approach to sustainability.

The GRI disclosures associated with the 11 material topics are a focus in this FY24 report.

United Nations' Sustainable Development Goals

We remain committed to aligning our practices with the United Nations' Sustainable Development Goals (SDGs) and we continued as a participant in the UN Global Compact in FY24. We are confident that we can contribute to many of the 17 SDGs. Within this report, we identify where they play a role in guiding our sustainability delivery and outcomes. Table 1 provides a summary of their relevance to each of our eight elements.

Environmental and social due diligence of the Nolans Project

In the first half of FY24, we appointed Tetra Tech Coffey, an Independent Environmental and Social Consultant (IESC), to conduct an Environmental and Social Due Diligence (ESDD) assessment of Nolans on behalf of project lenders. The ESDD assessment was an essential due diligence requirement for obtaining credit approvals for the project finance facilities from the lender group. These were announced in July 2024 and comprise five export credit and government agencies and four commercial banks.[1]

The ESDD was completed against the following internationally recognised standards:

- International Finance Corporation (IFC) Performance Standards
- EP4 Equator Principles IV
- Global Industry Standard on Tailings Management (GISTM)

Specific project lender sustainability requirements were also addressed during the ESDD.

The IESC recognised that many of the requirements of the standards go beyond common practice in Australia for projects such as Nolans. Despite this, the results of the detailed ESDD highlighted the various ways Arafura is already compliant, or partially compliant, with the extensive suite of requirements.

Subsequently, an Environmental and Social Action Plan (ESAP) was developed to address the requirements assessed as partially, or not, met. The ESAP describes the required corrective actions, as well as the timeframes over which they should be completed.

[1] *Refer ASX Announcement dated 23 July 2024*

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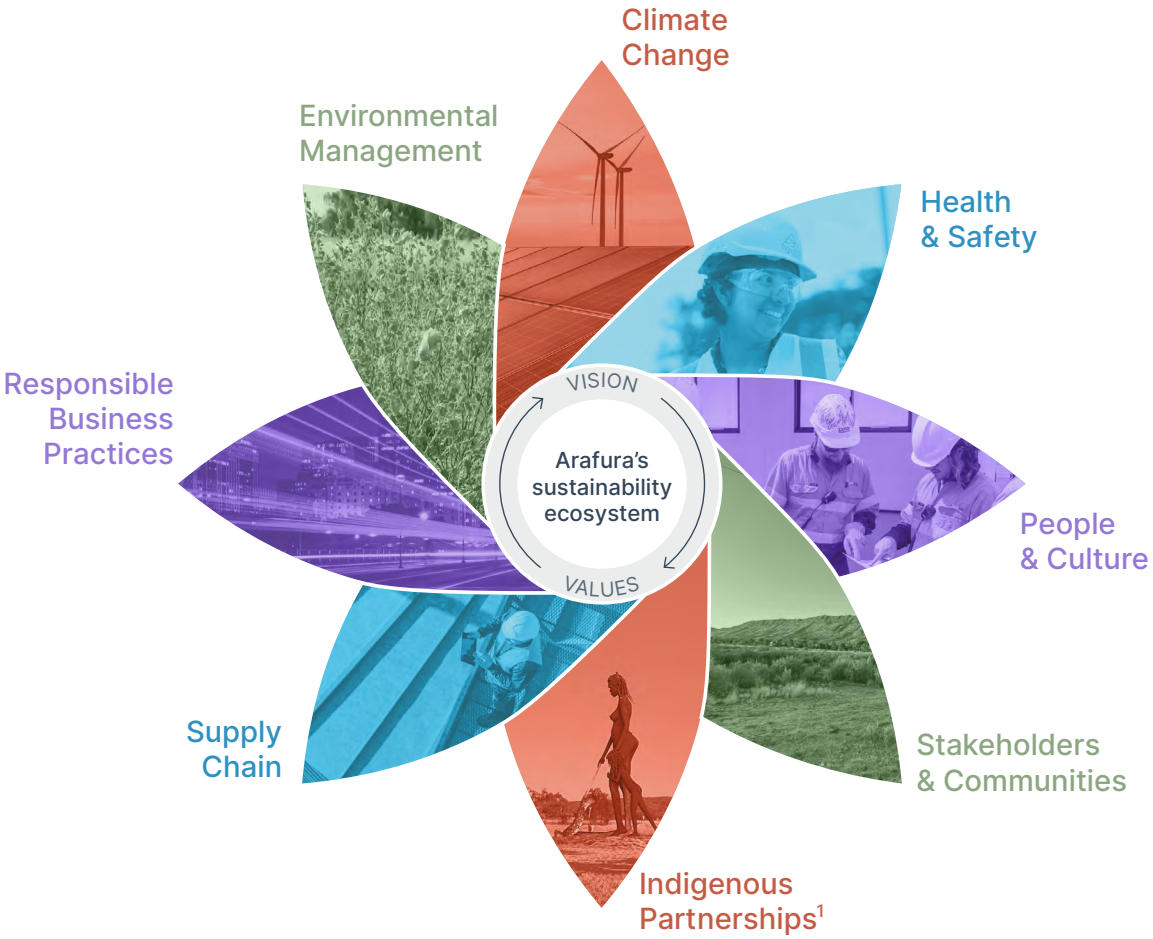

Figure 1. Eight elements that define Arafura's sustainability ecosystem.

[1]Image: 'Anmatjere Woman and Child' sculpture, Mark Egan, December 2008.

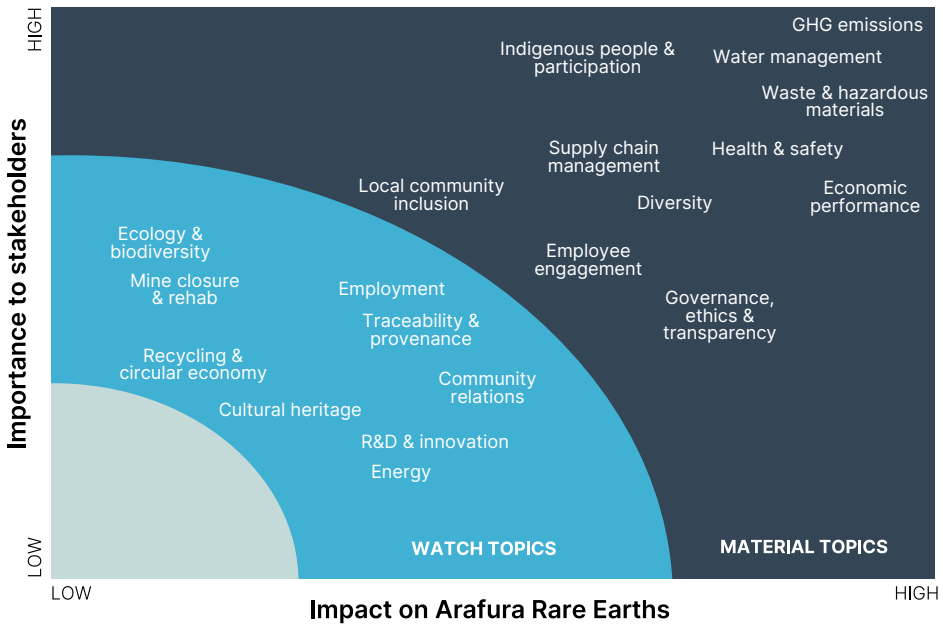

Figure 2. Arafura's materiality matrix presents the issues in two dimensions: their importance to our stakeholders and their likely impact on our business.

Our approach to sustainability *cont.*

Each of the lenders reviewed and commented on the details of the ESAP, prior to issue of the final version to Arafura. Upon receipt, it was presented to the Board for acceptance and support to resource implementation of the plan. Board approval of this was received early in the second half of FY24.

Delivery of the ESAP corrective actions has been a top priority following Board approval, particularly the actions that need to be addressed prior to commencing main construction. Focus on delivery will continue in FY25.

Regular engagement with the IESC is being maintained as actions are addressed and presented for final assessment and close out.

Following a final investment decision, and once construction is underway, Arafura is required to demonstrate ongoing compliance with the standards — to the satisfaction of the IESC and the lenders — as a condition of the project finance facilities.

Most importantly, the expected social and environmental performance benefits to be realised from implementing processes, systems and procedures to the levels required by these standards is acknowledged. Ultimately, these are expected to generate valuable outcomes for the Nolans Project and its stakeholders, across the breadth of our eight elements of sustainability.

Links to relevant materials:

- *UN Global Compact - Arafura Submissions*
- *ASX Announcement – Arafura achieves major debt funding milestone*
- *ASX Announcement – Arafura achieves major debt funding milestone presentation*

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Table 1. Alignment of Arafura's material topics and sustainability elements to GRI disclosures and the United Nations' Sustainable Development Goals.

Material topic/s	Arafura sustainability element	Relevant GRI disclosure	UN SDG
Governance, ethics & transparency; economic performance	Responsible Business Practices	• GRI 2 General Disclosures • GRI 201 Economic Performance • GRI 202 Market Presence • GRI 203 Indirect Economic Impacts • GRI 205 Anti-corruption • GRI 206 Anti-competitive Behaviour • GRI 407 Freedom of Association and Collective Bargaining	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
GHG emissions	Climate Change	• GRI 305 Emissions	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Water management; waste & hazardous materials; ecology & biodiversity	Environmental Management	• GRI 303 Water and Effluents • GRI 304 Biodiversity • GRI 306 Waste	6 CLEAN WATER AND SANITATION 15 LIFE ON LAND
Health & safety	Health and Safety	• GRI 403 Occupational Health and Safety	3 GOOD HEALTH AND WELL-BEING
Employee engagement; diversity	People and Culture	• GRI 404 Training and Education • GRI 405 Diversity and Equal Opportunity, • GRI 406 Non-discrimination	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Supply chain management	Supply Chain	• GRI 204 Procurement Practices • GRI 308 Supplier Environmental Assessment • GRI 408 Child Labour • GRI 409 Forced or Compulsory Labour • GRI 414 Supplier Social Assessment	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Indigenous people & participation	Indigenous Partnerships	• GRI 411 Rights of Indigenous People	10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Local community inclusion	Stakeholders and Communities	• GRI 413 Local Communities	11 SUSTAINABLE CITIES AND COMMUNITIES

Note: The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States. https://www.un.org/sustainabledevelopment

Developing the Nolans Project

Figure 3. An aerial view of stages 1 and 2 of the construction camp, with capacity to accommodate up to 200 people.

Rare earths are essential for global decarbonisation. Neodymium and Praseodymium (NdPr) is used in the production of neodymium-iron-boron (NdFeB) magnets, the strongest permanent magnet available today. These magnets are essential for advancing renewable energy technologies such as electric vehicles and wind turbines. Increasingly NdPr is being used in robotics and AI technology.

Preparing for the next phase of development

Arafura intends to play a key role in diversifying the global NdPr supply chain.

Nolans is defined by one of the world's largest undeveloped NdPr resources. With a mine life of 38 years,[1] and a valuable phosphoric acid by-product, it is a long-term, strategic operation.

A comprehensive, four-year metallurgical piloting program and a definitive feasibility study confirmed the technical and economic viability of Nolans. The single-site, ore-to-oxide processing facility ensures traceability and positions Arafura as a leading, responsible global provider of rare earths, essential to net zero by 2050 ambitions.

Rigorous Northern Territory and Australian Government approvals processes have positively assessed Arafura's ability to manage and mitigate environmental and social impacts and capacity for rehabilitation.

Nolans is expected to create more than 600 jobs during construction and around 350 jobs during steady-state operations.

Nameplate production is anticipated to be 4,440 tonnes of NdPr per annum, enough to include in the manufacture of four million electric vehicles.

In 2024, we achieved the significant milestone of completing our debt funding strategy.

The next steps are to secure the equity required to complete the funding strategy, announce a final investment decision and commence construction.

[1] *Refer ASX Announcement dated 11 November 2022*

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Project execution

Following the successful completion of early works in late 2023 and securing credit approvals for debt funding in 2024, we are well positioned to mobilise to site and commence main construction once we have raised the required level of equity and made a final investment decision.

Onsite activity has since been scaled back, and project activities have focused on those necessary to support finance, critical path engineering and other technical activities, compliance and progressing improvement ideas that reduce capital, schedule and risk. In July 2024 we undertook a capital raise, of which A$20 million was received from sophisticated institutional investors.[2] An additional A$4.6 million was received from existing shareholders through a share purchase plan.[3] This ensures a robust cash position while the equity strategy is finalised.

Our Integrated Project Management Team continued to deliver: engineering scopes; management of procurement activities; early contractor involvement; and Environmental and Social Due Diligence (ESDD) requirements. They also undertook market testing for supply of specific equipment packages, seeking to improve prices.

Operational readiness activities progressed with a focus on optimum preparation for safe commissioning, ramp-up and operations. We progressed our safety case, with the first Process Hazard Assessment completed and the Notification of Major Hazard Facility submission drafted.

Detailed planning will continue for the period immediately prior to, and the first nine months post, final investment decision. This ensures schedule-critical activities are planned, prioritised and resourced accordingly. Discussions with our preferred construction contractor resumed with a focus on the terms of the Hydromet construction contract.

Our people

Our people are the driving force behind our success and our ability to deliver on our sustainability focus areas.

In 2024, significant executive changes were implemented, resulting in the successful formation of a new leadership team.

Darryl Cuzzubbo commenced as Managing Director and Chief Executive Officer (CEO), having served on the Board for two years.[4] Highly credentialed professionals were also appointed to the roles of: Chief Operating Officer; Chief People Officer; Head of Corporate Affairs and Investor Relations; and Head of Sustainability and Environment. These individuals, along with the existing Chief Financial Officer, each bring extensive experience in their respective fields. Having our Head of Sustainability and Environment report directly to the CEO demonstrates our commitment to sustainability, elevating it and its positive impact across the business.

Three new non-executive directors were appointed to the Board, bringing additional skills and capabilities to steer Arafura through to a final investment decision and our next phase of growth.[5] Michael Spreadborough, Ian Murray and Roger Higgins have executive-level operational, commercial and financial experience. Roger also currently holds the position of Adjunct Professor at the Sustainable Minerals Institute at the University of Queensland.

[2]Refer ASX Announcement dated 25 July 2024
[3]Refer ASX Announcement dated 11 September 2024
[4]Refer ASX Announcement dated 5 February 2024
[5]Refer ASX Announcement dated 3 April 2024 and 10 September 2024

Sustainability performance

Arafura's performance across the eight elements of our sustainability ecosystem.

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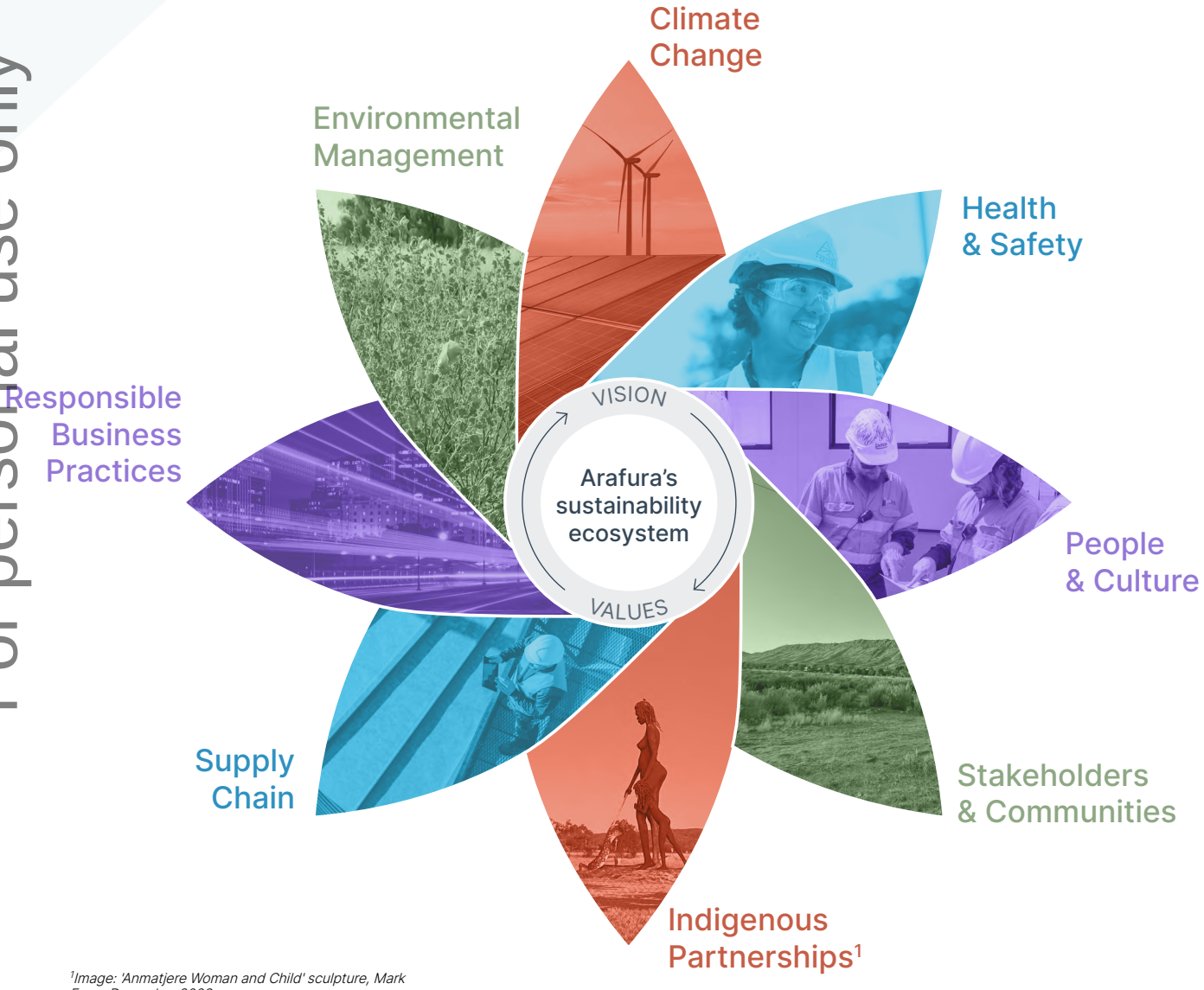

[1]Image: 'Anmatjere Woman and Child' sculpture, Mark Egan, December 2008.

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Responsible Business Practices

At Arafura, our aim is to be a global leader in the responsible mining and processing of rare earth products. Responsible business practices and strong governance are foundational to our operations and business strategies. This ensures we're operating responsibly and delivering value to our stakeholders.

We understand that strong governance is the cornerstone of a successful and sustainable business. As we take the leap from developer to producer, an embedded governance culture – and effective implementation and maturation of our governance processes – continues to be our priority.

We conduct our business in accordance with our governance framework, along with the laws and regulations of the jurisdictions in which we operate. Governance plays a critical role in our decision-making processes, ensuring our responsible operations and supporting compliance with regulations and strong risk management practices. We also review the governance of external stakeholders we engage, including our offtake partners, project financiers, consultants and suppliers.

Our robust governance structure and processes cascade from our Constitution and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (fourth edition, released on 27 February 2019). This establishes our governance requirements and how the relationship between the Company, our Board of Directors and our shareholders is directed and controlled. The ASX anticipates releasing the fifth edition of these recommendations in 2025 (to potentially take effect for financial years commencing on or after 1 July 2025). We intend to adopt the revised principles and recommendations and review our practices against them by the target date.

Additionally, we release a Corporate Governance Statement annually, in line with our corporate annual reporting processes. The statement outlines our approach to corporate governance practices and how we perform against each recommendation, with an 'if not, why not' approach.

Strong governance for operational readiness

The Board recognises the importance of a strong and well-developed corporate governance strategy and plan. Relative core key performance indicators (KPIs) will be critical to building the foundations of a world-class operating entity. These KPIs will be rolled out once a final investment decision has been made.

As part of our operational readiness activities, we have established an internal Policy Working Group, which brings stakeholders from across the business together to partner on the development of policies and procedures in preparation for safe, lawful, responsible operations. Policy development is a continuous process, with each policy marked for annual review.

Establishing a culture of diversity, inclusion, respect and trust is important to us. Our suite of governance documents promote transparency, integrity, accountability and financial responsibility from our people. These documents include our: Code of Conduct; Anti-Bribery and Corruption Policy; Diversity Policy; and our Whistleblower Policy. These are available on our intranet and employment management platform. New employees are required to review and acknowledge understanding of these policies and procedures, and existing employees and contractors are prompted to review and re-acknowledge them annually via our employee management platform. See 'Links to relevant materials' at the end of this section for a list of our publicly available governance documents.

Our corporate governance framework and structure

Our Board oversees the implementation of Arafura's governance framework. To provide strategic guidance and oversight of crucial business areas, the Board operates four standing committees that work in partnership with the Executive Leadership Team (ELT).

With the Board and ELT refresh in FY24, these strategic links are more defined with each non-executive director (excluding the Chair of the Board) taking the lead in each committee and an assigned ELT champion driving the strategy (see page 20 for further information).

Annually, the Board and ELT participate in an externally run, independent evaluation process, reflecting a commitment to continuous improvement and integrity. The assessment focuses on the overall function of the Board, the skills of each of the directors and how those skills align with Arafura's immediate requirements compared to the prior year.

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Aligned SDGs

> Sustainability means integrated ethical principles and actions that care for our environment, stakeholders and ultimately enhance value within our company.
>
> **Nick**
> Package Lead - Non-Process Infrastructure

Following the Board and ELT changes during the year, this evaluation process was customised. Firstly, there was a short reflection on what has been done well and opportunities for improvement since the changes, followed by a forward-looking strategic review of key focus areas to be targeted for the next 12 months. The Board noted key emerging themes and committed to corresponding action items. Separately, the results of each of the Board committees were discussed with the relevant committee Chair and additional action items were agreed for the year ahead.

The MD and CEO also undertakes a 360 review. Since Darryl commenced in February 2024, this review was deferred to FY25. Results for this review are collated anonymously to allow participants to provide honest feedback. Results of the assessments are discussed and then used to review areas of performance strength and aspects for improvement, with implementable actions identified and tracked to completion through subsequent Board meetings.

Environmental and Social Management System

In FY24, we developed an Environmental and Social Management System (ESMS). This system aligns with the: EP4 Equator Principles IV; the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability; and the ISO standard for Environmental Management Systems (AS/NZS ISO14001:2015).

The ESMS forms the basis from which we plan, monitor, measure and improve our environmental performance. It will ensure that risks are well understood, effective mitigations and controls are in place – and tested for effectiveness over time – and that valuable opportunities can be realised.

See section Environmental Management for more information.

Disclosures relevant to Responsible Business Practices can be found in Appendix I (Table 3)

Responsible Business Practices *cont.*

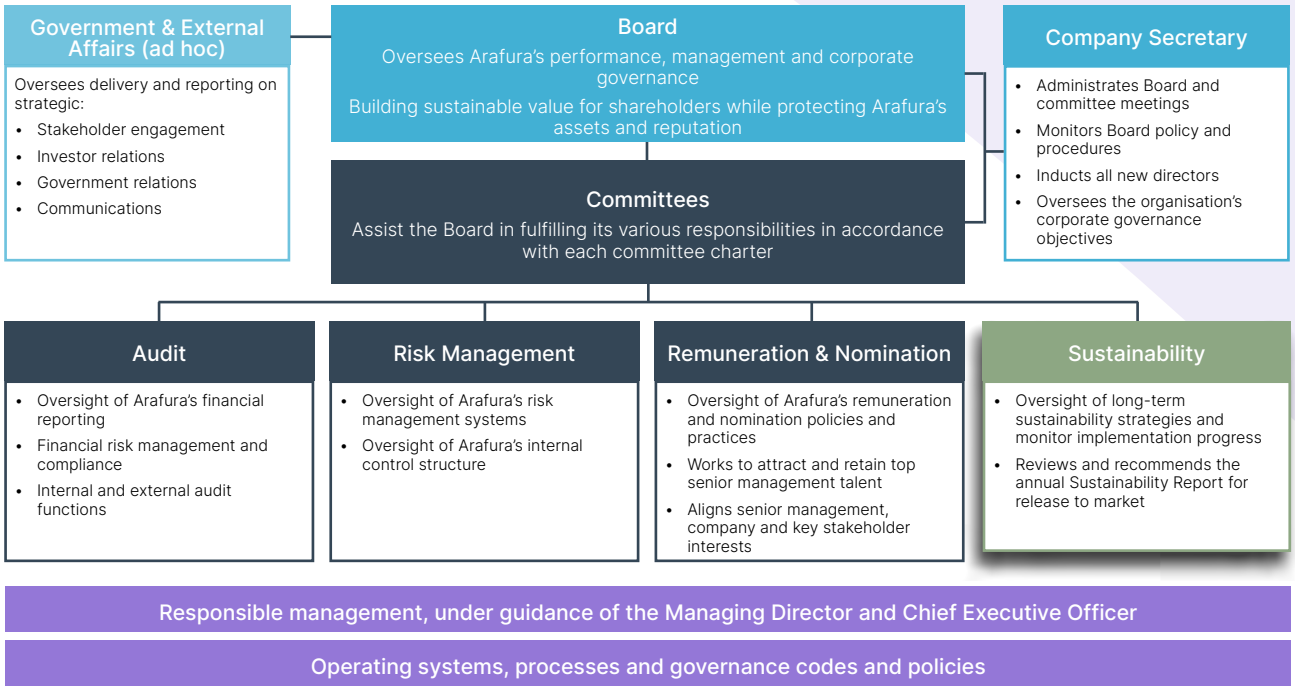

Figure 4. Arafura Rare Earths Limited corporate governance structure

Committee leads				
Group:	Audit	Risk Management	Remuneration & Nomination	Sustainability
Committee Chair	Ian Murray Non-Executive Director	Roger Higgins Non-Executive Director	Michael Spreadborough Non-Executive Director	Cathy Moises Non-Executive Director
Executive lead:	Peter Sherrington Chief Financial Officer	Stuart Macnaughton Chief Operating Officer	Fiona Blakely Chief People Officer	Tanya Perry Head of Sustainability and Environment

Figure 5. Committee leads

Project finance and offtake

Strong governance is also essential for ensuring financial responsibility. The Nolans Project has strong alignment with international original equipment manufacturers in jurisdictions that adopt global critical mineral initiatives, focused on responsible value chains supporting low-carbon economies. This has resulted in our ability to secure a debt financing package that totals in excess of US$1 billion.[1] This will be pivotal to securing the strategic equity funding required for the project.

Our project financing strategy and offtake strategy have enabled strong export credit agency (ECA) participation in our debt structure. This has facilitated commercial lender approvals under the ECA covered tranches, the cost overrun facility and provision of a full suite of institutional banking and risk management services to support Arafura through the construction process and into operations.

The syndicate of lenders, for facilities totalling US$775m, comprises Export Finance Australia (EFA) (under the Critical Minerals Facility), the Northern Australia Infrastructure Facility (NAIF), Export Development Canada and the Export-Import Bank of Korea, with untied loan guarantees from: Euler Hermes and KEXIM facilitating commercial lenders; KfW IPEX-Bank; KEXIM Global – Singapore; Commonwealth Bank of Australia; ING; and EFA (under its Commercial Account) providing funding under the ECA covered tranches.

Additionally, Arafura has secured an US$80m cost overrun facility, supported by ECAs and commercial lenders. A subordinated Standby Liquidity Facility (SLF) of up to US$200m from EFA as an additional layer of funding contingency to ensure Nolans is funded through first production and ramp-up to nameplate capacity.

[1] *Refer ASX Announcement dated 23 July 2024*

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These debt financing commitments highlight the strategic value in developing Australian downstream rare earths processing capability, and a diversified NdPr global supply chain to meet forecast demand growth for electric vehicles and wind turbines.

Sustainable finance remains critical to supporting the transition to a low-carbon economy. Our establishment of a Green Loan Framework (GLF) aligns our financing strategy with offtake, sustainability and climate change related objectives. This is based on the Green Loan Principles jointly issued by the Loan Market Association, Asia Pacific Loan Market Association and the Loan Syndications and Trading Association. Loan facilities secured are eligible green facilities under the GLF and will enable Arafura to access capital and liquidity from commercial lenders (provided proceeds are used to fund expenditure that supports the transition to a low-carbon economy, whilst aligning with Arafura's sustainability and climate change objectives). Arafura is eligible for its expenditure dedicated to NdPr Oxide extraction and processing for the production of wind turbines and electric vehicles through its single site ore-to-oxide business model.

Governance measures in the GLF, to ensure compliance with applicable sustainability standards and regulatory requirements and management of proceeds, will be overseen by the Board Sustainability Committee. Annual reporting on fund allocation and impacts will be prepared until full allocation of any green loan proceeds. Reporting under the GLF will be subject to external review.

A second-party opinion of the GLF was prepared by ISS Corporate Solutions in July 2023. This provided a positive sustainability assessment of the Nolans Project. It also confirmed alignment of the GLF with Green Loan Principles and that the rationale for issuing green loans is consistent with Arafura's sustainability objectives.

Disclosures relevant to the Responsible Business Practices element can be found in Appendix I (Tables 1-7)

Links to relevant materials:

- *Arafura Corporate Governance*
- *Corporate Governance Statement*
- *Board of Directors*
- *Anti-Bribery and Corruption Policy*
- *Code of Conduct*
- *Disclosure Policy*
- *Diversity Policy*
- *Risk Management Policy*
- *Securities Trading Policy*
- *Shareholder Communication Policy*
- *Statement of Company Values*
- *Whistleblower Policy*

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Climate Change

Rare earths will play a key role in a lower carbon future, and we are committed to the implementation of our Greenhouse Gas Emissions Reduction Pathway.

Climate change remains a high priority within Arafura's sustainability strategy. Ensuring that our rare earth products are produced responsibly and play a key role in the green energy transition, through strategic offtake agreements, is key. Achieving this in tandem with our commitment to implement the Arafura Greenhouse Gas (GHG) Emissions Reduction Pathway, to achieve net zero by 2050, is a key priority.

We value understanding and mitigating the risks that our business may face due to the changing physical climate, as well as the impact of the energy transition on the human and economic systems in which we operate.

In recognition of this, in FY24 we employed SLR Consulting to lead an assessment of Arafura's exposure to physical and transition-related climate risks. This work was conducted in accordance with the principles of the Taskforce for Climate-related Financial Disclosures (TCFD). The work provides the foundation for our anticipated future mandatory climate reporting, which we will develop to ensure compliance with the recently legislated Australian Accounting Standards Board (AASB) climate-related disclosure requirements.

This work built on the progress made in FY22 and FY23 in establishing an emissions forecast over the life of mine and in developing the GHG Emissions Reduction Pathway for the Nolans Project (refer ASX release dated 31 January 2023). We have also continued to develop our understanding of the emissions reduction options available to the Nolans Project. We expect to provide a further update on the emissions reduction options for the project in FY25.

Whilst Arafura will be required to complete mandatory reporting under the new Australian legislation in the future, we believe that now is an appropriate time in the maturity of the project to begin aligning our public reporting on climate change with the principles of the AASB reporting framework. Below, we provide disclosures on:

- Governance
- Strategy
- Risk management
- Metrics and targets

Governance

At Arafura, climate-related risks and opportunities are governed by the Board Sustainability Committee (see 'Responsible Business Practices' section). Executive management of climate-related risks and opportunities is delegated to the Head of Sustainability and Environment, who coordinates work with teams from across the business to assess and mitigate risks and opportunities.

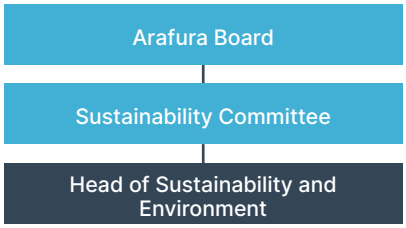

Figure 6. Organisational structure

Strategy

Climate-related risks have the potential to impact a range of aspects of our business, which is why we completed a whole-of-business, climate-related risks and opportunity assessment in FY24. Facilitated by SLR Consulting, representatives participated from a number of cross-functional teams.

The growth in the market for rare earth magnets is an energy transition opportunity, which underpins our decision to pursue the development of Nolans. Therefore, climate-related opportunities are a foundational element of our overall business strategy.

There are a broad range of energy transition and physical risks which may impact Arafura and the Nolans Project. Energy transition risks include increases and/or volatility in the price of fuels used onsite and increases in the regulated price of emitting GHGs. Physical risks include the impact of higher temperatures on the people and equipment of Nolans and an increase in extreme precipitation events, which may impact the design criteria of the project's infrastructure.

We have undertaken a qualitative scenario analysis against three potential futures, informed by robust climate data[1] and explored different sets of assumptions about how climate policy, emissions trajectories and global temperatures may evolve.

[1] *NGFS Scenario Explorer https://www.ngfs.net/ngfs-scenarios-portal/*
IPCC SSPs https://www.ipcc.ch/data/

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Aligned SDGs

> Sustainability at Arafura means providing the rare earth elements which are critical to the energy transition, whilst managing the impact of our activities on our natural environment.
>
> **Max**
> Energy Advisor

This enabled us to assess the potential materiality of each risk, and in which scenarios a management response will be required. In general, the energy transition risks have the potential to be relevant over the medium term (the next 10-15 years) whilst the physical risks have the potential to be relevant over the longer term (20 years+).

We are currently reviewing the outcomes of the risk and opportunity assessment to understand the actions that may be required and timing for implementation. Some risks may be best mitigated through aspects of the Nolans design, whilst others may require ongoing observation and action at a later date. Detailed modelling of the potential physical risks is being undertaken by the consultants at ClimSystems (an SLR company), and the outcomes are expected to be used to further inform this work.

Further reporting on the specific climate-related risks and opportunities, and the mitigation measures to be implemented, is expected to be included in the FY25 Sustainability Report.

Disclosures relevant to Climate Change can be found in Appendix I (Tables 8-10).

Links to relevant materials:

- *ASX Announcement - Greenhouse Gas Emissions Reduction Pathway (31 January 2023)*
- *ASX Announcement - Arafura commits to sustainable supply of rare earths (17 May 2021)*

GHG reporting

Scope 1 & 2 GHG protocol emissions for Arafura and Nolans, from FY22 to FY24, are presented in Appendix I – Table 8 – Greenhouse Gas Emissions and Table 9 – Energy Consumption. Scope 1 emissions refer to fuel usage (unleaded petrol and diesel) for transport and to generate stationary energy (e.g. diesel in generators). Scope 2 emissions refer to electricity that is sourced from an independent provider and used at any of Arafura's facilities.

Between FY23 and FY24, the total combined metric tonnes of carbon dioxide (CO_2) generated from scope 1 and 2 emissions for Arafura and Nolans decreased slightly from 722 tCO_2eq to 591 tCO_2eq. The emissions accounted for in both FY23 and FY24 are primarily due to the early works completed at site from February to October 2023, occurring across both financial years. In addition, electricity use at the office facilities in Perth, Darwin and the former Alice Springs office (closed in FY24) is also accounted for. The site work involved use of a number of light and heavy vehicles and electricity generators. Proportionately, more work was completed at the site prior to the end of the FY23 year than was completed in FY24. Once construction has commenced (subject to funding and a final investment decision being made in respect of the Nolans Project), GHG emissions are anticipated to increase from current levels.

Climate Change *cont.*

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Risk management

During FY24, we began developing our climate-related risk and opportunity management framework, following the initial assessment. During FY25 we expect to complete the development of this framework and its integration with Arafura's enterprise-wide risk and opportunity management process. This will include prioritisation of risks and reporting on the highest priority risks to the Board and Sustainability Committee.

The climate-related risk management process is anticipated to include the following:

- Periodic review of climate-related risks and opportunities, with consideration of maturing business and project planning and development. These reviews are intended to integrate consideration of the risks by relevant cross-functional Arafura and project personnel to determine the potential for changes that may influence the safe performance and operation of Nolans.
- Use of physical modelling outputs to understand the potential for, and relevance of, changes to the climate at Nolans.

Implementation of the integrated climate-related management process is planned to continue in FY25.

Metrics and targets

Arafura is committed to achieving net zero emissions by 2050, in line with the goals of the Paris Agreement.

The GHG Emissions Reduction Pathway[2] assumed that full production would be achieved by 2027. Subject to receipt of all required funding, and once a final investment decision for Nolans is reached, the timeframe for achievement of full production will be reforecast, and the timeframes included in the GHG Emissions Reduction Pathway will be reviewed and aligned to the revised timing.

As our risk management approach develops, we will look at developing other appropriate metrics and targets for the management of emerging risks.

[2] *Refer ASX Announcement dated 31 January 2023*

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> I want to know today that we are creating a better future; that we don't leave today with nothing for tomorrow.

Cobus
Procurement Manager

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Environmental Management

Arafura is committed to responsible mining and processing practices that minimise environmental impact and protect the environmental values of Nolans and surrounds. We strive to apply the same rigour to managing our environmental performance as we do to our financial, production and safety performance.

In FY24, we developed an Environmental and Social Management System (ESMS). This system aligns with the: EP4 Equator Principles IV; the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability; and the ISO standard for Environmental Management Systems (AS/NZS ISO14001:2015).

The ESMS forms the basis from which we plan, monitor, measure and can improve our environmental performance over time. It will ensure that risks are well understood, effective mitigations and controls are in place – and tested for effectiveness over time – and that valuable opportunities can be realised.

We worked with external consultants to develop the ESMS. The aim was to consolidate Arafura's existing environmental and social management approaches and processes under a common framework, and align with the Health and Safety Management System. New management procedures, processes and systems were defined and developed, with further development and implementation to continue in FY25.

The ESMS provides Arafura with a methodical approach to managing environmental and social risks in a structured way, based on the Plan-Do-Check-Action process of continuous improvement (see figure 7).

At the time of writing this report, the ESMS was under external assessment by the Independent Environmental and Social Consultant (IESC) as part of fulfilment of the corrective action obligations listed in the Environment and Social Action Plan (ESAP) (see 'Our approach to sustainability' section).

Permitting and approvals

The Nolans Project Environmental Impact Statement (EIS) received Federal and Northern Territory Government (NTG) approvals in 2018 and 2019, respectively. This was based on extensive cultural heritage and baseline environmental studies that Arafura commenced in 2006 and continued in the following years.

All subsequent operational environmental planning and management requirements are drawn from the approved EIS and the conditions of approval, issued by the Federal Government and NTG.

In FY24, under these EIS-related conditions of approval, the Federal Government approved our Water Abstraction Management Plan (WAMP). This followed the already secured approval issued by the NTG. Maturation of the NTG-approved Mining Management Plan (MMP) and extensive suite of Environmental Management Plans (EMPs) also continued (the Mining Authorisation for the Nolans Project was granted in 2022).

Further maturing of the EMPs will continue to be a core activity, as part our ESMS implementation over time and continuous improvement process.

In early 2024, Arafura paid a penalty to the Federal Government of $16,500; this was due to a procedural error that resulted in a single contravention of Condition 8 of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC) conditions of approval for the Nolans Project. No environmental impact occurred as a result of the breach. This occurrence further highlighted the importance of developing and maturing the ESMS, to ensure that Arafura has a systematic way of integrating risk management and compliance into business-as-usual activities.

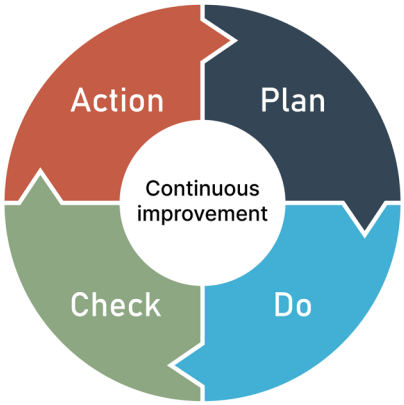

Figure 7. Approach to continuous improvement

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Aligned SDGs

“To me, sustainability at Arafura represents an opportunity to consider our practices and make responsible choices that benefit all living beings and those yet to come.”

Gloria
Environmental Scientist

Monitoring and management

Groundwater

Groundwater extraction licences have been granted for the Nolans Project by the NTG, including a licence for water supply from the production borefield (March 2023) and another for dewatering in the proposed mine pit area (August 2022). Although none of the sourced groundwater originates from high, or extremely high water stress areas, the groundwater extraction licences will require substantial management and attention to detail over time. Ongoing monitoring, studies and modelling will run throughout the life of Nolans.

Early site works took place between February and October 2023. During this time, two months of groundwater abstraction occurred between August and October. Before, during and after these works, groundwater monitoring of the extensive network of bores both on and surrounding the Nolans site was undertaken, in accordance with Arafura's monthly, quarterly and annual groundwater licence monitoring schedule. Monitoring includes measurement of groundwater levels and water quality at defined intervals. Due to the limited period of abstraction, the data collected is still baseline in nature; the program is scheduled to continue in FY25.

CASE STUDY

Understanding our biodiversity

At Arafura, protecting the biodiversity values of the Nolans site and surrounds is a high priority. In FY24, we engaged specialist ecologists from EcOz Environmental Consultants to undertake our first annual biodiversity monitoring assessment at Nolans, since commencing site activities. The assessments will be conducted annually – as part of the performance assessment process defined by the Biodiversity Management Plan – and will build on the historical ecological data collected.

Species of interest include the Great Desert Skink (*Liopholis kintorei*), Brush-tailed Mulgara (*Dasycercus blythi*) and Central Australian Rock Wallaby (*Petrogale lateralis centralis*). The main objective is to collect data that can be used to identify if future operational activity could cause changes in the presence and activity of these threatened species and their predators. Survey findings will be integrated into the biodiversity management processes for Nolans to ensure areas of sensitivity are avoided.

As this was the inaugural annual assessment process (and full construction activities are yet to commence on site) monitoring data gathered will be treated as a baseline to compare future data to during operational activities.

Figure 8. Remote camera monitoring equipment, with sensors, on a Great Desert Skink burrow (photo credit: EcOz Environmental Consultants)

Figure 9. Great Desert Skink (right) intimidating a Sand Goanna (left) (photo credit: EcOz Environmental Consultants)

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Environmental Management *cont.*

Water meters were installed on several extraction bores in FY24, with further meters planned for installation in FY25. Data collection from the meters is contributing to a regional hydro census. This will provide a better understanding of current and future groundwater users in the region, along with how much water is being extracted. The data will be used to inform environmental management measures for implementation.

During FY24, Arafura prepared a Groundwater Adaptive Management Plan and updated Groundwater Monitoring Program. These recognise the importance of groundwater dependent ecosystems (GDEs) (such as the trees, plants and animals that utilise groundwater) and other groundwater users and communities. They identify the studies that we continue to undertake to determine if any GDEs are present at Nolans and, if so, where they are. The plan and program were submitted to the NTG for assessment and to fulfill requirements of the water licences. They include clear and measurable objectives that we will utilise when groundwater abstraction recommences, to monitor, measure and manage any identified GDEs and potential impacts to other groundwater users. As part of their preparation, we engaged with local Traditional Owners and surrounding pastoral station owners.

Dust

Dust samples continued to be collected monthly from permanent monitoring stations located around the project site. The samples are aggregated for annual analysis of a range of environmental parameters. Due to the limited time over which the early site works were completed, the dust analysis is largely indicative of baseline conditions.

Biodiversity

Our biodiversity surveys play a crucial role in assessing and mitigating any potential impacts from Nolans. These continued during FY24, as part of our commitment to monitoring the health of local species and their habitats. See case study on page 27 of this report for more detail regarding our work on this in the past year.

Environmental reporting

Annual compliance reporting on water licence conditions – and subsequent submission to the NTG regulator for assessment – continued during the year. Following completion of the early site works, we commenced our first annual environmental reporting obligations associated with the Mining Authorisation (for the NTG) and EPBC conditions of approval (for the Federal Government). Reports currently authorised for publication are available on the Arafura **website**.

Looking ahead

In FY25, we will continue to mature our ESMS, with a focus on implementation and continuous improvement of procedures, processes, systems and ways of working.

When construction activities recommence at Nolans, implementation of the ESMS will be a key priority, with a focus on compliance with the relevant licences and approved MMP and EMPs.

Implementation of the above-described environmental monitoring programs will also continue.

Disclosures relevant to Environmental Management can be found in Appendix I (Tables 11-12).

Links to relevant materials:

- ***Environmental Impact Statement***
- ***Arafura approvals***
- ***Environmental performance reporting***

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> To me, sustainability at Arafura means delivering the project at less than, or within, the baseline cost and schedule estimates, so that any impact on local communities and the environment is minimised.

Bhupesh
Project Controls Manager

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Health and Safety

The health, safety and wellbeing of our people is our highest priority. We have a safety-first culture and believe in empowering our people with the resources and capabilities they need to do their jobs well and safely. We show care and respect; to one another, our stakeholders and our communities. To us, nothing is more important than keeping people safe.

At Arafura, safety is central to everything we do.

We are pleased to report that, during FY24, our employees and contractors performed approximately 100,904 hours with no recordable injuries or dangerous events.

During the year, we further developed and implemented our Health and Safety Management System (HSMS) at the Nolans site during early works. We particularly focused on working collaboratively with our contractors on their unique risk profiles and to support their success in executing scopes of works.

Upon completion of the early site works, our health and safety (H&S) resources in the Perth office directed their focus to preparing and delivering scopes of work associated with the Environment and Social Action Plan (ESAP). Scopes of work included defining and agreeing site access and emergency response provisions with external parties, preparation of targeted management plans and alignment on continued site access procedures with Traditional Owners.

We engaged with the Northern Territory Government, its emergency response agencies and local emergency response stakeholders, to achieve a coordinated and efficient approach to emergency response planning and communications. We also identified and considered H&S software solutions for both the construction and operations phases of Nolans.

A focus of the work was to integrate the processes and requirements into our HSMS. We are also working towards accreditation from the Office of the Federal Safety Commissioner (OFSC) via its Workplace Health and Safety Accreditation Scheme.

Following completion of the early works, activities at the Nolans site were limited to periodic and ad hoc site visits to undertake activities such as environmental monitoring, minor asset maintenance and stakeholder due diligence. To support the health, safety and wellbeing of our people travelling to and from the project site to work on these activities, upgrades were made to infrastructure, equipment and communication capabilities.

The upgrades included, but were not limited to:

- Installation of CCTV with motion sensing and remote connectivity
- Provision of satellite phones and personal GPS tracking devices
- Journey management monitoring
- Wellness check-ins via the onsite security officers

Full-time onsite security presence has been maintained to manage site access and perform high visibility mobile patrols.

As the profile of Nolans grows within the local community, it's important that our people understand how to respond to any community enquiries in a culturally respectful way. During the year, we introduced protocols to help us confidently and respectfully interact with any interested community members.

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Aligned SDGs

> Sustainability at Arafura for me is responsible resource extraction for the benefit of people and minimal disturbance to the environment.
>
> **Ilya**
> Senior Process Engineer

Disclosures relevant to Health and Safety can be found in Appendix I (Tables 13-14).

Links to relevant materials:

- ***Environmental Health and Safety at Arafura***

Looking ahead

In FY25, we will continue integrating required actions from the ESAP into our HSMS.

We plan to apply for accreditation from the Office of the Federal Safety Commissioner (OFSC) via its Workplace Health and Safety Accreditation Scheme. Preparation for this includes having the OFSC undertake both workplace health and safety system verification and implementation audits.

To confirm our emergency preparedness and response procedures and processes, we aim to engage in the Ti Tree Local Emergency Plan Committee meetings and progress agreed outcomes with NT agencies and other stakeholders.

Our bespoke safety, health and wellbeing platform, Sense, will also continue to be rolled out and matured. This system reflects our shared responsibility for safety and wellbeing, in which each individual is empowered to be an active contributor. This will be supported by our Visible Leadership Program, implementation of psychosocial risk management measures, as well as verification and assurance activities.

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People and Culture

Arafura is committed to building and maintaining safe, respectful and inclusive work environments, where diversity is valued and our people are empowered to thrive. Our vision and values are at the core of our culture, driving our high-performing team as we work together for the benefit of all our stakeholders.

Our focus during FY24 was on building the necessary people-related structures and systems to prepare for the next phase of Nolans.

As the new Executive Leadership Team (ELT) formed, immediate priorities were to commence a review of Arafura's vision and values, and to create a behavioural framework designed to embed psychological safety and a culture of inclusion across our organisation as it grows.

Composition of our workforce

At the end of FY24, our workforce comprised a total of 55 team members, 28 of whom are direct employees and 27 embedded contractors.[1] We have 35% female representation across our workforce, and 60% female representation on our ELT,[2] and 3.5% of our workforce identifies as Aboriginal and Torres Strait Islander.

Fostering a diverse, inclusive and respectful culture

To realise our ambitious goals, we continue to focus on building a safe, respectful and inclusive culture that values diversity and where people are empowered to thrive. During FY24, we reviewed and enhanced all our people policies in line with the requirements outlined in the Environment and Social Action Plan (ESAP). We also implemented a suite of training relating to Respect@Work, anti-bullying and anti-harassment, and health and safety. This activity coincided with the introduction of the positive duty obligation in the *Sex Discrimination Act 1984 (Cth)*.

As part of our support for flexibility in the workplace, Arafura offers the ability to work from home; the uptake rate for this is high.

We conduct quarterly engagement surveys as a regular channel for collecting feedback and ideas and listening to our people. The results are shared within teams, and everyone is empowered to contribute to developing and implementing improvements.

We are committed to providing development opportunities through training, or the opportunity to work on cross-functional and challenging projects. We conduct remuneration reviews annually and undergo checks to ensure remuneration remains fair, equitable and in line with market conditions.

The year was another active one for our social club. We arranged multiple wellbeing initiatives and awareness campaigns each month, including activities to support International Women's Day, NAIDOC Week, Wear it Purple Day, R U OK? Day, step challenges and gym workout sessions. These activities are all aimed at promoting health and wellbeing and celebrating our diversity.

We strongly encourage a culture of giving back to the community through participation in charitable events and activities. This year, initiatives included in-office fundraising events for Cancer Council Australia and Jeans for Genes Day, as well as team members participating in Run for a Reason and City to Surf.

Looking ahead

In the coming year, we will continue to refine and shape our desired future culture. This will include finalising our behavioural framework and continuing to mature our remuneration and benefit frameworks. This will help us engage and empower our people to progress Nolans.

[1] *These figures do not include non-executive directors.*
[2] *Excludes Managing Director and CEO Darryl Cuzzubbo who is represented in Board composition figures.*

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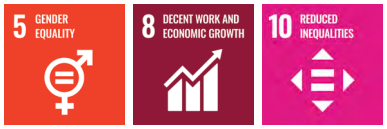
Aligned SDGs



> Maintaining the balance in the Arafura vision and values is a product of the collaboration within and between our people. We act as one for a common purpose.

Paul
Senior Project Manager

FY24 highlights

Achieved 60:40 (female to male) gender diversity on the Executive Leadership Team[3].

100% of employees and embedded contractors completed all mandatory training courses on creating and maintaining a safe, respectful and inclusive culture

Developed our Human Rights Policy

[3] *Excludes Managing Director and CEO Darryl Cuzzubbo who is represented in Board composition figures.*

Disclosures relevant to People and Culture can be found in Appendix I (Tables 15-19).

Respecting human rights

In FY24, we developed our Human Rights Policy, which outlines our commitment to respecting internationally recognised human rights and governs our approach to protecting them.

As part of this, we commenced an in-house human rights risk assessment to identify potential human rights risk areas and develop mitigation strategies. Human rights in the supply chain is a key area of focus. In partnership with our suppliers we will continue to work through our processes to proactively identify and mitigate human rights risks in our supply chain. In the coming year, we will continue to complete the assessment and embed the required processes within our risk framework.

Providing appropriate grievance mechanisms is central to understanding and mitigating human rights risks. During the year, we designed and established clear grievance mechanisms for: the community and external stakeholders (including a more personal channel for local communities); employees; and contractors.

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Supply Chain

At Arafura, we guide our suppliers towards enhancing their ethical, social and environmental practices. Our focus is on sourcing goods and services from businesses local to the Nolans Project to maximise economic and social benefits for Alice Springs and its surrounds, the Northern Territory and, where possible, across Australia.

Local procurement

At Arafura, we recognise that a sustainable supply chain is essential for responsible and effective operations. By optimising local opportunities and promoting responsible sourcing practices, we can generate environmental and social opportunities from our business activities. A supply chain that adheres to these principles not only benefits stakeholders but also ensures the long-term viability of our operations.

We are committed to local sourcing of goods and services because it stimulates and supports local businesses and communities. Local businesses also provide us with unique insights and capabilities, and we aim to position ourselves to assist smaller businesses to meet their development needs.

This is the rationale behind our preference for a 'buy local first' approach when procuring certain goods and services. Strengthening our ties with local businesses and services will be a priority following a final investment decision. Following this, we will continue to procure a variety of services, office and safety equipment, as well as general consumables from businesses in Alice Springs.

Sourcing from non-local suppliers occurs only after thoroughly exploring local options and determining what aligns with the best interests of Nolans. As part of this process, we also identify potential to develop local suppliers into competitive partners for the future. For national suppliers, or those primarily operating outside of Alice Springs, we will encourage them to establish a presence in Alice Springs wherever it is practical and economically viable.

Nolans targets high local supplier engagement. It will involve Australian businesses and labour in various sectors, including earthworks, roadworks, construction, transport, logistics and mine site preparation. We mandate that all our major construction companies and service providers, even those based outside the Alice Springs area, report their spending on local and Indigenous businesses to ensure a portion of their earnings is reinvested in the Alice Springs community.

We anticipate that the multiplier effect from construction activities – along with future procurement of goods and services to support commissioning and operational phases – will yield substantial employment opportunities and economic benefits for Alice Springs and the broader Northern Territory communities.

We maintain a comprehensive register of suppliers operating in Alice Springs and the Northern Territory, which includes Indigenous-owned and operated companies, particularly those registered through the Office of the Registrar of Indigenous Corporations.

We will actively promote procurement and contracting opportunities to suppliers in Alice Springs and the Northern Territory through the ICN Gateway business engagement portal. Suppliers can express their general interest and capabilities, or register for specific goods and services packages via this portal, ensuring they are notified of new opportunities as they arise.

Additional details on how suppliers can engage with Arafura are available on our website.

Over the past year, the Nolans team has intensified its strategy to divide some construction activities and supporting services into smaller, more manageable scopes of work tailored for local suppliers. This approach has led to promising future opportunities as engineering works have progressed.

Following receipt of Board approval to engage with suppliers, we plan to conduct another supplier roadshow, similar to our successful 2022 Northern Territory event, in key locations such as Alice Springs. We aim for our primary contractors to participate, ensuring that indirect opportunities are also highlighted. Additionally, an online component will complement this roadshow.

These sessions will be designed to guide local suppliers on how to engage with Nolans, while allowing the project team and its main contractors to better understand local supplier capabilities. This initiative will also help expand our database of local suppliers.

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Aligned SDGs

> The benefits are shared with the local community to create sustainable jobs, provide opportunities to Traditional Owners and uplift the economy in the Alice Springs region.

Yemaya
Senior Environmental Scientist

Supplier pre-qualification self-assessments

We are dedicated to continuous improvement and, as part of this commitment, we have made significant enhancements to our supplier qualification process. Our updated approach not only streamlines the overall procedure but also reinforces our due diligence practices.

The refined qualification process now incorporates evaluation of several critical areas, including:

- Anti-bribery and corruption measures
- Supply chain traceability
- Modern slavery prevention
- Data protection protocols
- Ethical business practices
- Financial stability
- Health, safety and quality standards

These enhancements ensure that we maintain high standards in our supplier relationships, while fostering a responsible and ethical supply chain. We will be placing a greater emphasis on independent third-party supplier assessments when the scope and nature of the potential engagement warrants a more thorough review.

Disclosures relevant to Supply Chain are in development and will be reported in future years.

Links to relevant materials:
- *Nolans Project ICN Gateway*
- *Arafura website – Engaging with the project*
- *Nolans Project Roadshow Presentation*
- *Nolans Project – Execution and Contracting Strategy*
- *Nolans Project – Minor Contract*
- *Nolans Project – Mid-tier Contract*
- *Nolans Project – Major Contract*

Ethical sourcing

Supply chain transparency is fundamental to our commitment to ethical sourcing practices. We aim to embody our core values in every interaction with potential suppliers and, in return, we expect their conduct to reflect these values. To formalise this expectation, we will introduce a Supplier Code of Conduct in FY25.

We are pleased to report that, to our knowledge, none of our current suppliers are linked to child labour or forced/compulsory labour practices. To uphold this standard, we are dedicated to employing third-party services to assess claims made by potential suppliers, as well as their sub-suppliers, particularly when it involves supply from higher-risk regions.

Continuous improvement

The environment in which we operate is continuously evolving; as such, we are dedicated to the ongoing enhancement of our responsible and sustainable supply chain practices.

We routinely assess and refine our supply chain practices to align with changing industry standards and stakeholder expectations.

Building trust and goodwill is paramount to us and essential for the success of the Nolans Project. Although we are newcomers to the mining and resources sector, we hold ourselves accountable to established industry practices. We maintain high expectations for ourselves, which are mirrored by our stakeholders and potential partners.

Looking ahead

Once our Board reaches its final investment decision, we anticipate a significant acceleration in contract and procurement activities. Our Supply Chain team is committed to integrating sustainability criteria into every sourcing and procurement decision. As we, and our partners, source equipment and fabrication globally, we will ensure compliance with sustainability standards through comprehensive supplier screening, facility inspections and diligent performance monitoring, supported by regular reporting.

While the majority of opportunities for local suppliers will likely arise from site construction, and associated support and subcontracting needs, we will actively encourage head contractors to foster and develop relationships with local suppliers who align with Arafura's values.

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Indigenous Partnerships

At Arafura, we recognise the unique privilege we have in developing the Nolans Project on Anmatjere Country. We have deep respect for Traditional Owners and our local communities. Partnering with them to maximise cultural, environmental, social and economic benefits remains central to how we define success.

Penangke was the proud recipient of the Best Blak Consultancy Business of Year 2024

During FY24, we continued to partner with Traditional Owners – the Anmatjere People – and our local Indigenous communities to explore opportunities that create pathways for intergenerational wealth creation and social benefit for people in the region.

Support for Aboriginal and Traditional Owner businesses

In FY24, we established our Local and Indigenous Business Growth Program. We worked closely with a range of government and industry bodies to identify opportunities for existing Indigenous-owned businesses and for the development of new Indigenous-owned businesses. The program will also help with capability and capacity building, professional services and connection to potential external funding sources to support business growth.

The first two beneficiaries of this program are Penangke Cultural Consultants and The Blak Line. During the year, we engaged both of these 100% Indigenous-owned businesses to consult with our local communities on workforce and training opportunities, project development updates, cultural and environmental matters.

Penangke was the proud recipient of the Best Blak Consultancy Business of the Year award in August 2024 at the Northern Territory Indigenous Business Network, Blak Business Awards. Penangke is fast becoming an integral source of culturally appropriate consulting in the Northern Territory, winning contracts from both private and government sources. They have deep experience working with youth, in cross-cultural training and water resources, making them a highly valued partner for us.

The second business, The Blak Line, has played an integral role in keeping Nolans closely connected with community, via its local and family connections. This 100% Aboriginal female-owned business is also working with us to further develop potential transportation service contributions for the project. Community engagement, participation and cultural understanding has vastly matured since our partnership with The Blak Line. We are excited by the potential to create further intergenerational wealth opportunities by continuing to partner with this progressive and inspiring business.

Working with these Aboriginal-owned consulting businesses has allowed Arafura to explore new opportunities with the Traditional Owners and local communities to integrate environmental sciences and cultural knowledge into water and environmental management plans. These opportunities show prospects for meaningful employment, education and training opportunities for Traditional Owners and the development of a balanced cultural and scientific knowledge base of the ecosystem and natural resources surrounding the project.

A commitment to collaboration and co-design

Aligning with our Native Title commitments, we collaborate with the Central Land Council (CLC) to keep Traditional Owners and local communities informed about the project's progress and its developing opportunities. The CLC has been instrumental in helping to build trusted relationships. This has helped us to hear and understand the requirements of Traditional Owners and local communities and to act in their best interests.

We have been working with the CLC and Traditional Owners to co-design processes that will form the basis for employment pathways, community development, environmental and cultural heritage management and protection initiatives. We established a Project Liaison Committee during FY24 as a result of this process. The committee includes Traditional Owners, elected by their communities, to represent community interests and work with the CLC and Arafura on related project opportunities. The committee is empowered to create its own sub-committees to work on individual opportunities that arise as part of Nolans. This collaborative and co-design approach empowers Traditional Owners, putting them at the heart of decision making, to help achieve the significant financial, cultural and social benefits that Nolans can deliver.

We are also committed to collaborating with government, industry associations, education, employment, health and service providers, and other related bodies, to co-design and develop our employment and community development programs.

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Aligned SDGs

> At Arafura, we show our dedication to all aspects of sustainability through our documentation and commitments. We have very regular communication with stakeholders, including our Indigenous partnerships. Ultimately the intended final product at Arafura will enable a better, sustainable energy solution.

Daniel
Manager Environment

Creating employment opportunities

To date, Traditional Owners and local Indigenous community members have benefited from early employment opportunities, receiving paid work for their participation in:

- Community consulting meetings
- Cultural heritage surveys (environmental)
- Water and environment management consultancy
- Catering
- Contracting
- Arts
- Native Title Holder meetings
- Project Liaison Committee meetings
- Employment consulting

Further employment opportunities have been provided for Anmatjere translators through the Northern Territory Government's Aboriginal Translator Services. The translators play a key role in facilitating mutually beneficial understanding between Arafura and the community. The community better understands the project and its opportunities, and Arafura benefits from a deep understanding of the matters of importance for Traditional Owners and local communities.

Disclosures relevant to Indigenous Partnerships can be found in Appendix I (Table 21).

Links to relevant materials:

- ***ASX Announcement - Native Title Agreement Executed for Nolans Project (26 June 2020)***

Community support

Through our Indigenous Youth Partnerships Program, we are demonstrating our commitment to supporting Indigenous youth and future generations. We have engaged expert organisations, such as Clontarf Foundation, who provide critical support services to Indigenous youth across the nation, improving their educational, career and life outcomes. We have offered the same commitment of support to the Stars Foundation. In committing equal funding to both organisations, we are ensuring a balance of support for both boys and girls in the region. Our Indigenous Youth Partnerships Program will also provide Indigenous youth access to our employment and training programs to improve wealth and wellbeing opportunities.

Sport plays a big part in community life, and we were proud to support the local community football team, from 6 Mile in the Ti Tree region, by providing shorts and socks for their uniform. The team went from strength to strength as the season progressed, contributing greatly to community wellbeing.

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Stakeholders and Communities

We truly value our stakeholders and communities. Genuine and meaningful engagement with them is always our goal; we see this as engagement that aligns with stakeholder needs and benefits our Central Australian communities and the wider Northern Territory. We are proud that our authentic principles and partnerships will continue to cultivate the best outcomes for the region.

In FY24, we continued to actively engage with our communities and stakeholders, ensuring a balanced approach across community, cultural, commercial, environmental, essential service providers and government stakeholders.

These engagements took place at all levels: locally, regionally, across the Northern Territory and nationally. We also attended government, community and industry events with the purpose of maintaining relationships and advocating for stakeholders on important social, cultural, environmental and commercial matters.

Throughout the year, we have kept our stakeholders and communities informed of the status of Nolans and its associated opportunities and challenges. We commit to resolving these for the benefit of all stakeholders and to conducting all interactions in a culturally sensitive and respectful manner.

Figure 10. Arafura Rare Earths team meeting with Alice Springs Town Council members

Disclosures relevant to Stakeholders and Communities can be found in Appendix I (Table 20).

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Aligned SDGs

“Sustainability at Arafura to me means committing to understanding and supporting equally our cultural, environmental, social and commercial responsibilities. Then by partnering with our Traditional Owners, communities, customers and the rest of our stakeholders, improve our performance on these pillars year-on-year, as we strengthen and grow our core principles.”

Stewart
Manager Northern Territory

Community Benefit Program continues to develop

Our Community Benefit Program (CBP) is designed to deliver tailored support to local communities by addressing their specific needs and priorities. During the year, we began comprehensive community needs assessments, which will continue into FY25. These assessments will identify key areas of concern and opportunities for development in sectors such as education, health, infrastructure, environment, cultural preservation and sports. We will work closely with our stakeholders to analyse the results of the needs assessments and co-develop a targeted CBP that addresses identified gaps.

To fund and implement projects under the CBP, resources will be pooled from Arafura, government agencies and other stakeholders. This collaborative approach will ensure that initiatives are community driven and meet real community needs.

Community Benefit Program principles

During the year, we developed six key principles, which underpin the Community Benefit Program (CBP).

Cultural respect and sensitivity

Involve Aboriginal Elders and leaders in planning and decision-making processes and ensure programs are designed to align culturally and in accordance with need.

Collaborative governance and decision making

A commitment to shared decision making.

Shared value creation

Focus on creating shared value by aligning community benefits with business objectives.

Sustainable development and capacity building

A focus on long-term sustainability and building capacity within local communities to manage and benefit from the programs independently.

Transparency and accountability

Ensure the CBP operates with full transparency and accountability.

Continuous improvement and adaptability

Regularly review and evaluate the plan and associated programs/projects to respond to changing circumstances and community needs.

Appendices

Appendix I — Disclosures

Appendix II — GRI Index

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Appendix I — Disclosures

Sustainability element - Responsible Business Practices

Table 1 Governing body

Board member	Role	Independence	Tenure during the period	Tenure as at 30 June 2024	Number of other significant positions and commitments, and the nature of the commitments	Gender	Membership of under-represented groups	Stakeholder representation
Mark Southey	Non-Exec. Chairman	Independent	1 July 2023 - 30 June 2024	6 years and 5 months	Independent Non-Exec. Director - Fleetwood Corp. (ASX: FWD)	M	No	No
Gavin Lockyer[1]	Managing Director and Chief Executive Officer	Non-independent	1 July 2023 - 5 February 2024	10 years and 2 months	None	M	No	No
Chris Tonkin	Non-Exec. Director	Independent	1 July 2023 - 30 June 2024	13 years and 6 months	None	M	No	No
Cathy Moises	Non-Exec. Director	Independent	1 July 2023 - 30 June 2024	4 years and 7 months	Chairperson - Pacgold Ltd Chairperson - Australian Potash Ltd Non-Exec Director - Podium Minerals Ltd	F	Yes	No
Darryl Cuzzubbo	Managing Director and Chief Executive Officer	Non-independent	5 February 2024 - 30 June 2024	5 months	None	M	No	No
Darryl Cuzzubbo	Non-Exec. Director	Independent	1 July 2023 - 5 February 2024	2 years and 4 months	None	M	No	No
Mike Spreadborough	Non-Exec. Director	Independent	8 April 2024 - 30 June 2024	3 months	Exec. Co Chairman - Novo Resources Ltd	M	No	No
Roger Higgins	Non-Exec. Director	Independent	8 April 2024 - 30 June 2024	3 months	Non-Exec. Director - Worley Parsons Ltd Non-Exec. Director - Hillgrove Resources Ltd	M	No	No

[1] *Note that Gavin Lockyer joined Arafura in 2006 as Chief Financial Officer and Company Secretary.*

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Sustainability element - Responsible Business Practices *cont.*

Table 2 Anti-bribery and anti-corruption

Disclosure	FY22	FY23	FY24
Total % of the Board members (executive and non-executive), senior leadership and Board committees that have received anti-corruption training	0%	0%	100%
Total % of employees that have received anti-corruption training	0%	0%	100%
Total % of business partners that have received anti-corruption training	0%	0%	0%
Total % of Board members and employees who have received a copy of the Anti-Bribery and Corruption Policy	100%	100%	100%
Total number of confirmed corruption incidents that relate to previous years	0	0	0
Total number of confirmed corruption incidents that relate to the current FY	0	0	0
Nature of each of the corruption incidents confirmed	Not applicable	Not applicable	Not applicable
Total number of public legal cases regarding corruption brought against the organisation or its employees during the reporting period	0	0	0

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Table 3 Ethical and lawful behaviour

Disclosure	FY22 & FY23	FY24
Internal mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity.	There is a commitment from the Board, management and staff to adhere to Arafura's values. Internal mechanisms and points of contact are described in Arafura Rare Earths Limited Code of Conduct, Whistleblower Policy, and Securities Trading Policy. All staff, upon commencement of employment, are required to acknowledge these policies and are re-sent the policies annually for acknowledgment. Staff also have access to Arafura's Employee Assistance Program.	Employees and contractors can seek guidance on ethical and lawful conduct through our designated Whistleblower Protection Officer or senior management, this ensures that inquiries are handled confidentially and supportively.
External mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity.	The external mechanisms for seeking advice are described in Arafura's policies as noted above, in particular the Whistleblower Policy.	Individuals may consult independent legal representatives or other bodies for advice on ethical issues, ensuring they receive independent guidance that aligns with legal standards.
Internal mechanisms for reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.	The internal mechanisms for reporting concerns are the same as those for seeking advice and are described in Arafura's policies.	Arafura policy encourages internal reporting through established channels, such as the Whistleblower Protection Officer, allowing for confidential disclosures that are investigated thoroughly while protecting the discloser's identity.
External mechanisms for reporting concerns about unethical or unlawful behaviour and lack of organisational integrity.	The external mechanisms for reporting concerns are described in Arafura's policies as noted above, in particular the Whistleblower Policy.	Employees can also report concerns to external authorities, including the Company's external auditor, registered tax agent or regulatory bodies, if they believe internal mechanisms are inadequate, particularly in cases involving public interest or imminent danger, ensuring robust oversight of Arafura's practices.
Total number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant.	None	None

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Sustainability element - Responsible Business Practices *cont.*

Table 4 Economic contribution

Disclosure	FY22	FY23	FY24
Revenue	$0	$0	$0
Operating costs[1]	$28 million	$86 million	$78 million
Employee wages and benefits (direct employees only)	$2.8 million	$3.8 million[2]	$5.3 million
Payments to providers of capital	$0	$0	$0
Payments to government	$0	$497,113	$1.44 million[3]
Total monetary value of financial assistance received by Arafura from any government during the FY reporting period	$0	$6 million	$9 million
Profit	ARU is not yet in production and operation.	ARU is not yet in production and operation.	ARU is not yet in production and operation.

[1] *Whilst the Nolans Project is not in operation phase, the operating costs refer to Nolans Project development expenses, as captured in the Annual Report (Refer to Profit and Loss Statement).*
[2] *Updated the employee wages and benefits for FY23, previousely reported as $3.85 million. This number comprises gross wages (less PAYG deductions) and superannuation.*
[3] *Payments to the government include: Northern Territory Government for security levies, bonds and tenement rents (bond of $1.37 million paid in June 2024) and Australian Government for penalty for breach of conditions ($16,500).*

Table 5 Taxes paid

Disclosure	FY22	FY23	FY24
Corporate income tax	$0	$0	$0
Property tax	$0	$0	$0
Net GST paid	$50,057[1]	$166,092	$0
Other sales tax	$0	$0	$0
Employer-paid payroll taxes	FBT: $4,369 Payroll tax: $353,610 PAYG: $1,325,724	FBT: $33,665 Payroll tax: $394,379 PAYG: $1,661,087	FBT: $26,664 Payroll tax: $486,852 PAYG: $2,642,947

[1] *Note that this is the net GST paid to the ATO. In FY22, $3,175,613 was reported - this was a total GST paid to the ATO, which did not account for the amount that Arafura was refunded from the ATO.*

Table 6 Financial investments

Disclosure	FY22	FY23	FY24
CapEx minus depreciation spent in FY	$146,407	$252,287	$115,588[1]
Share buy backs	0	0	0
Dividend payments	$0	$0	$0

[1] *Note that this does not include any capital expenditure on the project. All development costs in relation to the Nolans Project are expensed to profit and loss as 'project costs', until such time as a final investment decision is made.*

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Table 7 Total R&D expenses

Disclosure	FY22	FY23	FY24
Total spent on R&D in FY	$313,973 of which Arafura received a tax refund of $152,277.	$436,950 of which Arafura received a tax refund of $211,920.[1]	Estimated expenditure $127,021 of which Arafura expects to receive a tax refund of $61,605. Note that the FY24 tax return had not been lodged at the time of preparation of this report.

[1] *Estimated expenditure reported in FY23. Actual expenditure updated.*

Sustainability element - Climate Change

Table 8 Greenhouse gas emissions

Disclosure	FY22	FY23	FY24
Metric tonness of carbon dioxide equivalent GHG Protocol Scope 1 and Scope 2 emissions.	69 tCO_2eq	722 tCO_2eq	591 tCO_2eq
Gross direct (Scope 1) GHG emissions in metric tonnes of CO_2 equivalent.	12 tCO_2eq	678 tCO_2eq	548 tCO_2eq
Gross location-based energy indirect (Scope 2) GHG emissions in metric tonness of CO_2 equivalent.	57 tCO_2eq	44 tCO_2eq	43 tCO_2eq

Table 9 Energy consumption

Disclosure	FY22	FY23	FY24
Total fuel consumption from non-renewable sources, in joules or multiples (include fuel types used).	Not disclosed	9,662 GJ	7,778 GJ
Total fuel consumption from renewable sources, in joules or multiples (include fuel types used).	Not disclosed	0	0
In joules, watt-hours or multiples, the total:			
Electricity consumption	Not disclosed	75,076 kWh	81,600 kWh
Heating consumption	Not disclosed	0 kWh	0 kWh
Cooling consumption	Not disclosed	0 kWh	0 kWh
Steam consumption	Not disclosed	0 kWh	0 kWh
Total	Not disclosed	75,076 kWh	81,600 kWh
Total energy consumption within the organisation, in joules or multiples.	Not disclosed	9,933 GJ	8,072 GJ

Table 10 TCFD implementation

Disclosure	FY24
Have you fully implemented the recommendations of the TCFD?	Arafura commenced implementation of the TCFD disclosures in FY24. Progress of implementation is described in the 'Climate Change' section.
When will Arafura implement TCFD?	
Have you set GHG emissions target aligned with the Paris Agreement?	Yes. Arafura has committed to achieve net zero by 2050 in accordance with the Science Based Targets initiative (SBTi), which requires emissions reductions in line with the goals of the Paris Agreement. Arafura released its GHG Emissions Reduction Pathway for the Nolans Project on 31 January 2023. See ASX release: https://wcsecure.weblink.com.au/pdf/ARU/02626013.pdf

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Sustainability element - Environmental Management

Table 11 Freshwater availability

Disclosure	FY22	FY23	FY24
Total water withdrawn by Arafura in FY in on site operations (in ML) and broken down by:	0	6 ML	7.3 ML
• Portion of water withdrawn in high or extremely high-water stress areas	0% - None of Arafura's operations are within areas of high or extremely-high water stress	As per FY22	As per FY22 & FY23
• Total water discharge to all areas (in ML)	0	0	Water withdrawn over a two month period was used for the early works completed at the Nolans site - primarily for dust supression on roads and other work activities.

Table 12 Biodiversity

Disclosure	FY22	FY23	FY24
Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of Arafura, by level of extinction.	• Critically endangered: 0 • Endangered: 0 • Vulnerable: 2 Central Australia Rock Wallaby (*Petrogale lateralis centralis*), Great Desert Skink (*Liopholis kintorei*). • Near threatened: 0 • Least concern: 0	As per FY22	As per FY22 & FY23
Number of sites owned, leased or managed that are in or adjacent to key biodiversity areas (and the hectares of each site).	• One site leased. Perth Office - Head Office is in the CBD of Perth, Western Australia, within the Northern Swan Coastal Plain. www.keybiodiversityareas.org/site/factsheet/26933 • Total ha of site is: 0.06 ha.	As per FY22	As per FY22 & FY23

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Sustainability element - Health and Safety

Table 13 Health and Safety performance

Disclosure	FY22	FY23	FY24
Number (and rate) of fatalities in FY in Arafura's employees and contractors	0	0	0
Number of 'high consequence' injuries in FY in Arafura's employees and workers	0	0	0
Number of recordable work-related injuries in FY in Arafura's workers	0	1 medical treatment injury (MTI)	0
Types of work-related injuries	Not applicable	Human energy	Not applicable
Total number of hours worked by Arafura employees and contractors in FY	66,873	147,877 (Integrated Project Management Team (IPMT) and Non-Process Infrastructure (NPI), Hatch January – July) Specific contractor data is unvalidated at 4,731	100,904 (Integrated Project Management Team (IPMT), Non-Process Infrastructure (NPI) and Contractors)
Does Arafura provide access to non-occupational medical and healthcare services?	Yes. All employees have access to an employee assistance program (EAP).	Yes. All employees have access to an employee assistance program (EAP).	Yes. All employees have access to an employee assistance program (EAP).
What is the scope of the access provided?	To deliver a range of services for work or non-work-related issues designed to enhance employee wellbeing using counselling, prevention, and intervention strategies.	As per FY22	As per FY22 & FY23
How does Arafura facilitate this access?	Access is provided through an operated 24-hour phone service.	As per FY22	As per FY22 & FY23
Number and percentage of all employees and contractors who are covered by an OH/S management system	Not disclosed	Employees 78 (100%)[1] Contractors 53 (100%)[2]	Employees 55 (100%)[3] Contractors 2 (100%)[4]

[1] *Inclusive of 53% embedded contractors.*
[2] *Inclusive of all non-embedded contractors.*
[3] *Inclusive of 47% embedded contractors.*
[4] *Inclusive of all non-embedded contractors.*

Table 14 Health and Safety training

Disclosure	FY22			FY23			FY24		
	Number of people	Total	Av. per person	Number of people	Total	Av. per person	Number of people	Total	Av. per person
H&S training provided	Not disclosed	Not disclosed	Not disclosed	251	251[1]	1 hour	102	102[1]	1 hour

[1] *Includes site-based safety training. Note that all other safety related training for employees and embedded contractors is captured in Appendix I - People and Culture, Table 18 Training and Performance Reviews*

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Sustainability element - People and Culture

Table 15 Diversity and inclusion

Disclosure	FY22	FY23	FY24
Percentage by employee category[1]			
Full-time	76%	63%	44%
Part-time	7%	6%	7%
Casual	4%	0%	0%
Contractor	13%	29%	49%
Fixed-term	Not disclosed	1%	0%
Percentage by gender			
Male	67%	68%	65%
Female	33%	31%	35%
Other	0%	1%	0%
Percentage of employees per age group			
18-30 years old	20% (reported as under 31)	18%	7%
31-50 years old	52%	55%	64%
51-70 years old	28% (reported as over 50)	27%	29%
Over 70 years old	Not disclosed	0%	0%
Percentage by other diversity measures			
Indigenous	0%	3%	3.5%
Percentage of individuals within the organisation's governance bodies by gender[2]			
% of all employees in governance body	Not disclosed	14%	11%
% of males in governance body	Not disclosed	17%	8%
% of females in governance body	Not disclosed	8%	16%
Percentage of individuals within the organisation's governance bodies by age group[2]			
18-30 years old	Not disclosed	7%	0%
31-50 years old	Not disclosed	16%	9%
51-70 years old	Not disclosed	14%	19%
Over 70 years old	Not disclosed	0%	0%
Total number of incidents of discrimination during the reporting period	Not disclosed	0	0

[1] *In FY23, 53% of people were employed by outside organisations on a secondment basis to Arafura (embedded contractors), but are considered employees for reporting if they source all of their income through working on the Nolans Project. In FY24, this was 50%.*

[2] *Excludes Non Executive Directors.*

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Table 16 Pay equality

Disclosure	FY22		FY23		FY24	
	Base salary	Total remuneration	Base salary	Total remuneration	Base salary	Total remuneration
Ratios of pay – full-time employees						
Male : Female	146%	147%	175%	185%	164%	164%
Under 31 years old : 31-50 years old	57%	57%	51%[1]	50%[1]	48%	48%
31-50 years old : 51-70 years old	76%	76%	79%	73%	62%	62%
Ratios of pay – contractors						
Male : Female	Not disclosed	Not disclosed	129%	129%	125%	125%
Under 31 years old : 31-50 years old	Not disclosed	Not disclosed	109%	109%	N/A[2]	N/A[2]
31-50 years old : 51-70 years old	Not disclosed	Not disclosed	80%	80%	94%	94%

[1] *Data corrected to reflect comparison of Under 31 year old to 31-50 year olds, as shown for FY22 and FY24.*
[2] *No under 31 year olds.*

Table 17 Wage levels

Disclosure		FY22	FY23	FY24
CEO total remuneration as a percentage of median total remuneration of employees		242%	289%	344%
Ratio of lowest wage to minimum wage[1]				
Male	Full-time - lowest wage: minimum wage	1.4	1.5	2.7
	Part-time - lowest wage: minimum wage	1.1	Not applicable	Not applicable
	Casual - lowest wage: minimum wage	3.2	Not applicable	Not applicable
	Contractor - lowest wage: minimum wage	Not applicable	2.3	1.5
Female	Full-time - lowest wage: minimum wage	1.2	1.2	1.7
	Part-time - lowest wage: minimum wage	1.6	1.9	1.5
	Casual - lowest wage: minimum wage	1.7	Not applicable	Not applicable
	Contractor - lowest wage: minimum wage	Not applicable	1.7	2.0

[1] *For FY23 - minimum wage based on the Australian mining industry minimum wage: full-time = AUD$23.05; part-time = AUD$23.05; casual = AUD$28.81. The disclosures provided above for FY23 assume 1,950 hours per annum.*
For FY24 - minimum wage based on the Australian mining industry minimum wage: full-time = AUD$24.28; part-time = AUD$24.28; casual = AUD$30.35.

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Table 18 Training and performance reviews

Disclosure	FY22			FY23			FY24		
	Number of people	Total hours	Av. hours per person	Number of people	Total hours	Av. hours per person	Number of people	Total hours	Av. hours per person
Training provided by employee category									
Full-time	35	1,338	38	50	1,108	23	24	224	9
Part-time	3	18	6	5	37	7	4	23	6
Casual	2	41	21	0	0	NA	0	NA	NA
Contractor	6	0	0	23	184	8	27	126	5
Training provided by gender									
Male	31	1,028	33	53	1,033	20	36	199	6
Female	15	369	25	24	296	12	19	174	9
Other	0	0	0	1	0	0	0	NA	NA
	Number of people	Total exp.	Av. exp. per person	Number of people	Total exp.	Av. exp. per person	Number of people	Total exp.	Av. exp. per person
Training and development expenditure									
Full-time	35	$5,672	$162	50	$223,667	$4565	24	$24,500	$1,021
Part-time	ND	ND	ND	5	$4,849	$970	4	$818	$204
Casual	ND	ND	ND	0	$0	$0	0	NA	NA
Contractor	ND	ND	ND	23	$34,581	$1504	27	$6,112	$226
	Number of people	% of gender		Number of people	% of gender		Number of people	% of gender	
% of total employees by gender who received a regular performance and career development review during the reporting period									
Male	ND	ND		40	75%		36	100%	
Female	ND	ND		22	92%		16	94%	
Other	ND	ND		1	100%		0	NA	
% of total employees by employee category who received a regular performance and career development review during the reporting period									
Full-time	ND	ND		48	96%		22	96%	
Part-time	ND	ND		4	80%		4	100%	
Casual	ND	ND		0	0%		0	NA	
Contractor	ND	ND		11	48%		27	100%	

Note: NA - Not applicable and ND - Not disclosed

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Table 19 Absolute number and rate of employment

Disclosure	FY22			
	# of new hires	% of new hires	# of employees who left	% of employees who left
Number of new and leaving employees by gender				
Male	7	50%	4	67%
Female	7	50%	2	33%
Other	0	0%	0	0%
Total	14		6	
Number of new and leaving employees by age				
Under 31	3	21%	1	17%
31-50 years old	8	57%	4	67%
Over 50 years old	3	21%	1	17%
Total	14		6	
Number of new and leaving employees by other diversity measures				
Indigenous	0	0%	0	0%

	FY23			
	# of new hires	% of new hires	# of employees who left	% of employees who left
Number of new and leaving employees by gender				
Male	24	67%	6	43%
Female	11	31%	8	57%
Other	1	3%	0	0%
Total	36		14	
Number of new and leaving employees by age				
18-30 years old	8	22%	2	14%
31-50 years old	19	53%	11	79%
51-70 years old	9	25%	1	7%
Over 70 years old	0	0%	0	0%
Total	36		14	
Number of new and leaving employees by other diversity measures				
Indigenous	2	6%	0	0%

	FY24			
	# of new hires	% of new hires	# of employees who left	% of employees who left
Number of new and leaving employees by gender				
Male	7	47%	26	63%
Female	8	53%	15	37%
Other	0	0%	0	0%
Total	15		41	
Number of new and leaving employees by age				
18-30 years old	1	7%	5	12%
31-50 years old	9	60%	22	54%
51-70 years old	5	33%	14	34%
Over 70 years old	0	0%	0	0%
Total	15		41	
Number of new and leaving employees by other diversity measures				
Indigenous	1	7%	1	2%

Sustainability element - Stakeholders and Communities

Table 20 Community investment

Disclosure	FY22	FY23	FY24
Community investment	Minor sponsorship and donations	$17,500	$8,400

Sustainability element - Indigenous Partnerships

Arafura is working towards disclosure on this sustainability element.

Table 21 Number of identified incidents of violations involving the rights of Indigenous peoples

Disclosure	FY22	FY23	FY24
Total number of identified incidents of violations involving the rights of Indigenous peoples during the reporting period	0	0	0

Sustainability element - Supply Chain

Arafura is working towards disclosure on this sustainability element.

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Appendix II — GRI Index

GRI content index

Statement of use	Arafura has reported the information cited in this GRI content index for the period 1 July 2023 - 30 June 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 2: General Disclosures 2021	2-1 Organisational details	• Arafura website: www.arultd.com/contact/
	2-2 Entities included in the organisation's sustainability reporting	• This FY24 Sustainability Report: section 'About us', page 8
	2-3 Reporting period, frequency and contact point	• This FY24 Sustainability Report: inside of front cover, page 2
	2-4 Restatements of information	• As identified in Appendix I - see table footnotes, where applicable.
	2-5 External assurance	• No dedicated assurance for this FY24 Sustainability Report • Note that an independent audit of the Arafura Rare Earths Limited Financial Report was completed and referenced in the Annual Report 2024: page 91 https://wcsecure.weblink.com.au/pdf/ARU/02841373.pdf
	2-6 Activities, value chain and other business relationships	• This FY24 Sustainability Report: section 'About us', page 8; and section 'Developing the Nolans Project', from page 14
	2-7 Employees	• This FY24 Sustainability Report: Appendix I, Table 19 Absolute number and rate of employment
	2-8 Workers who are not employees	• This FY24 Sustainability Report: Appendix I, Table 19 Absolute number and rate of employment
	2-9 Governance structure and composition	• This FY24 Sustainability Report: section 'Responsible Business Practices', from page 18; and Appendix 1, Table 1 Governing body • Arafura website: www.arultd.com/corporate/board/
	2-10 Nomination and selection of the highest governance body	• This FY24 Sustainability Report: section 'Responsible Business Practices', from page 18 • Arafura website: www.arultd.com/wp-content/uploads/2023/02/1_0_ARU_-_Board_Charter.pdf
	2-11 Chair of the highest governance body	• This FY24 Sustainability Report: section 'Message from the Chair and Managing Director', page 6 • Arafura website: www.arultd.com/corporate/board/
	2-12 Role of the highest governance body in overseeing the management of impacts	• This FY24 Sustainability Report: section 'Responsible Business • Practices', from page 18 • Arafura website - Board Charter www.arultd.com/wp-content/uploads/2023/02/1_0_ARU_-_Board_Charter.pdf
	2-13 Delegation of responsibility for managing impacts	• Arafura website - Board Charter www.arultd.com/wp-content/uploads/2023/02/1_0_ARU_-_Board_Charter.pdf

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GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	• Arafura website - www.arultd.com/wp-content/uploads/2023/02/8_0_Sustainability_Committee_Charter.pdf
	2-15 Conflicts of interest	• Arafura website - Board Charter www.arultd.com/wp-content/uploads/2023/02/1_0_ARU_-_Board_Charter.pdf • Arafura website - www.arultd.com/wp-content/uploads/2023/02/2_1_Code_of_Conduct.pdf
	2-16 Communication of critical concerns	• Arafura website - Board Charter www.arultd.com/wp-content/uploads/2023/02/1_0_ARU_-_Board_Charter.pdf; and Board Risk Management Committee Charter www.arultd.com/wp-content/uploads/2023/04/2_8_Risk_Management_Committee_Charter.pdf
	2-17 Collective knowledge of the highest governance body	• Arafura website www.arultd.com/wp-content/uploads/2023/02/1_0_ARU_-_Board_Charter.pdf
	2-18 Evaluation of the performance of the highest governance body	• This FY24 Sustainability Report: section 'Responsible Business Practices', from page 18 • Arafura Annual Report 2024: https://wcsecure.weblink.com.au/pdf/ARU/02841373.pdf, see Remuneration Report section, from page 36
	2-19 Remuneration policies	• Arafura Annual Report 2024: https://wcsecure.weblink.com.au/pdf/ARU/02841373.pdf, see Remuneration Report section, from page 36 • Arafura website - Remuneration and Nomination Committee Charter: www.arultd.com/wp-content/uploads/2023/02/3_0_Remuneration_and_Nomination_Committee_Charter.pdf
	2-20 Process to determine remuneration	• Arafura website - Remuneration and Nomination Committee Charter: www.arultd.com/wp-content/uploads/2023/02/3_0_Remuneration_and_Nomination_Committee_Charter.pdf
	2-21 Annual total compensation ratio	• This FY24 Sustainability Report: Appendix I, Table 17 Wage levels • Arafura Annual Report 2024: https://wcsecure.weblink.com.au/pdf/ARU/02841373.pdf, see Remuneration Report section, from page 36
	2-22 Statement on sustainable development strategy	• This FY24 Sustainability Report: section 'Our approach to sustainability', from page 10
	2-23 Policy commitments	• Arafura website: https://www.arultd.com/corporate/corporate-governance/, see the Corporate Governance Statement and suite of charters, codes and policies
	2-24 Embedding policy commitments	• This FY24 Sustainability Report - see 'Responsible Business Practices' section and other references included through the report. • Arafura Annual Report 2024: https://wcsecure.weblink.com.au/pdf/ARU/02841373.pdf
	2-25 Processes to remediate negative impacts	• Arafura is working towards disclosure on this GRI Standard
	2-26 Mechanisms for seeking advice and raising concerns	• Arafura website - Code of Conduct: www.arultd.com/wp-content/uploads/2023/02/2_1_Code_of_Conduct.pdf and Whistleblower Policy: www.arultd.com/wp-content/uploads/2023/02/2_5_Whistleblower_Protection_Policy.pdf
	2-27 Compliance with laws and regulations	• Arafura website - Code of Conduct: www.arultd.com/wp-content/uploads/2023/02/2_1_Code_of_Conduct.pdf

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GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 2: General Disclosures 2021	2-28 Membership associations	• Arafura is working towards disclosure on this GRI Standard
	2-29 Approach to stakeholder engagement	• This FY24 Sustainability Report: section 'Stakeholders and Communities', page 38 • Nolans Project Environmental Impact Statement: Appendix S (Social Impact Assessment): **www.arultd.com/wp-content/uploads/2023/01/Nolans_EIS_Appendix_S_web.pdf**
	2-30 Collective bargaining agreements	• Arafura website - Code of Conduct: **www.arultd.com/wp-content/uploads/2023/02/2_1_Code_of_Conduct.pdf**, section Compliance with Law. • Arafura uses common law contracts, underpinned (where relevant) by the modern award system
GRI 3: Material Topics 2021	3-1 Process to determine material topics	• This FY24 Sustainability Report: section 'Our Approach to Sustainability', from page 10
	3-2 List of material topics	• This FY24 Sustainability Report: section 'Our Approach to Sustainability', from page 10
	3-3 Management of material topics	• Covered in various sections of this FY24 Sustainability Report
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	• This FY24 Sustainability Report; section 'Responsible Business Practices', from page 18; and Appendix I, section Responsible Business Practices
	201-2 Financial implications and other risks and opportunities due to climate change	• This FY24 Sustainability Report; section 'Climate Change', from page 22. Arafura is working towards disclosure on this GRI Standard
	201-3 Defined benefit plan obligations and other retirement plans	• Arafura website: **www.arultd.com/corporate/corporate-governance/**, see Code of Conduct, **www.arultd.com/wp-content/uploads/2023/02/2_1_Code_of_Conduct.pdf**, section Compliance with Law. This is inclusive of adherence to Australia's superannuation laws
	201-4 Financial assistance received from government	• This FY24 Sustainability Report: Appendix I, Table 4 Economic contribution • Annual report 2024: page 4, 7, 59, 68, 78 **https://wcsecure.weblink.com.au/pdf/ARU/02841373.pdf**
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	• This FY24 Sustainability Report: Appendix I, Table 17 Wage levels
	202-2 Proportion of senior management hired from the local community	• Arafura is working towards disclosure on this GRI Standard
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	• This FY24 Sustainability Report: section 'Developing the Nolans Project', from page 14
	203-2 Significant indirect economic impacts	• This FY24 Sustainability Report: section 'Responsible Business Practices', from page 18, section 'Supply Chain' from page 34, and Appendix I, Responsible Business Practices tables • Arafura Nolans Project Environmental Impact Statement: Volume 4, Appendix T - Economic Impact Report: **www.arultd.com/wp-content/uploads/2023/01/Nolans_EIS_Appendix_T_web.pdf**

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GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	• Arafura is working towards disclosure on this GRI Standard
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	• Arafura is working towards disclosure on this GRI Standard
	205-2 Communication and training about anti-corruption policies and procedures	• This FY24 Sustainability Report: section 'Responsible Business Practices, and Appendix I, Table 2 Anti-bribery and anticorruption
	205-3 Confirmed incidents of corruption and actions taken	• This FY24 Sustainability Report: Appendix I, Table 2 Antibribery and anti-corruption
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	• This FY24 Sustainability Report: Appendix I, Table 3 Ethical and lawful behaviour
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	• This FY24 Sustainability Report: Appendix I, Table 9 Energy Consumption
	302-2 Energy consumption outside of the organisation	• Arafura is working towards disclosure on this GRI Standard
	302-3 Energy intensity	• Due to the status of the Arafura Nolans Project, not currently applicable
	302-4 Reduction of energy consumption	• Arafura is working towards disclosure on this GRI Standard • Arafura's greenhouse gas reduction strategy for the Nolans Project is available on the website: **https://wcsecure.weblink.com.au/pdf/ARU/02626013.pdf**
	302-5 Reductions in energy requirements of products and services	• Arafura is working towards disclosure on this GRI Standard
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	• This FY24 Sustainability Report: section 'Environmental Management', from page 26 and Appendix I, Table 11 Freshwater availability • Arafura Nolans Project Mine Management Plan: Appendix R - Water Management Plan and production borefield licencing: **www.arultd.com/projects/nolans/approvals/** • Arafura Nolans Project Environmental Impact Statement: Chapter 7: Surface Water and Chapter 8: Groundwater: **www.arultd.com/projects/nolans/environmental-impact-statement/**
	303-2 Management of water discharge-related impacts	• This FY24 Sustainability Report: section 'Environment Management', from page 26 and Appendix I, Table 11 Freshwater availability • Arafura Nolans Project Mine Management Plan: Appendix R - Water Management Plan and production borefield licencing: **www.arultd.com/projects/nolans/approvals/**
	303-3 Water withdrawal	• This FY24 Sustainability Report: Appendix I, Table 11 Freshwater availability

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GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 303: Water and Effluents 2018	303-4 Water discharge	• This FY24 Sustainability Report: Appendix I, Table 11 Freshwater availability
	303-5 Water consumption	• This FY24 Sustainability Report: Appendix I, Table 11 Freshwater availability
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	• This FY24 Sustainability Report: section 'Environment Management' from page 26, and Appendix I, Table 12 Biodiversity • Arafura Nolans Project Mine Management Plan: Appendix B - Biodiversity Management Plan: **www.arultd.com/wp-content/uploads/2023/01/APPENDIX_B_BIODIVERSITY_MP_REV1.pdf**
	304-2 Significant impacts of activities, products and services on biodiversity	• This FY24 Sustainability Report: section 'Environment Management' from page 26, and Appendix I, Table 12 Biodiversity
	304-3 Habitats protected or restored	• Arafura Nolans Project Mine Management Plan: Appendix B - Biodiversity Management Plan: **www.arultd.com/wp-content/uploads/2023/01/APPENDIX_B_BIODIVERSITY_MP_REV1.pdf**
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	• This FY24 Sustainability Report: Appendix I, Table 12 Biodiversity
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	• This FY24 Sustainability Report: section 'Climate Change', from page 22 and Appendix I, Table 8 Greenhouse gas emissions
	305-2 Energy indirect (Scope 2) GHG emissions	• This FY24 Sustainability Report: section 'Climate Change', from page 22 and Appendix I, Table 8 Greenhouse gas emissions
	305-3 Other indirect (Scope 3) GHG emissions	• Arafura is working towards disclosure on this GRI Standard
	305-4 GHG emissions intensity	• Due to the status of the Arafura Nolans Project, not currently applicable
	305-5 Reduction of GHG emissions	• This FY24 Sustainability Report – Climate Change: from page 22 • Arafura's greenhouse gas reduction strategy for the Nolans Project is available on the website: **https://wcsecure.weblink.com.au/pdf/ARU/02626013.pdf**
	305-6 Emissions of ozone-depleting substances (ODS)	• Arafura is working towards disclosure on this GRI Standard
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	• Arafura is working towards disclosure on this GRI Standard
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	• Arafura is working towards disclosure on this GRI Standard
	306-2 Management of significant waste-related impacts	• Arafura is working towards disclosure on this GRI Standard

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GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 306: Waste 2020	306-3 Waste generated	• Arafura is working towards disclosure on this GRI Standard
	306-4 Waste diverted from disposal	• Arafura is working towards disclosure on this GRI Standard
	306-5 Waste directed to disposal	• Arafura is working towards disclosure on this GRI Standard
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	• Arafura is working towards disclosure on this GRI Standard
	308-2 Negative environmental impacts in the supply chain and actions taken	• Arafura is working towards disclosure on this GRI Standard
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	• This FY24 Sustainability Report: section 'Health and Safety', from page 30
	403-2 Hazard identification, risk assessment, and incident investigation	• Arafura is working towards disclosure on this GRI Standard
	403-3 Occupational health services	• This FY24 Sustainability Report: section 'Health and Safety', from page 30
	403-4 Worker participation, consultation, and communication on occupational health and safety	• This FY24 Sustainability Report: section 'Health and Safety', from page 30 and Appendix I, Table 13 Health and safety performance
	403-5 Worker training on occupational health and safety	• This FY24 Sustainability Report: section 'Health and Safety', from page 30 and Appendix I, Table 13 Health and safety performance
	403-6 Promotion of worker health	• This FY24 Sustainability Report: section 'Health and Safety', from page 30 and Appendix I, Table 14 Health and safety training
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• Arafura is working towards disclosure on this GRI Standard
	403-8 Workers covered by an occupational health and safety management system	• This FY24 Sustainability Report: section 'Health and Safety', from page 30 and Appendix I, Table 13 Health and safety performance
	403-9 Work-related injuries	• This FY24 Sustainability Report – Appendix I, Table 13 Health and safety performance
	403-10 Work-related ill health	• Arafura is working towards disclosure on this GRI Standard
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	• This FY24 Sustainability Report: Appendix I, Table 14 Health and safety training and Table 18 Training and performance reviews
	404-2 Programs for upgrading employee skills and transition assistance programs	• Arafura is working towards disclosure on this GRI Standard
	404-3 Percentage of employees receiving regular performance and career development reviews	• This FY24 Sustainability Report: Appendix I, Table 18 Training and performance reviews

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GRI standard	Disclosure	URL(s) / Location in the report / Direct answer
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	• This FY24 Sustainability Report: Appendix I, Table 1 Governing body and Table 15 Diversity and inclusion
	405-2 Ratio of basic salary and remuneration of women to men	• This FY24 Sustainability Report: Appendix I, Table 16 Pay equality
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	• This FY24 Sustainability Report: Appendix I, Table 15 Diversity and inclusion
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	• Arafura is working towards disclosure on this GRI Standard
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	• Arafura is working towards disclosure on this GRI Standard.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	• Arafura is working towards disclosure on this GRI Standard.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	• This FY24 Sustainability Report: Appendix I, Table 21 Number of identified incidents of violations involving the rights of Indigenous peoples
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	• This FY24 Sustainability Report: section 'Stakeholders and communities', page 38 • Arafura Nolans Project Environmental Impact Statement: Appendix S - Social Impact Assessment: www.arultd.com/wp-content/uploads/2023/01/Nolans_EIS_Appendix_S_web.pdf
	413-2 Operations with significant actual and potential negative impacts on local communities	• This FY24 Sustainability Report – Stakeholders and communities: page 38 • Arafura Nolans Project Environmental Impact Statement: Appendix S - Social Impact Assessment: **www.arultd.com/wp-content/uploads/2023/01/Nolans_EIS_Appendix_S_web.pdf**
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	• Arafura is working towards disclosure on this GRI Standard
	414-2 Negative social impacts in the supply chain and actions taken	• Arafura is working towards disclosure on this GRI Standard

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