



**2022 Environmental, Social
and Governance (ESG) Report**

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FY22 Key Figures and Highlights



2nd Modern Slavery Statement released



Modern Slavery and Code of Conduct Training in Malaysia and Australia



2 countries, headquartered in WA



928 employees and contractors



50-50 gender parity on the Board



23.9% women in senior executive positions, up from 21%



22.7% women employees up from 19.2%

\$920m Sales Revenue



\$540.8m Net Profit after Tax



Enhancing Climate Change Resilience with GHG Policy



Nominated for prestigious Golden Gecko Award for environmental excellence 30 June 2022



Developing science-based GHG emissions reduction plans and targets



Operating safely with COVID-19 Health and Safety Protocols



Over 80% of suppliers are local



\$1.1m investment in community support and initiatives

Lynas Rare Earths acknowledges the Traditional Owners of the lands on which we live and work, across Australia.

We acknowledge and value Lynas' Aboriginal and Torres Strait Islander employees, partners and communities and pay respect to their Elders past and present.

Letter from our Chairman & CEO

Welcome to the Lynas Rare Earths ESG Report for the 2022 financial year

As an ethical and environmentally responsible supplier of rare earth materials, we know that our environmental, social and governance (ESG) performance matters to you our shareholders, as well as to our people, customers, communities and other stakeholders. That is why we are proud to present this review of our performance in the 2022 financial year and our objectives for the year ahead.

The safety of our people and our communities is always our first priority and in the first half of FY22 we faced new challenges from the COVID-19 pandemic at our operations in Malaysia and in the second half this extended to Western Australia with the omicron wave of the pandemic. COVID-19 health and hygiene protocols were enhanced and maintained at each operating site during the year to support the wellbeing of team members as well as their families and communities.

The FY22 year also saw an enhanced focus on climate change and the energy transition. Significantly for Lynas, we launched our Greenhouse Gas (GHG) Policy and committed to the Science Based Targets initiative in September 2021.

Like many industrial and chemical manufacturing operations, we recognise that the transition to cleaner energy sources will be challenging and cannot happen overnight. However, as a science based business, we are committed to playing our part.

This year we completed scoping work on our GHG emissions profile and commenced planning on our site based GHG reduction strategies, including plans to move from a diesel-fired power station at our remote Mt Weld site to a gas and then hybrid renewable solution as part of our planned Mt Weld capacity expansion.

In line with our commitment to consider GHG emissions as part of business strategy and decision making, this year the capital expenditure procedure was updated to ensure that the effect of a project on Greenhouse Gas emissions is considered before capital expenditure is approved.

Lynas also has an important role to play in the clean energy transition through the products we produce which are critical inputs to green supply chains including hybrid and electric vehicles and wind turbines. There was a significant uplift in demand for electric vehicles and wind energy during the year and Lynas is accelerating our growth plans to meet customer needs.

This 2022 ESG Report builds on the initiatives undertaken in FY21 to enhance our reporting and align with the World Economic Forum's common metrics initiative. We were pleased that these enhancements were well received by our shareholders and other stakeholders, and we continue to enhance our ESG reporting, including via our Taskforce for Climate-related Financial Disclosures (TCFD) reporting and our annual Modern Slavery Statement.

We look forward to updating you on our continued progress in FY23.



Kathleen Conlon
Chairman



Amanda Lacaze
Chief Executive Officer and Managing Director



1. Our ESG Reporting

The Lynas Rare Earths (Lynas) Environmental, Social and Governance (ESG) Report 2022 outlines the Company's ongoing commitment to report progress towards the principles of the United Nations Global Compact (UNGC), to which we are a signatory, and towards achieving the UN Sustainable Development Goals.

The UN Global Compact is the world's largest corporate sustainability initiative and in 2022 Lynas participated in the UN Global Compact Early Adopter Programme for the new online Communication on Progress (CoP).

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

This report has been prepared in accordance with the GRI Standards: Core option, plus the Mining & Metals Sector Supplement and covers all of our operations globally. A copy of the GRI Content Index with links to relevant sections of the document is provided in the Navigation Index in Appendix 3.

The 2022 ESG Report has also been prepared with reference to the World Economic Forum's 21 core ESG metrics and disclosures across Four Pillars – Principles of Governance, Planet, People and Prosperity.

Lynas has an excellent track record of compliance with local laws and regulations and adopts international best practice in all jurisdictions where this is at a higher standard than local regulations.

External verification & ESG initiatives

Lynas participates in the following external accreditation and ESG initiatives:

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

Lynas Malaysia was assessed by EcoVadis in 2021 as part of a biennial assessment for our company's participation in the Together for Sustainability initiative. Together for Sustainability, a global network of 31 multinational chemical companies, delivers the de facto global standard for environmental, social and governance performance of chemical supply chains, in line with the UN Global Compact and Responsible Care® principles.

In July 2021, Lynas Malaysia was awarded a Gold Medal Sustainability rating from EcoVadis for the second time, based on performance across the environment, labour and human rights, ethics and sustainable procurement. Lynas Malaysia first achieved a Gold Medal rating in 2019. Only 5% of over 75,000 companies assessed by EcoVadis globally attain the Gold level.



Lynas is a signatory to the United Nations Global Compact and in FY22 we were proud to take part in the Early Adopter Programme for the new Communication on Progress (CoP) as part of our commitment to transparently disclose our implementation of the Global Compact's Ten Principles and contribution to Sustainable Development Goals. The new CoP is designed to streamline sustainability reporting for all participating companies of the UN Global Compact.



The annual ISO surveillance audits were conducted at Mt Weld and Lynas Malaysia during the year and both sites were recertified for ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management) and ISO 45011:2018 (Occupational Health and Safety Management). Lynas sites have been certified since 2012. In September 2021, the AELB completed its latest audit of the Lynas Malaysia plant, which achieved a rating of “Very Satisfactory”, which is the highest performance rating.

A summary of Lynas' entities, operations and our financial statements for 1 July 2021 to 30 June 2022 are reported separately in the FY22 Annual Report available at <https://lynasrareearths.com/investors-media/>

All references to Lynas, the Group, the Company, refer to Lynas Rare Earths Limited (ACN 009 066 648) and its subsidiaries. All references to a year are the financial year ended 30 June 2022 (FY22), unless otherwise stated.

Assurance

The process to verify the integrity of this report includes internal controls such as incident tracking and extensive management assurance over compliance obligations and environmental risks which are reviewed annually, and Board oversight. External assurance is provided by annual audits of environmental management practices, regulatory monitoring including Department of Environment reporting in Malaysia and Department of Mines Industry Regulation and Safety audits, NGER (National Greenhouse and Energy Reporting) and tailings dam audits in Western Australia.

Lynas also offers a Whistleblower program for timely reporting of compliance breaches and participates in external verification initiatives including annual ISO accreditation audits and biennial EcoVadis sustainability assessments.

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

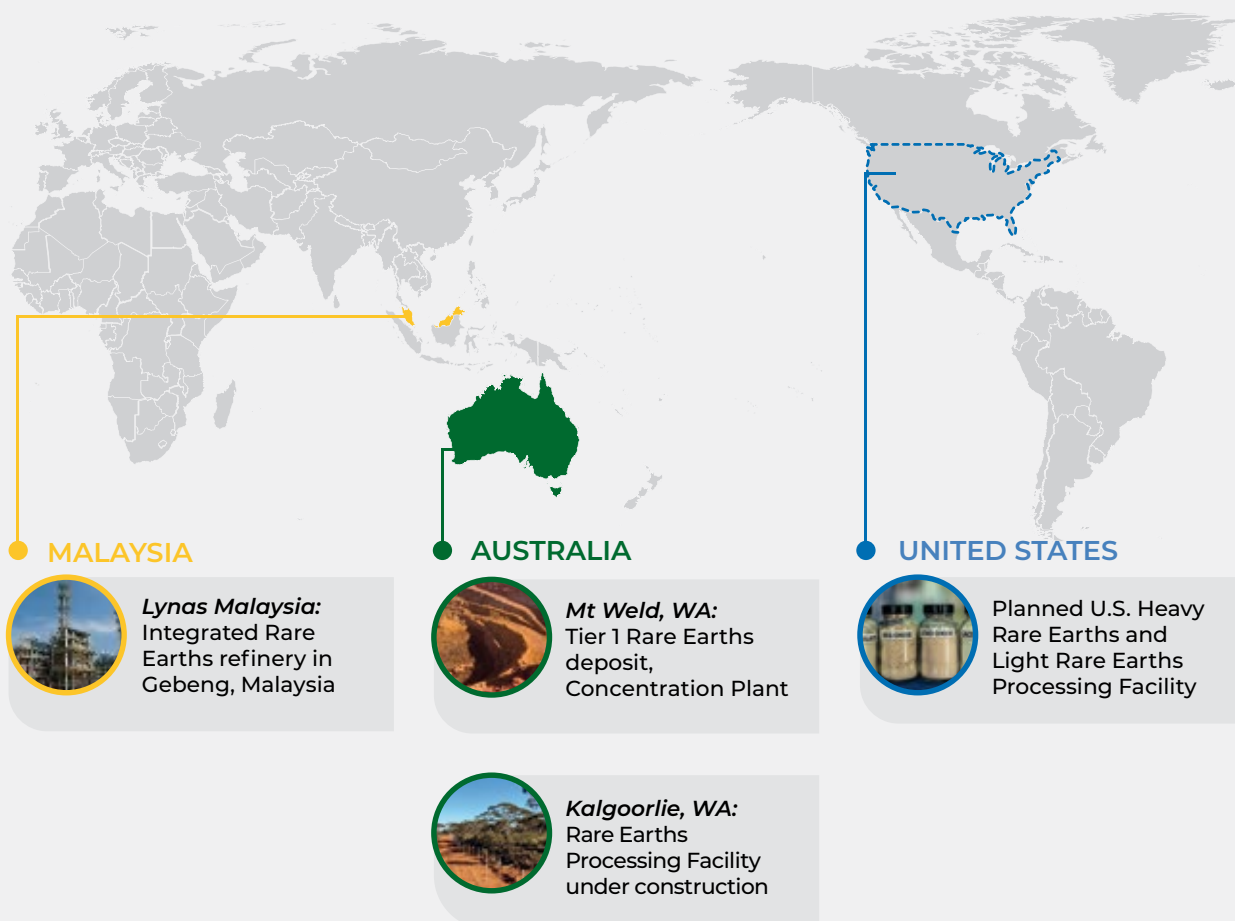
Feedback

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

2. Our Operations

Lynas Rare Earths Limited (Lynas) is a publicly listed company incorporated in Australia and headquartered in Perth, Western Australia. Lynas is the only significant producer of separated rare earths outside of China and sources feedstock from our high grade, long life Mt Weld rare earths deposit in Western Australia. Lynas was established as an environmentally responsible rare earths producer and the materials we produce are traceable from mine to finished product. Lynas also offers mine to motor traceability with selected downstream manufacturing partners.

Lynas' rare earth products include Neodymium and Praseodymium (NdPr) used in magnets, Lanthanum (La), Cerium (Ce) and Mixed Heavy Rare Earths (SEG). Rare earth materials are used in a range of high tech and green tech applications including hybrid and electric vehicles, wind turbines and electronics. The key markets for these materials are manufacturing supply chains in Asia, Europe and North America.



3. Principles of Governance

3.1 Governing purpose

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

Our values

 <p>Care</p> <p>We care for and respect each other, our communities and the environment. We make sure we all go home safe and well.</p>	 <p>Achievement</p> <p>We are resilient and committed. We overcome challenges to achieve our goals.</p>	 <p>Expertise</p> <p>We are driven to be the world's best in Rare Earths and to earn the respect of our customers.</p>	 <p>Diversity</p> <p>We are a multicultural company. We value and embrace diversity.</p>	 <p>Sustainability</p> <p>We are passionate about contributing to a sustainable future and green technologies.</p>
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Our vision and values guide our approach to ESG. This approach is more than words, we live and work by our values every day.

Our ESG approach

PEOPLE	<ul style="list-style-type: none"> Health & safety is our #1 priority Diverse and engaged workforce Protecting human rights and preventing modern slavery
ENVIRONMENT	<ul style="list-style-type: none"> Meeting the challenges of climate change Nurturing biodiversity Conserving water and reducing emissions and waste
COMMUNITIES	<ul style="list-style-type: none"> Making a positive contribution to our communities Respecting the values and cultural heritage of our communities Innovating for environmentally responsible technologies
GOVERNANCE	<ul style="list-style-type: none"> Engaging with stakeholders Being ethical and compliant Managing risks

3.2 Quality of governing body

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



The FY22 Lynas Rare Earths Financial Report outlines the skills and experience each Board member contributes, as well as their independence, tenure, responsibilities for the full Board and its committees, and other significant Board positions. For more information on our corporate governance practices, see our Corporate Governance Statement, Constitution and Board Charter which are available on our website at <https://lynasrareearths.com/about-us/corporate-governance/>

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

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

Consistent with our focus on gender diversity, at 30 June 2022, 50% of the Board of Directors are women.

Level of the Organisation	Gender Diversity Level at 30 June 2022	Target for the end of CY2022	Target for the end of CY2023
The Board	50%	40:40:20%*	40:40:20%

* 40:40:20% is a best practice gender equality target and represents 40% women, 40% men, 20% any gender

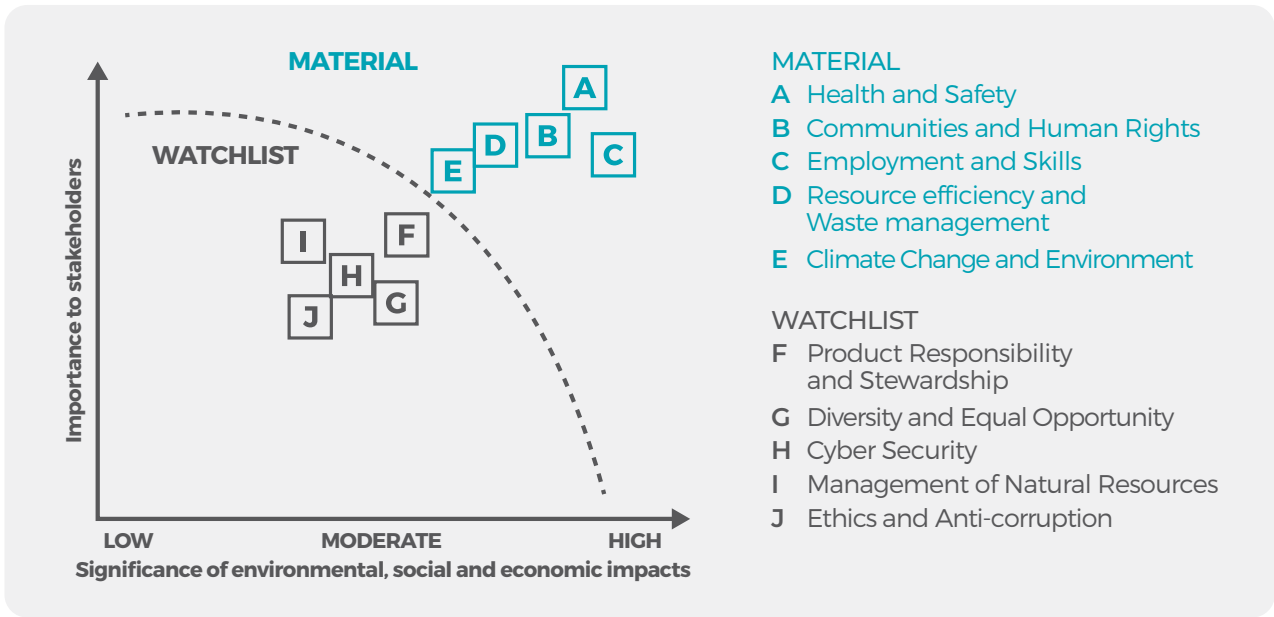
3.3 Stakeholder engagement

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

The process for determining FY22 material issues comprised four key steps: research, identification, prioritisation and validation. This process was conducted by a cross-functional team to ensure that we considered the full scope of the effects of our activities, both within our own operations and externally through interactions with investors, customers, communities, suppliers, the broader industry and others.

The following materiality matrix, updated for FY22, presents material issues for Lynas in FY22, by significance of impact and importance to our stakeholders. These material issues are continued areas of focus for the Company as we drive sustainable value creation.

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



Our material priorities are aligned with the United Nations' Sustainable Development Goals:

Health & Safety			
Communities & Human Rights			
Employment & Skills			
Resource Efficiency & Waste Management			
Climate Change & Environment			

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

4. Ethical Behaviour

4.1 Anti-corruption

Training on ethical behaviour and anti-bribery and corruption

The Lynas Rare Earths Code of Conduct and Anti-Bribery Policy outline the standard for our business ethics, integrity and behaviour. In FY22, Lynas continued to work through Transparency International UK Guidance on Good Practice Procedures for corporate anti-bribery program to identify opportunities to improve our anti-bribery and corruption program. This included enhanced staff training which was undertaken during the year.

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

Confirmed incidents of corruption	Total
Incidents confirmed in FY22 related to previous years	0
Incidents confirmed in FY22 related to the current year	0

4.2 Initiatives and stakeholder engagement to combat corruption

As part of our work to identify opportunities for improvement in line with Transparency International UK Guidance on Good Practice Procedures, Lynas engages with internal and external stakeholders as appropriate. This work will continue in FY23.

4.3 Protected ethics advice and reporting mechanisms

4.3.1 Seeking advice about ethical and lawful behaviour and organisational integrity

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

Our Code of Conduct and Supplier Code of Conduct outlines the official complaints procedure for our employees, contractors and suppliers.

There are multiple avenues for employees to raise concerns or report incidents. This includes raising issues or concerns with a supervisor or manager, the VP People & Culture, the General Counsel, or any member of the Lynas Leadership Team.

We encourage our people and communities to report any concerns or breaches of our policies and we have a Disclosure Line in place. The Lynas Whistleblower Policy contains protections and confidentiality provisions for whistleblowers, consistent with applicable legislation, as well as contact details for the independently operated Disclosure Line.



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

Lynas has engaged an independent organisation, STOPline, to run a Disclosure Line for our employees, contractors and communities. Disclosures can be made by telephone, email, online, or by mail and contact details are available in the Whistleblower Policy and at: <https://lynas.stoplilereport.com/> to ensure there are multiple avenues for employees, and others affected by our operations, to raise their concerns.

There were no reports to the Disclosure Line in FY22. There was one self-report made directly to the General Counsel. This matter was investigated and closed.

5. Risk and Opportunity Oversight

Lynas has a Risk Management Policy and a Risk Management Framework for oversight and management of material business risks. The Audit, Risk & ESG Committee reviews the Group's Risk Management Framework at least annually to satisfy itself that it continues to be sound.

The company identifies risks, then evaluates the inherent risk of an activity and the mitigation required. Risk assessments are updated by operations and management and reported to the Board of Directors.

The Lynas materiality process complements our risk practices as we assess the key external impacts of our activities and their related business consequences, including through reporting against the Task Force for Climate-related Financial Disclosures framework.

During the financial year ending 30 June 2022, Lynas began implementing an internal audit function. The internal audit function has previously focussed on compliance with ISO standards by the Group's operating processes and will be progressively expanded to other key areas of risk in the business. During the year Price Waterhouse Coopers was appointed to conduct risk mapping for the purpose of identifying key areas of the business that will be subject to internal audit, and to recommend an internal audit plan focussed on key areas of the business consistent with the outcomes of the risk mapping process.

Further developments in risk oversight and management are outlined in the FY22 Corporate Governance Statement available at <https://lynasrareearths.com/about-us/corporate-governance/>

5.1 Cyber security

In FY22 Lynas implemented advanced security tools to monitor and take action on potential threats in real time. Third party network penetration testing was undertaken which confirmed compliance with security standards and recommendations were implemented. External security assessments were completed and recommended enhancement actions are in progress for implementation. In addition, regular cyber security awareness training and phishing simulation testing was conducted for all staff during the year.

From a social media perspective, in June 2022, Lynas was advised that it was one of three rare earth companies targeted by social media disinformation campaign by accounts associated with the pro-China Dragonbridge campaign.

While Lynas regularly monitors and reports social media disinformation, this was the first time Lynas had seen evidence of direct links between fake social media accounts spreading disinformation and political agendas. The link was discovered and reported to Lynas and the social media platforms involved by a cyber security firm with no commercial relationship with Lynas. The firm found evidence of direct and mutual engagement between the inauthentic social media accounts and the Malaysian anti-Lynas activists. The firm's analysis revealed that this campaign was not driven by actual community or environmental concerns but by other agendas. Social media safety and awareness campaigns have also been rolled out to all staff during the year.

5.2 Progress against strategic milestones

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

In relation to climate change, following the release of Lynas' Greenhouse Gas (GHG) Policy and commitment to the Science Based Targets initiative (SBTi) in September 2021, Lynas has undertaken internal and external scoping of GHG emissions reduction initiatives and energy transition plans.

Lynas continues to work to develop GHG reduction targets aligned with SBTi criteria and with the objective of limiting the global temperature increase to 1.5°C. Lynas will announce targets once they are verified.

While these targets are under development, Lynas will focus GHG emissions reductions efforts on the following interim Scope 1 and Scope 2 GHG emissions reduction targets:

- Scope 1: Complete scope of work and award contract for gas/hybrid renewable power station at Mt Weld in FY23
- Scope 2: 80% of electricity procurement from renewable sources in 2025 (Kalgoorlie and Malaysia operating sites)

Lynas has enhanced Scope 3 emissions reporting during the year and continues to scope initiatives to reduce Scope 3 emissions in our operations.

Key indicators	Unit	FY21	FY22	Commentary	Target (FY23)
GHG emissions					
Complete scope of work and award contract for gas/hybrid renewable power station at Mt Weld	N/A	N/A	N/A	On 3 August 2022 Lynas announced plans to transition Mt Weld from diesel power generation to a gas and then hybrid renewable power station	Complete scope of work and award contract for remote gas/renewable power station at Mt Weld
80% purchased electricity from renewable sources in 2025	% purchased electricity from renewable sources	0%	0%	Scope 2 renewable energy target consistent with science based target. This target is applicable to Lynas' Malaysian and Kalgoorlie operating sites which use purchased electricity	Complete procurement to achieve 80% of purchased electricity from renewable sources in 2025.
Water					
Bore water consumption reduction: 6.2 m ³ of bore water abstracted per tonne of ore processed in FY22	m ³ ground-water/dry tonne of ore processed	6.3	6.03	Achieved	6.00 m ³ of bore water abstracted per tonne of ore processed in FY23
Zero significant water-related incidents	Number of water related incidents	0	0	Achieved	0
Tailings					
Continue to manage tailings through their life cycle in a safe and environmentally responsible way	Number of tailings related incidents	0	0	Achieved	0

Risk and opportunity oversight

Key indicators	Unit	FY21	FY22	Commentary	Target (FY23)
Promoting diversity					
Increase percentage of female employees in senior executive positions to 20% by end of 2021	% of women	16.7%	23.9%	Achieved	30% by the end of 2023
Climate change					
Science-based GHG reduction targets developed in line with SBTi criteria			Committed to SBTi and completed scoping of GHG emissions profile	Short term science-based Scope 2 renewable energy procurement target as above	Complete procurement to achieve 80% of purchased electricity from renewable sources by 2025. Further targets in development.
Continue the Scope 3 emissions evaluation		Introduced	Enhanced	Further Scope 3 categories have been evaluated	Continue the evaluation to the entire Scope 3 emissions
Continue progress in TCFD reporting	Enhanced reporting against framework	Introduced	Enhanced	Further enhancements to TCFD reporting in FY22	Continue to enhance TCFD reporting in FY23

5.3 Remuneration

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

The STI includes both financial and non-financial performance conditions. In FY22, the non-financial performance conditions selected for the STI covered Safety/COVID-19 management, ESG and regulatory performance.

The performance conditions applying to LTI grants were relative Total Shareholder Return and the Lynas 2025 Project Target. Further details are available in the 2022 Annual Report available on our website at <https://lynasrareearths.com/investors-media/>

5.4 Public policy development

As the only significant producer of separated rare earths outside of China, Lynas is actively engaged with governments around the world and contributes our expertise to addressing critical minerals supply chain challenges.

Logistics challenges and the ongoing effects of the COVID-19 pandemic continue to highlight supply chain vulnerabilities and governments in Australia, Japan, the United States, EU and others seek to build diverse and resilient critical mineral supply chains, including rare earth materials.

Lynas Rare Earths is a member of the Western Australian Government's Future Battery & Critical Minerals Industry taskforce and the European Raw Materials Alliance (ERMA).

5.4.1 U.S. lobbying activities

2022 reports filed by lobbyists representing Lynas Rare Earths are available from the U.S. House of Representatives at: <https://disclosurespreview.house.gov>

5.4.2 Industry associations

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

Lynas' major industry association memberships are with the Minerals Council of Australia (MCA) and the Chamber of Minerals & Energy of Western Australia (CME WA). Both the MCA and CME WA support the Paris Agreement and its goal of net zero emissions by 2050 and Lynas is committed to this goal through our membership of the MCA.

Details of memberships of associations can be found in Appendix 4: Memberships and Initiatives.



6. Caring for our People

At June 30, 2022, Lynas employed 928 people, comprising 911 employees and 17 permanent contract employees across Malaysia and Australia. Contract employees are held to the same high safety standards as Lynas employees and receive equivalent safety training.

In June 2022, a company-wide Employee Engagement Survey was undertaken and achieved a participation rate of 59%. This was the second biennial company-wide employee engagement survey undertaken, following on from the inaugural survey in 2020.

The survey found 93% of staff agreed with the statement “I believe the work we do is important because Lynas is a sustainable and environmentally responsible producer of rare earths” and 87% of staff would recommend Lynas as a great place to work.

For the first time, questions were included on personal safety and respect at work. 93% of staff agreed with the statement “I feel safe at work” and 86% of staff agreed with the statement “I am respected at work”.

A site-based program of work will be undertaken in FY23 to act on feedback received in the Employee Engagement Survey.

6.1 Dignity and equality

6.1.1 Diversity and inclusion % (age, gender, ethnicity)

Valuing and embracing diversity is a core value at Lynas and we recognise the need to set diversity measures to monitor our progress.

As a result of the continued focus on the development of women within our business, female employees increased to 23% of total employees at the end of FY22 (from 19% in FY21), and Lynas is working towards our target of 30% female employees by the end of CY23.

The percentage of female employees in senior executive positions increased to 24% at the end of FY22 from 21% in FY21 (defined as all managers and above including CEO, CEO-1, -2, -3).

In addition, the Group has focused on encouraging a wide range of ethnic backgrounds among employees and the workforce includes people from a large number of cultures and backgrounds. Well over 10 nationalities are represented in our executive and senior leadership ranks. Lynas’ policy to preference local employment and promote education in our local communities will continue to contribute to the diversity of the workforce.

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

Proportion of women (%)	FY20	FY21	FY22
Lynas Total Employees	15.5%	19.2%	22.7%
Senior Executives	16.7%	21%	23.9%
Lynas Board	33%	50%	50%

The objectives set by the Board for achieving gender diversity are as follows:

Level of the Organisation	Gender Diversity at 30 June 2022	Target for the end of 2023	Target for the end of 2024
The whole organisation	23%	30%	30%
Senior Executives*	24%	30%	30%
Lynas Board	50%	40:40:20%**	40:40:20%

* Senior executives defines as all managers and above including CEO, CEO-1, -2, -3

** 40:40:20% is a best practice gender equality target and represents 40% women, 40% men, 20% any gender

In 2022, Lynas also reported under the Workplace Gender Equality Act for the year ending 31 March 2022.

Lynas prioritises local employment opportunities in each of the regions in which we operate. In FY22, local employees represented 99% of the workforce and expatriates accounted for 1% of the workforce.

The median age of employees in FY22 was 30–50 years old.

Age structure in FY22	<30	30–50	>50
Lynas Total (as % of total employees)	33%	58%	9%

Lynas is actively engaged in industry initiatives including participation in the Minerals Council of Australia's Respect@Work taskforce. Lynas has implemented a number of initiatives aligned with the MCA's Respect@Work toolkit including Code of Conduct training at all sites and as part of the induction process, policies, an employee engagement survey and communicating expected standards of behaviour at social events.

Lynas has zero tolerance of harassment and discrimination and we have a Code of Conduct as well as a Harassment & Discrimination Policy which defines inappropriate behaviour and relevant disciplinary actions. All staff undertake training on appropriate workplace behaviour and conduct. A formal employee grievance process has been established to assist in identifying issues such as inappropriate workplace behaviour and behaviour that is inconsistent with Lynas' values and diversity objectives.

6.1.2 Pay equality

Lynas completed gender pay gap analysis in FY22 and no significant pay gaps were identified.

6.1.3 Wage level

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

In Malaysia, we offer training, flexible working hours for non-operations employees, maternity leave above statutory requirements, part-time work transition from maternity leave, paternity leave and health schemes. During the year Lynas Malaysia also opened a childcare facility for the children of Lynas Malaysia team members.

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

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

Lynas is committed to paying a living wage. Lynas Malaysia monthly wages (without overtime) have been assessed against available living wage data for Kuantan where the Lynas Malaysia plant is located and employee salaries are at or above the living wage.¹

¹ https://swrc.um.edu.my/wp-content/uploads/2022/01/Belanjawanku-Report-2021-final-uploaded-21012022_from-eimie-1.pdf

According to an economic impact assessment prepared by an external organisation, 99% of jobs created at Lynas Malaysia are in the middle and high-income categories and average income for a Lynas Malaysia employee is approximately three and a half times the average income in the state where the Lynas Malaysia plant is located and approximately three times the national average income.²

6.2 Health and wellbeing

Lynas remains steadfastly focused on production that is safe for our people, safe for our communities, and safe for the environment.

During the year, Lynas enhanced and maintained our well-established COVID-19 health and hygiene protocols in both Malaysia and Western Australia to protect the health and wellbeing of our people and communities and made necessary updates as the states in which we operate were affected by new variants of the COVID-19 virus. This included communication and education on vaccinations and health guidelines, disclosure and reporting, testing, physical distancing, hygiene and precautionary isolation procedures. In addition, a special leave policy provided paid leave to staff who were required to self-isolate in line with the respective government mandated requirements.

6.2.1 Safety performance

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

There were no workplace fatalities or prosecutions in FY22 across all operating sites (Malaysia and Western Australia).

The 12-month rolling lost time injury frequency rate as at 30 June 2022 was 0.8 per million hours worked (June 2021: 0.8 per million hours worked). In addition, the 12-month total recordable injury frequency rate at 30 June 2022 was 2.4 per million hours worked (June 2021: 2.1 per million hours worked).

Lynas is proud to report that on 27 April 2022, the Mt Weld operation achieved the milestone of one year LTI free and in September 2022 achieved 500 days LTI free.

	FY20	FY21	FY22
Total Recordable Injury Frequency (TRIF) rate per million hours worked	3.5	2.1	2.4
Lost Time Injury Frequency (LTIF) rate per million hours worked	0.8	0.8	0.8
Fatalities	0	0	0

Note: Figures no longer include First Aid injuries

Care and ensuring that everyone working at Lynas goes home safe and well is a core value of our company. In FY22, in recognition of the company's growth, Lynas' safety approach was refreshed and new reporting metrics were added to increase consistency across sites and to share best practices and safety lessons.

Our safety approach includes safety training, audits, behaviours, and meetings. In FY23, Lynas will launch new safety reporting including lead and lag indicators and risk mitigation strategies.

Following the successful introduction of the Golden Rules training program in Malaysia to reduce injuries and improve safety performance, the Australian Life Saving Rules campaign was developed. The program identifies top safety risks and develops robust controls to manage them. The Life Saving Rules have been rolled out at Mt Weld and will be extended to other Australian sites in FY23.



² <https://lynasrareearths.com/lynas-malysias-economic-impact-report-2021/>

6.2.2 Access to non-occupational medical and healthcare services

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

An independently-operated Employee Assistance Program (EAP) is available to all staff on a confidential basis.

6.3 Skills for the future

6.3.1 Training provided

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

Lynas employees participate in annual performance reviews and each respective department manager will work with their team members on development opportunities, with support from the People and Culture team.

Lynas has a formal talent management process that includes mentoring and succession planning as well as initiatives focused on skills development, such as executive mentoring programs; and career advancement programs to develop skills and experience that prepare employees for senior management. Training and development opportunities are provided to 100% of Lynas Rare Earths employees in Malaysia and Western Australia.

Lynas employees received an average of approximately 25 hours of training per employee.

6.3.2 Human rights and preventing modern slavery

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

We recognise that our responsibility to protect human rights and manage the risk of modern slavery applies to our own global operations as well as to our supply chains and we take this responsibility seriously. In FY22 we released our second Modern Slavery Statement which outlines our commitments and actions to prevent modern slavery in our organisation and our supply chains. This Statement and associated policies and codes of conduct are available at <https://lynasrareearths.com/about-us/corporate-governance/>

Lynas is a signatory to the United Nations Global Compact, which includes the protection of human rights and the elimination of all forms of forced and compulsory labour as part of its Ten Principles. In FY22 Lynas participated in the UN Global Compact's Early Adopter Programme and submitted this year's annual disclosures to the UN Compact via the new Communication on Progress digital platform.

6.3.3 Human rights issues and grievances

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

6.3.4 Risk for incidents of child labour, forced or compulsory labour

Lynas has policies and procedures in place to mitigate the risks of modern slavery at our operations and in our supply chains. This includes our Human Rights Policy, employee Code of Conduct, and Supplier Sustainability Policy and Code of Conduct which requires all suppliers to agree to respect the basic rights of employees, implement strong health and safety and environmental protection standards, and not use "conflict minerals". Our policies and codes of conduct state our commitment not to engage in or support the use of any form of forced, compulsory or illegal labour and expressly forbid the employment of anyone under the minimum legal working age or fifteen (15) years old; whichever is higher.

Lynas has assessed the risk of modern slavery among our people as very low due to the policies and procedures we have in place. This includes prioritising local employment, directly supervising all on-site employees and contractors, and following a process to ensure that no illegal foreign workers are engaged as either employees or contractors at our sites. In FY22 we conducted Modern Slavery training for Malaysian and Australian staff.

As movement restrictions were lifted in FY22, 16 on-site audits of key suppliers were undertaken, including 13 audits within Malaysia and 3 audits with international suppliers. In addition, a modern slavery Supplier Assessment Questionnaire for modern slavery risks was distributed to key suppliers during the year to assist with further analysis of suppliers and identification of higher risk suppliers.

In FY23, Lynas will continue to assess and address modern slavery risks in our operations and supply chains and report on our progress in line with the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities. The Lynas Rare Earths FY22 Modern Slavery Statement will be released prior to 31 December 2022.

7. Caring for our Planet

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

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

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

7.1 Climate change

The Lynas Greenhouse Gas (GHG) Policy came into effect in September 2021. This Policy outlines our actions to address climate change, including considering GHG emissions as part of our business strategy and decision-making and pursuing innovative solutions to reduce energy use and increase energy efficiency in our direct operations.

In FY22, an independent validation of the Lynas Life Cycle Assessment methodology was undertaken by an independent third party. This found the LCA confirms with ISO standards 14040 and 14044. Lynas has included Life Cycle Assessment of GHG emissions as part of capital expenditure assessments and will continue to conduct Life Cycle Assessments as part of the sustainable management of the product life cycle.

Energy use

Lynas is working to reduce energy consumption and GHG emissions and improve operational efficiency throughout our operations.

Mt Weld completed an assessment of renewable energy options to support the capacity expansion (announced 3 August 2022) and reduce reliance on diesel power generation. Under the proposed plan, the thermal baseload will be supplied by a natural gas high voltage power station with renewable penetration capability from a mixture of solar, wind and battery energy storage systems to enable a total installed power of 22 megawatts.

Our performance

Mt Weld energy use

At the Mt Weld operating site in Western Australia, diesel is consumed in mining machines and other vehicles (27%), processes (26%) and used to generate electricity (47%). During FY22, the processing flowsheet significantly reduced the heating requirements of the flotation circuit through the utilisation of diesel as a reagent (not combusted). Energy Consumption Total increased by 34% from FY21 following the commencement of Mt Weld's largest ever mining campaign. As noted above, Mt Weld is planning to transition to lower emission and renewable fuel sources to reduce energy consumption and GHG emissions.

During the year, Lynas partnered with our Mt Weld mining contractor Hampton Mining and Civil and Perenti Group to trial a mining truck that runs on a mix of diesel and gas. This innovative initiative is focused on improving sustainability and equipment running cost benefits. The results of the trial are currently being assessed.

Mt Weld energy produced & energy consumed

Reporting Year	FY20	FY21	FY22
Energy Consumed Total (incl Energy Produced) GJ	351,395	355,656	477,954
MWh	98,391	99,584	133,827
Energy Consumed Net GJ	300,891	298,568	415,900
MWh	84,249	83,599	116,452
Energy Produced GJ	50,504	57,088	62,054
MWh	14,141	15,985	17,375

* Note: FY20 included temporary shutdown related to COVID-19 pandemic.

Kalgoorlie energy use

The Lynas Kalgoorlie Rare Earth Processing Facility is currently under construction. On the construction site, diesel is consumed in mobile machines and other vehicles (73%) and used to generate electricity (27%) via portable generators. In the near term, diesel will continue to be consumed by mobile machines and vehicles while electricity will be sourced from the Kalgoorlie interconnected power grid. In line with Lynas' Scope 2 short term target, Lynas is seeking to procure 80% of purchased electricity from renewable sources in 2025. Natural gas will be used in the process circuit upon commencement of commissioning and into operations.

Kalgoorlie energy produced & energy consumed

Reporting Year	FY20	FY21	FY22
Energy Consumed Total (incl Energy Produced) GJ	N/A	N/A	13,562
MWh	N/A	N/A	3,797
Energy Consumed Net GJ	N/A	N/A	13,562
MWh	N/A	N/A	3,797
Energy Produced GJ	N/A	N/A	N/A
MWh	N/A	N/A	N/A

Lynas Malaysia energy use

The Lynas Malaysia plant primarily uses natural gas and electricity, with some diesel consumed in machines and processes. During the year Lynas Malaysia progressed plans for an onsite solar installation.

In FY22, consumption of natural gas increased by 2% due to higher heating demand as a result of an increase in production compared to FY21. Electricity consumption increased slightly compared to FY21, although remained lower than FY19 due to production being lower due to external challenges.

Lynas Malaysia primary and secondary energy consumption

Primary energy – Scope 1	FY20**	FY21	FY22
Natural gas / liquid petroleum gas GJ	595,095	732,384	746,717
MWh	165,304	203,440	207,421
Diesel GJ	27,930*	31,364	32,604
MWh	7,758	8,712	9,057
Total GJ	623,025*	763,748	779,321
Total MWh	173,062	212,152	216,418
Secondary energy – Scope 2	FY20	FY21	FY22
Electricity MWh	64,142	68,579	69,766
Steam MT	17,817	11,540	6,130
MWh	10,393	6,732	3,576
Total MWh	74,535	75,311	73,342

* Energy consumption restated as outlined in 2021 ESG Report

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

7.1.1 Greenhouse gas emissions

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

In compliance with the Australian National Greenhouse and Energy Reporting Act (NGER), Lynas reports Scope 1 and Scope 2 Greenhouse Gas emissions associated with the Mt Weld and Kalgoorlie operations in Western Australia to the Clean Energy Regulator (see table below).

Greenhouse gas emission data and related information was also submitted to the Carbon Disclosure Project (CDP).

In FY22, Lynas utilised the GHG emissions data inventory developed in FY21 for internal and external reporting. This tool provided enhanced data recording and increased visibility of our emissions performance to enable future reduction target setting. We also reviewed our GHG Reduction Plan as part of the Mt Weld capacity expansion plan announced on 3 August 2022.

Our performance

Scope 1 and Scope 2

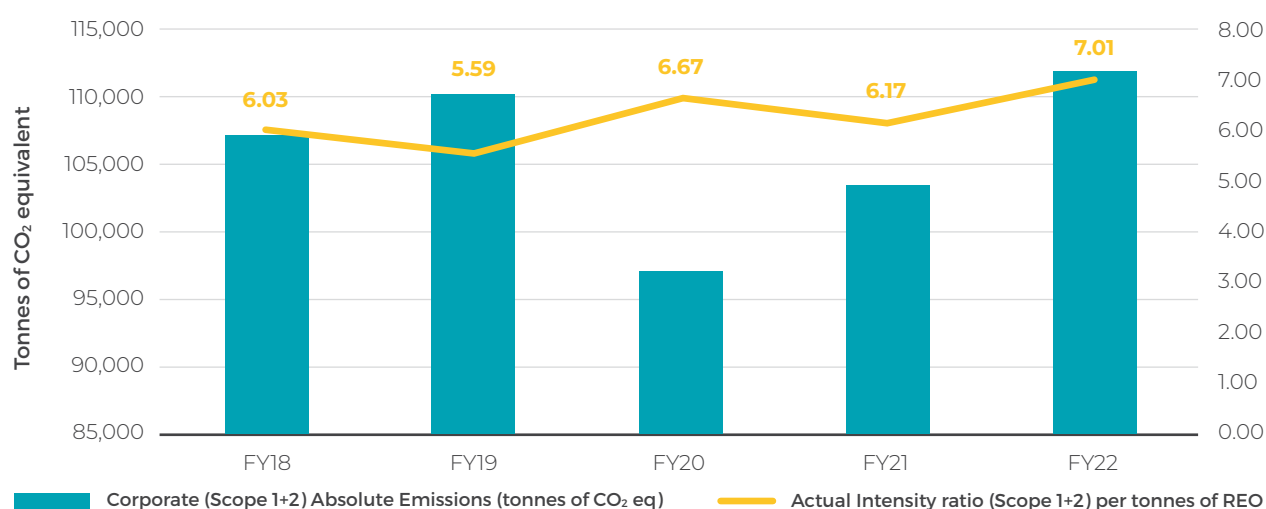
Greenhouse gas emissions (in metric tonnes of CO₂ equivalents) (tonnes CO₂-e)

Reporting Year		FY18*	FY19*	FY20	FY21	FY22
Mt Weld	Scope 1	27,726	23,693	21,137	19,697	27,420
	Scope 2	–	–	–	–	–
Malaysia	Scope 1	34,071	34,071	32,634	39,951	40,807
	Scope 2	45,407	49,544	43,387	43,917	42,831
Kalgoorlie	Scope 1	N/A	N/A	N/A	N/A	956
	Scope 2	N/A	N/A	N/A	N/A	–
Total	Scope 1	61,797	60,245	53,771	59,648	69,183
	Scope 2	45,407	49,544	43,387	43,917	42,831
	Scope 1 + 2	107,205	110,179	97,159	103,565	112,014

* Greenhouse Gas emissions restated as outlined in 2021 ESG Report

Corporate Scope 1 and Scope 2 GHG emissions

Corporate Scope 1&2 GHG emissions and intensity ratios



As noted elsewhere in this report, energy use at Mt Weld increased following the commencement of the largest mining campaign at Mt Weld and in Malaysia consumption of natural gas increased due to an increase in production from FY21. Lynas remains focused on reducing energy use and emissions in our operations.

Scope 3

In addition to Scope 1 and Scope 2 emissions, in FY22 we continued the evaluation of Scope 3 emissions. Scope 3 emissions are all other indirect emissions (not included in Scope 2) that occur in the value chain. For Lynas, this includes emissions related to the extraction and production of the materials we purchase for use at our operations and emissions from our downstream customers who process our rare earth products.

Scope 3 emissions are divided into different categories and Appendix 5 provides an overview of our evaluation status for each category.

Drawing on our Life Cycle Assessment (LCA), the most significant contributions to Scope 3 emissions in our value chain were identified as raw chemicals inputs to our production. In addition to Scope 3 emissions from raw chemicals inputs which was assessed in FY21. In FY22, Lynas evaluated the emissions from downstream transportation as well as the processing of sold products. We also continued to work with upstream suppliers to gather data on their individual Scope 3 emissions and will continue to assess additional Scope 3 categories in FY23.

Improving working environment and climate resilience



During the year work was undertaken to reduce room temperatures in the product finishing area of the Lynas Malaysia plant, by improving natural ventilation and installing new roofing and roof turbine ventilators. These changes were effective in reducing the heat impact on staff by lowering indoor temperatures and this work remains a focus of our continuous improvement program.

According to the World Bank's Climate Risk Report, Malaysia has experienced a surface mean temperature increase of 0.14°C–0.25°C per decade since 1970 and the frequency and intensity of heat waves in Malaysia is forecast to increase significantly due to a warming climate.

Scope 4

During FY22, there was discussion in the media regarding Scope 4, or avoided emissions. Should Scope 4 become part of carbon accounting in the future, there may be an opportunity for recognition of the use of Lynas products in green technologies such as wind turbines and hybrid and electric vehicles.

7.2 Paris-aligned GHG emissions targets

Lynas Rare Earths recognises the global challenges of climate change and we support the Paris Agreement goal to limit the global temperature increase to 1.5°C.

In September 2021 Lynas Rare Earths committed to the Science Based Targets initiative (SBTi). A cross-functional team has been working to scope and develop science-based GHG reduction targets. Targets will be disclosed once verified.

7.3 Impact of GHG emissions

Lynas conducts Life Cycle Assessments for our products and we have calculated an emission average of 30kg CO₂-eq per kg of REO from our internal LCA on year 2019 basis.

In the 2021 ESG Report we released the results of the Life Cycle Assessment for permanent magnet motors used in water pumps, conducted in conjunction with value chain partners. This assessed the manufacturing data from two electric motor pumps, one an induction motor using copper coil for an electromagnet, and the second a permanent magnet motor using neodymium-iron- boron magnets.

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

7.3.1 TCFD implementation

Lynas became a supporter of the Task Force for Climate-related Financial Disclosure (TCFD) in FY20 and we continue to enhance reporting in line with the TCFD framework. FY22 TCFD disclosures are available in the FY22 Annual Report at: <https://lynasrareearths.com/investors-media/reporting-centre/financial-reports/>. Lynas is targeting further enhancements to our TCFD disclosures in FY23.

7.4 Land use and ecological sensitivity

Lynas' key biodiversity goals are to:

- Protect the environments in which we operate
- Avoid adverse effects on biodiversity through application of the mitigation hierarchy; and
- Achieve zero significant environmental incidents.

Lynas does not operate in or adjacent to key biodiversity areas such as Commonwealth or State listed priority ecological communities, threatened ecological communities, or World Heritage areas and in FY22 there were no significant environmental incidents.

Mt Weld monitoring

The Mt Weld mine site is situated on approximately 2500 hectares of mining leases. The site is within a level plain with an almost indiscernible but very consistent west southwest slope of 1:300 in a remote area of Western Australia in the Murchison Interim Biogeographic Regionalisation for Australia (IBRA) bioregion. Since 2011, Lynas has been completing terrestrial and subterranean ecological surveys to understand the flora, vegetation and fauna (both vertebrate and invertebrate) species on land and below the surface to complete detailed environmental impact assessments, with the most recent detailed surveys in April 2020 and September 2020. The survey was conducted by experienced external biodiversity experts in line with guidance from the Western Australian Environmental Protection Authority (EPA).

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

The flora and vegetation of Mt Weld are typical of the region and are dominated by a mulga woodland with some localised mallee and spinifex communities. No rare or geographically restricted plant species are known to occur. No conservation reserves or Ecological Sensitive Areas intersect the project area.

At Mt Weld, Lynas implements an Environmental Management Plan that has been approved by the EPA. Our Environmental Management Plan includes a mitigation hierarchy that sets objectives and targets for flora, fauna, surface water, and ground water. We perform quarterly groundwater seepage monitoring surrounding our Mt Weld tailings storage facilities with water analysis performed by an independent third party. Since we commenced operations we have seen no impact on groundwater quality. In addition, 15 years of vegetation health monitoring has shown that there are no significant impacts on flora surrounding the Mt Weld site.

The vegetation surrounding the Mt Weld site was surveyed by biodiversity experts in September 2020 and was assessed as being in "very good condition", the second highest rating available.

Mt Weld also has an approved Radiation Management Plan (RMP) as prescribed by the Mines Safety and Inspection Act, 1994, with a tenth iteration approved by Department of Mines, Industry Regulation and Safety in March 2022. Ongoing monitoring has shown there is no increase in background radiation.

Cultural heritage

The Mt Weld area has been subject to several Ethnographic and Archaeological surveys dating back to 1983, with a further comprehensive Cultural Heritage survey undertaken in conjunction with Senior Elders of the Nyalpa Pirniku native title claimant group across the Mt Weld expanded footprint in February 2022 which now sees 100% of the proposed expanded Mt Weld footprint surveyed.

Lynas is committed to establishing a Social and Cultural Heritage Management Plan (SCHMP) in consultation with the Nyalpa Pirniku Native Title claimant group. The SCHMP will be implemented to ensure future best-practice management of Cultural Heritage sites across the expansion area, to ensure that risks to heritage sites are minimised. With mitigation and management measures in place, the expansion will have minimal impact on sites of heritage significance. This is targeted for implementation in FY23.

Mine closure and rehabilitation at Mt Weld

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

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

Caring for our Planet

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

In May 2022, six baseline reference sites and eight rehabilitation sites were monitored and compared with two of the eight rehabilitation sites located on the 2008 rehabilitation. Five years of monitoring has shown that performance indicators have been achieved for vegetation closure objectives on the 2008 rehabilitation sites.

The 2020 rehabilitation was assessed for the second time in 2022. Perennial seedlings have established since the previous assessment with some increases in plant density recorded at two rehabilitation sites. Monitoring will be conducted annually over the coming years to assess performance against indicators for closure criteria.

Kalgoorlie monitoring

The Lynas Kalgoorlie Rare Earth Processing Facility, currently under construction, is sited within the Coolgardie bioregion which is characterised by low hills and plains of infertile sandy soil. This is a transition zone between the Mediterranean climate of Australia's south-west coast and the country's dry interior.

A vegetation buffer has been retained around the perimeter of the site and a vegetation monitoring program has been established to monitor for weed introduction and overall health of retained vegetation. Lynas intends to work with local nurseries and seed suppliers to improve the visual amenity of the vegetation buffer and promote growth of native species to improve diversity and density of vegetation.

Mine closure and rehabilitation at Kalgoorlie

The first iterative Mine Closure Plan for the Kalgoorlie Facility was approved by DMIRS in February 2022. The general closure objective is for an industrial post mining land use. Lynas have committed to remove all infrastructure and by-products from the area, backfilling voids excavated for storage facilities to return the land to its natural surface contours. Topsoil will be respread and revegetated with native plant species. The area will be monitored for several years after closure to assess the effectiveness, efficiency and sustainability of rehabilitation methods used.

Malaysia monitoring

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

Case Study: Environmental excellence in tailings management

In June 2022, Lynas was announced as a nominee for the prestigious Golden Gecko Award for environmental excellence for our transformational tailings journey undertaken at the Mt Weld site in conjunction with Phibion. The award is part of the 2022 Resources Sector Awards for Excellence administered by the WA Department of Mines, Industry Regulation and Safety.

In 2016, Lynas reviewed a range of technologies to improve the tailings deposit while remaining cost-efficient. Following extensive research and review, Accelerated Mechanical Consolidation (AMC) was identified as the best solution.

Since its implementation and ongoing use, the results have included a 50% reduction in tailings volume, an increase in the shear strength to over 30 kPa consistent with closure objectives, 70% water recovery and a reduced Life of Mine environmental disturbance footprint needed for tailing storage facilities. In line with circular economy principles, the solution also allows for effective segregation and consolidation of tailings based on potential for future reclaim and processing as technologies advance.



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

Two types of environmental monitoring programs have been implemented under the Environmental Radiological Monitoring Program (ERMP) and Environmental Management Plan respectively. The Environmental Radiological Monitoring Program covers areas at 1 km, 5 km, 10 km and 20 km from the Lynas Malaysia plant. Environmental monitoring conducted in accordance with internationally accepted sampling and monitoring methods shows that there has been no increase in background radiation levels at 1 km, 5 km, 10 km and 20 km from the Lynas Malaysia plant in the over 9 years that Lynas Malaysia has operated.

Decommissioning Plan at Lynas Malaysia

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

7.5 Water

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

FY22 Water summary by site (M ³)	Site	Total water withdrawn	Total water consumed	Total water recycled	Total water used (consumed + recycled)	Percent recycled (total water recycled/total water used)	FY22 bore abstraction/tonne ore processed (Mt Weld)
Malaysia	Lynas Malaysia	4,126,233	4,126,233	0	4,126,233	0%	N/A
Australia	Mt Weld	1,685,344	1,685,344	391,594	2,076,938	23.2%	6.03
	Kalgoorlie	14,250*	14,250	0	14,250	N/A	N/A

* Treated recycled water used as process water

Mt Weld uses groundwater and recycled water and has established internal objectives and targets in line with the Lynas Environmental Policy to recycle process water. The percentage of recycled water used at Mt Weld increased to 23.2% in FY22 from 20.5% in FY21 and 13.2% in FY19.

Bore abstraction intensity reflects the usage of a non-renewable resource and encompasses both water usage efficiency and water recycling efficiency in a single KPI. The Mt Weld bore abstraction intensity target for FY22 was 6.2m³/tonne ore processed (this figure includes salty brine water to be evaporated). This target was achieved in FY22 with a result of 6.0m³/tonne ore processed and a target of 6.00m³/tonne ore processed has been set for FY23 to drive continued improvements.

Mt Weld abstracts groundwater from below the open pit mining activities. As a result, the open cut mine is progressively dewatered and this provides safe geotechnical conditions for mining. The groundwater is brackish in dissolved salts and requires reverse osmosis treatment to produce high quality water to the rare earth separation process. The salty brine water from the reverse osmosis is evaporated. Increasing the recycle of process water will help to reduce the abstraction of groundwater.

Detailed engineering was completed during the year for a larger and more efficient water recycling plant as part of the Mt Weld expansion. Once installed, the water recycle plant will deliver a significant step change improvement in internal water recycling, enabling a greater than 90% tailings water recycle yield and significantly reducing ground-water abstraction.

The Kalgoorlie Rare Earths Processing Facility uses treated recycled water supplied by the City of Kalgoorlie-Boulder for processing. This water is a by-product from the City's wastewater treatment facility and will be used a further 6-7 times in processing.

Caring for our Planet

In Malaysia, Lynas uses scheme water (city water) provided by the local water utility provider. Lynas Malaysia has three process water ponds with a total capacity of 38,000m³ which can supply water to the plant as needed at a rate of approximately 600m³/hr at 100% capacity. A dedicated water flow meter has been installed to process the incoming city water, enabling our team to precisely monitor water consumption. During the year the Lynas Malaysia plant experienced water supply issues due to the supplier and plans to implement a process modification with the objective of decreasing fresh water consumption by 40%.

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

There were no significant water-related incidents at Mt Weld during FY22. In the fourth quarter of FY22, Lynas Malaysia experienced water supply issues due to the local supplier. In response to the continued water supply difficulties, a process modification has been designed with the objective of decreasing fresh water consumption by 40%. This modification is expected to substantially reduce Lynas Malaysia's exposure to water supply issues.

7.6 Air quality

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

At Lynas Malaysia, Lynas carries out ambient and stack release measurements. Ambient air quality is measured at three residential areas located within 5 km from the Lynas Malaysia plant. Lynas met all air emission standards during FY22.

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

Air quality monitoring 2022

Air quality: Site level (tonnes)	Sulphur oxides (SOx)	Nitrogen oxides (NOx)	Particulate matter (PM10)**	Persistent organic pollutants (POPs)	Volatile organic compounds (VOCs)
Malaysia	Monitored at stack & ambient air	Monitored at stack & ambient air	Monitored at ambient air	–	–
Mt Weld*	0.179	452.332	32.906	–	35.621
Kalgoorlie*	0.006	11.153	1.071	–	1.045
TOTAL	0.185	463.485	33.977	–	36.666

* Air emissions at Mt Weld and Kalgoorlie are primarily attributed to the combustion of diesel in mining machinery, transport, power generation and processes. Data included is consistent with Australia's National Pollutant Inventory reporting requirements (not applicable for Malaysian operations).

** PM10 (dust) excludes emissions from materials handling.

7.7 Impact of solid waste disposal

In line with the circular economy, Lynas' approach to our industrial by-products prioritises initiatives to: reduce, reuse, recycle, and only then to implement safe long term storage/disposal.

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

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

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

Mt Weld tailings deposition and consolidation

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

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

Building on our strong track record of tailings management, in 2022 we had zero significant incidents at our tailings storage facilities.

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

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

Lynas Malaysia residues

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

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

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

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

WLP residue is currently stored in regulator-approved temporary residue storage facilities. In keeping with the conditions of Lynas Malaysia's 3-year operating licence, an EIA for the construction of a Permanent Deposit Facility (PDF) for WLP residue was approved in FY22 for a site adjacent to the Lynas Malaysia advanced materials plant and construction of the Facility has commenced.

8. Caring for our Communities – Building Prosperity

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

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

Lynas acknowledges and respects the Traditional Owners of the lands on which we operate. In Western Australia, we aim to increase training, employment and supplier opportunities for Aboriginal and Torres Strait Islander peoples and enrich our workforce through inclusion, understanding and appreciation of Aboriginal and Torres Strait Islander cultures. In FY22, Lynas established a Reconciliation Action Plan (RAP) working group in Australia and commenced work on our Reflect level RAP, which provides the framework for the development of our reconciliation commitments. Lynas plans to submit the RAP to Reconciliation Australia in FY23.

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

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

In FY22, there was continued community engagement regarding the construction of the Permanent Deposit Facility in Malaysia and the Kalgoorlie Rare Earths Processing Facility project in Western Australia.

In Malaysia, Lynas participates in local community and education activities and holds information sessions and regular meetings and discussions with village heads of nearby communities.

In Australia, we consult with local community members, publish community project updates, and participate in community forums. In FY22, Lynas held meetings with traditional owner groups in each of our locations in the Goldfields.

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

8.1 Employment and wealth generation

8.1.1 Absolute number and rate of employment

At 30 June 2021, Lynas employed 928 people, comprising 911 employees and 17 permanent contract employees across Malaysia and Australia. Our employees include geologists, engineers, metallurgists, tradespeople, process technicians and others in support functions across both operating sites (Mt Weld and Gebeng) as well as professional and administrative functions undertaken at our offices in Perth, Western Australia and Kuala Lumpur, Malaysia.

In FY22, our employees were almost exclusively from in-country, with expatriates accounting for only 1% of our employees across our operations.

Employees	FY19	FY20	FY21	FY22
Lynas Total employees	737	765	816	911
Australia	87	90	105	151
Australian nationals	87 (100%)	90 (100%)	105 (100%)	150 (99%)
Malaysia	650	675	711	760
Malaysian nationals	631 (97%)	656 (97%)	699 (99%)	752 (98%)

8.2 Employee turnover

Our company-wide turnover rate for FY22 was approximately 5%. The cross-industry average voluntary turnover rates during the year were 9.5% for Australia and 8.7% for Malaysia.³

In 2022, the employment market remained strong in both of Lynas' operating jurisdictions. In Australia, turnover in the resources industry and at Lynas increased above the cross-industry average as a result of increased activity in the critical minerals industry and the recognition of Lynas as an industry leader. Lynas seeks to remain an employer of choice and benefit from the recognition that the critical minerals industry is an attractive and future facing industry. In addition to competitive salaries and benefits, Lynas offers a companywide employee bonus scheme (excluding those eligible for STI/LTI)

8.3 Economic contribution

8.3.1 Direct economic value

Lynas Rare Earth's direct economic value generated and distributed in FY22:

FY22 Direct Economic Contributions	AUD
Revenue	\$920.0m
Cost of sales	(\$348.4m)
Employee wages and benefits	\$60.8m
Community investment	\$1.1m

Companies like Lynas can have a significant local economic impact through our local procurement decisions and processes. In line with our commitment to prioritising local procurement, in FY22, over 80% of inputs were procured at the local (i.e. state) or country level across the Company's operating sites. Lynas is a key customer to many local suppliers.

8.3.2 Financial investment contribution

Capital expenditure is expected to be approximately \$600 million in FY23 and \$600 million in FY24 for sustaining capital and major growth projects including the completion of the Kalgoorlie Rare Earths Processing Facility; the Mt Weld expansion project (announced 3 August 2022); the Lynas portion in addition to USG funding for the US Light Rare Earth plant; the construction of the offsite PDF in Malaysia; works at the Lynas Malaysia plant to receive and process Mixed Rare Earth Carbonate and increase capacity to 10,500 tpa NdPr finished product; mining development works at Mt Weld; sustaining capital increases due to increased plant size and preventative maintenance; and other ongoing operational capital expenditure across all Lynas sites.

Lynas did not conduct share buybacks or issue any dividend payments in FY22.

³ Australian Bureau of Statistics (February 2022); Aon, Southeast Asia study (15 December 2021)

8.4 Innovation of better products and services

Rare earths are used in future facing technologies designed to lower emissions and reduce energy consumption, as well as to improve efficiency, performance, speed, durability, and thermal stability. We have an in-house research and development team that is focused on both continuous improvements and breakthroughs. Lynas invested approximately \$3m in R&D during 2021-2022.

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

Following successful completion of the Phase 1 contract (contract announced 27 July 2020), Lynas was awarded a follow on contract for approximately US\$120 million with the U.S. Department of Defense to build a commercial Heavy Rare Earths separation facility in the U.S (announced 14 June 2022). Lynas was also awarded a funding contract with U.S. Department of Defense (announced 22 January 2021) for the construction of a Light Rare Earths separation facility with funding to be capped at approximately US\$30 million and Lynas contributing a matching amount. The facilities are expected to be co-located within an existing industrial area on the Gulf Coast in Texas.

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

8.5 Community and social vitality

8.5.1 Total tax paid

Income tax expenses in FY22 were \$6.276m, however, this was offset by prior period losses which were utilised in FY22. This figure excludes payroll taxes which are currently categorised as employee costs and royalties paid which are included as production costs.

8.5.2 Total social investment

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

In FY22, direct community investment and related expenditures across our operations were approximately \$1.1m plus employee volunteering hours.

Key community investment initiatives for our Western Australian and Malaysian operations are outlined in Appendix 2.

Supporting our communities



In both Malaysia and Western Australia we've been supporting our local communities with essential supplies for community members in need. In Malaysia, we distributed over 100 daily essentials food packs to local community members and in Western Australia we supported our local crisis intervention service with essential clothing.

Appendix 1: Stakeholder Engagement

Stakeholders	Interests	Engagement/response
Employees	<p>Ensuring a safe workplace</p> <p>Fostering a rewarding work environment, where employees feel empowered through career development and opportunities</p> <p>Building a strong and unique culture through a values-driven approach</p> <p>Building and maintaining diversity and committing to being inclusive at all times</p> <p>Sharing the prosperity enjoyed by the company with our employees</p>	<p>Priority given to employing from our local communities</p> <p>Regular, open, internal communication including weekly team meetings</p> <p>All Staff Briefings and Q&A with the CEO and executive team (held online)</p> <p>Internal communication channels including daily pre-start meetings, Company emails, site notices, intranet and company events</p> <p>Employee training programs including safety, technical and leadership</p> <p>Company performance employee bonus scheme</p>
Customers	<p>Environmentally responsible, reliable and secure supply of rare earth materials</p> <p>Maintenance of strong technical and commercial relationships through timely, open and honest communication</p> <p>Collaboration on research and development initiatives</p>	<p>Regular engagement, including face to face and electronic communication</p> <p>Annual customer satisfaction survey</p> <p>Highly skilled and experienced marketing and sales team</p> <p>Quality control of product</p> <p>Implementation of targeted, continuous improvement programs, both company initiated and in partnership with customers</p> <p>Mine to magnet traceability and life cycle analysis conducted in collaboration with customers and downstream partners</p> <p>Visits to customer operations and customer visits to Lynas operations (once COVID-19 movement restrictions lifted)</p>
Shareholders and Investors	<p>Creation of long term shareholder value</p> <p>Management of risk</p> <p>Delivery of cashflows from operations</p> <p>Strong governance</p>	<p>Regular webcast briefings including quarterly, half year and full year results</p> <p>Meetings and briefings with investors including post-result roadshows, conferences, and site visits (once COVID-19 restrictions lifted)</p> <p>ASX announcements and email alert systems that allow interested parties to register for automatic ASX announcement notifications</p> <p>Annual General Meeting (in person and virtual)</p>

Appendix 1

Stakeholders	Interests	Engagement/response
Local communities	<p>Community consultation and engagement on Lynas' operations</p> <p>Sustainable growth and development for communities through local training, employment and business opportunities, education and other services</p> <p>Supporting community organisations and initiatives</p> <p>Assisting vulnerable members of the community</p>	<p>Meaningful community consultation and engagement, including information booths, community forums and participating in community committees</p> <p>Positive contribution to community initiatives in partnership with local and state government and education institutions, focussing on employment, skills, education and health</p> <p>Making a difference for vulnerable members of the community through volunteering and donations as part of the Lynas community support program</p>
Suppliers and contractors	<p>Ensuring economic opportunity through sustainable business development</p> <p>Working together to achieve mutually beneficial outcomes</p> <p>Transparent communication through procurement process</p> <p>Supplier Sustainability Policy and Code of Conduct</p> <p>Modern Slavery Self-Assessment Questionnaire</p>	<p>Strong policy framework</p> <p>Priority given to development of capable local supply chains</p> <p>Strategic relationships and partnerships developed with contractors and suppliers</p> <p>Regular meetings, communication and reviews with strategic suppliers and contractors</p> <p>Supplier Sustainability Policy & Code of Conduct and supplier audits</p>
Government and regulators	<p>Job creation, economic activity and local content</p> <p>Manufacturing supply chain resilience</p> <p>Management of social and environmental impacts and biodiversity</p> <p>Environmental, social and fiscal performance and compliance</p> <p>Community development</p>	<p>Ongoing engagement with government representatives in operating countries and key markets</p> <p>Ongoing reporting to and communication with regulators and government bodies on environmental performance and other key indicators in operating countries</p> <p>Public information including financial results and social contribution</p> <p>Providing site visit opportunities</p>
NGOs	<p>Management of social and environmental impacts</p> <p>Community engagement</p> <p>Environmental performance</p> <p>Human rights performance</p>	<p>Involvement in UN Global Compact and industry forums</p> <p>Direct engagement with relevant NGOs</p> <p>Reporting, ASX announcements and media releases</p> <p>Maintenance of high environmental and community standards</p> <p>Development of corporate policies</p>
General community	<p>Social and environmental impacts and their management</p> <p>Community engagement</p> <p>Environmental performance</p> <p>Human rights performance</p> <p>Employment and business opportunities</p> <p>Community support</p>	<p>Ongoing direct community engagement with our local communities</p> <p>Prioritising local procurement</p> <p>Continued support for community programs and events</p> <p>Development and implementation of multiple programs in our local communities</p>
Educational institutions	<p>Providing access to career pathways and opportunities</p> <p>Attracting high calibre employees by positioning the Company as an employer of choice</p>	<p>Site visits and work placement opportunities</p> <p>Active graduate and intern programs</p> <p>Joint research opportunities</p> <p>Participating in employer expos and industry forums</p> <p>STEM-focused education programs</p> <p>Support for Curtin University's Future Battery Industries Cooperative Research Centre (CRC) in Australia</p> <p>Participating in wide range of industry forums and events</p>

Appendix 2: Key Community Investment Initiatives

Goldfields Region, Western Australia (Mt Weld and Kalgoorlie)

Program	Purpose
Laverton Cross Cultural Association (LCCA)	The LCCA operates as a community hub to enhance employment opportunities and encourage the creativity of local Aboriginal people through a number of programs including art and music. It also provides opportunities for consultation and collaboration with local government, businesses and community members and supported the WA Country Health Service COVID-19 Vaccination Clinic.
Shire of Laverton	Lynas offers assistance to the Shire of Laverton and Lynas employees volunteer for community events and other Shire of Laverton initiatives each year, including Clean Up Laverton Day and NAIDOC Week Celebrations.
One Tree Laverton Crisis Intervention Service	Providing donations of goods and assisting the Laverton based service to provide essential services for women and children.
Kalgoorlie community awards & events	Sponsorship of sports and arts community awards programs and the Central Regional TAFE 2021 Apprentice of the Year. Sponsorship of WA Camp Oven and Slow Cook Championship events.
Laverton sports	Support for employee memberships and team activities at the Laverton Sports Club and sponsorship of the Laverton Cycling Program
Education	\$55,000, 5-year commitment to Curtin University's Moorditj Yorga Scholarship to support mature-aged First Nations women to attain an undergraduate degree at Curtin, with priority to be given to women from the Goldfields region.

Malaysia

Categories	Purpose
Contributions	Annual Back to School Program providing uniforms and educational materials for disadvantaged children Recycling program and Free Health Screening Contributions to charitable homes Festive contributions and celebrations with various cultural groups Community centre infrastructure repairs Environmental programs CSR activities as part of Lynas Staff events
Education & training	Science Technology Engineering & Maths (STEM) program with schools in Pahang Support for local libraries Knowledge transfer program venture between Lynas and local Universities Participation in school excellence day awards Sponsoring science conferences and convocation with Universities
Health & sport	Annual Sports Carnival with our local community Football and Futsal with our community and local industries Futsal Clinic Bowling events
Community engagement	Plant visits Quarterly community leader meetings Annual round table meeting Community information website Information and videos on social media and YouTube

Appendix 3: Navigation Index

The Navigation Index indicates the sections of Lynas FY22 ESG Report that align with the GRI Standards, the principles of the United Nations Global Compact, and the 10 principles of the International Council on Mining and Metals.

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
General disclosures				
102-1	Name of the organisation	Our Operations – Page 6		
102-2	Activities, brands, products and services	Our Operations – Page 6		8, 9
102-3	Location of headquarters	Our Operations – Page 6		
102-4	Location of operations	Our Operations – Page 6		
102-5	Ownership and legal form	Our Operations – Page 6		
102-6	Markets served	Our Operations – Page 6		
102-7	Scale of the organisation	Our Operations – Page 6		
102-8	Information on employees and other workers	Employment and wealth generation – Page 30		6
102-9	Supply chain	Caring for our people – Page 16, Appendix 1: Stakeholder Engagement – Pages 33–34		
102-10	Significant changes to the organisation and supply chain	Our Operations – Page 6		
102-11	Precautionary Principle or approach	Principles of Governance – Page 7–9	1, 2, 4	7
102-12	External Initiatives	Our ESG Reporting – Page 4, Appendix 4: Memberships and Initiatives – Page 41	2	
102-13	Memberships of association	Appendix 4: Memberships and initiatives – Page 41	2	
102-14	Statement from senior decision-maker	Letter from our Chairman & CEO – Page 2	2	1, 4, 5
102-15	Key impacts, risks and opportunities	Risk and Opportunity Oversight – Page 12		
102-16	Values, principles, standards and norms of behaviours	Our Operations – Page 6	1, 2	10
102-18	Governance structure	Principles of Governance – Page 7–9	1	

Appendix 3

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
102-40	List of stakeholder groups	Appendix 1: Stakeholder Engagement – Pages 33–34	4, 10	
102-42	Identifying and selecting stakeholders	Principles of Governance – Page 7–9	4, 10	
102-43	Approach to stakeholder engagement	Principles of Governance – Page 7–9	4, 10	
102-44	Key topics and concerns raised	Principles of Governance – Page 7–9	4, 10	
102-45	Entities included in the consolidated financial statements	Our ESG Reporting – Page 4		
102-46	Defining report content and its Boundary	Our ESG Reporting – Page 4	2	
102-47	List of material topics	Principles of Governance – Page 7	2	
102-50	Reporting period	Our ESG Reporting – Page 4	10	
102-51	Date of most recent report	Our ESG Reporting – Page 4		
102-52	Reporting cycle	Our ESG Reporting – Page 4		
102-53	Contact point for questions regarding the report	Our ESG Reporting – Page 4		
102-54	Claims reporting in accordance with the GRI standards	Our ESG Reporting – Page 4		
102-55	GRI Content index	Appendix 3: Navigation Index – Page 37–40		
102-56	External Assurance	Our ESG Reporting – Page 4	10	
103-1	Explanation of the material topic and its Boundary	Principles of Governance – Page 7	4, 10	
103-2	The management approach and its components	Principles of Governance – Page 7		
103-3	Evaluation of the management approach	Principles of Governance – Page 7		
Economic Performance				
201-1	Direct economic value generated & distributed	Caring for our Communities – Building Prosperity – Page 31	9	
201-2	Financial implications and other risks and opportunities due to climate change	TCFD implementation – Page 24	6	7
Market Presence				
202-2	Proportion of senior management hired from the local community	Caring for our People – Page 16, Employment and wealth generation – Page 30		
Indirect Economic Impacts				
203-2	Significant indirect economic impacts	Caring for our Communities – Building Prosperity – Page 30–32		

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
Procurement practices				
204-1	Proportion of spending on local suppliers	Caring for our Communities – Building Prosperity – Page 31	2, 9	6
Anticorruption				
205-2	Communication and training about anti-corruption policies and procedures	Ethical Behaviour – Page 10	1	10
Energy				
302-1	Energy consumption within the organisation	Caring for our Planet – Page 20–22	6	8
302-3	Energy intensity	Caring for our Planet – Page 21–23	6	8
302-4	Reduction of energy consumption	Caring for our Planet – Page 21–23	6	8
Water and Effluents				
303-1	Water withdrawal by source	Caring for our Planet – Page 27	6	7, 8
303-3	Water recycled and reused	Caring for our Planet – Page 27		8
303-4	Water consumption	Caring for our Planet – Page 27	6	8
Energy				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Caring for our Planet – Page 25–27	7	8
G4-MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	Caring for our Planet – Page 25–26	6	8
G4-MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Caring for our Planet – Page 25–26	7	8
304-2	Significant impacts of activities, products, and services on biodiversity	Caring for our Planet – Page 25–27	7	8
304-3	Habitats protected or restored	Caring for our Planet – Page 25–27	7	8
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Caring for our Planet – Page 25–27	7	8
G4-MM10	Number and percentage or operations with closure plans	Caring for our Planet – Page 25–27	6, 9	7
Emissions				
305-1	Direct (Scope 1) GHG emissions	Caring for our Planet – Page 22	6	8

Appendix 3

GRI Standard	Disclosure	Location	ICMM Principles	UNGC Principles
305-2	Energy indirect (Scope 2) GHG emissions	Caring for our Planet – Page 22–23	6	8
305-4	GHG emissions intensity	Caring for our Planet – Page 23	6	8
305-5	Reduction of GHG emissions	Caring for our Planet – Page 22–24	6	8
Effluents and waste				
306-2	Waste by type and disposal method	Caring for our Planet – Page 29	6	8
G4-MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	Caring for our Planet – Page 29		
Supplier environmental assessment				
308-1	New suppliers that were screened using environmental criteria	Caring for our People – Page 19	6	7, 8, 9
Employment				
401-1	Total number and rates of new employee hires and employee turnover	Caring for our Communities – Building Prosperity – Page 31	3	6
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Caring for our People – Page 17		6
Occupational Health and Safety				
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Caring for our People – Page 18	5	1
Employee Training and Education				
404-1	Average hours of training per year per employee	Caring for our People – Page 19	5	6
404-2	Programs for upgrading employee skills and transition assistance programs	Caring for our People – Page 19	3	6
404-3	Operations with significant actual and potential negative impacts on local communities	Caring for our People – Page 18	3, 9	1, 2
Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	Principles of Governance – Page 7–8, Caring for our People – Page 16	3	6
Human rights assessment				
412-2	Employee training on human rights policies or procedures	Caring for our People – Page 19	3	1, 2, 3, 4, 5, 6
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Caring for our People – Page 19	2	1, 2, 3, 4, 5, 6

Appendix 4: Memberships and Initiatives

Malaysian memberships:

- Malaysian Australian Business Council

Australian memberships:

- Minerals Council of Australia
- The Chamber of Minerals and Energy of Western Australia
- Kalgoorlie-Boulder Chamber of Commerce and Industry
- Goldfields Aboriginal Business Chamber
- Australian Resources & Energy Employer Association

Commitments to external initiatives and standards:

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

Appendix 5: Scope 3 Evaluation Status

Category name	Evaluation status
Category 1: Purchased Goods and Services	300,000–350,000 tons of CO ₂ eq
Category 2: Capital Goods	To be evaluated
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 & 2	To be evaluated
Category 4: Upstream Transportation and Distribution	Under evaluation
Category 5: Waste Generated in Operations	Under evaluation
Category 6: Business Travel	Under evaluation
Category 7: Employee Commuting	Under evaluation
Category 8: Upstream Leased Assets	Not applicable
Category 9: Downstream Transportation and Distribution	70,000–80,000 tonnes of CO ₂ eq
Category 10: Processing of Sold Products	100,000–110,000 tonnes of CO ₂ eq
Category 11: Use of Sold Products	To be evaluated
Category 12: End-of-Life Treatment of Sold Products	To be evaluated
Category 13: Downstream Leased Assets	Not applicable
Category 14: Franchises	Not applicable
Category 15: Investments	Not applicable



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