

## Baseline ESG Disclosure Report

ABX has published its baseline Environmental, Social and Governance (ESG) report, verified by Socialsuite

Publication of baseline report is part of an ongoing process of improving ESG performance

ABx Group (ASX: ABX) ("ABx" or "the Company") is pleased to announce that it has published its baseline Environmental, Social, and Governance ("ESG") report, assisted by Socialsuite<sup>1</sup>. A copy of the Baseline ESG Disclosure Report can be found on the ABx website.

### **ABx Group MD & CEO Dr Mark Cooksey said:**

*"I am pleased to introduce ABx's first ESG disclosure report, an important milestone for us on the pathway to improving our ESG metrics.*

*"As part of our purpose of 'delivering materials for a cleaner future', ABx is committed to the principles of ESG. We believe that taking appropriate actions that improve our ESG metrics will advance our business and create value for shareholders.*

*"The Board is committed to ESG reporting on a regular basis, sharing our progress and improvements to creating long-term value for all our stakeholders."*

### **UNIVERSAL ESG METRICS**

In October 2023, the Company announced<sup>2</sup> that it had made a commitment to disclose against the World Economic Forum (WEF) Stakeholder Capitalism framework. This framework comprises a set of 21 core metrics for sustainable value creation and leverages a variety of existing frameworks. It is intentionally built to be a stepping-stone to begin building capacity and capability in ESG reporting.

It enables ABx to report on core ESG matters such as governance, anti-corruption practices, ethical behaviour, human rights, carbon emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and tax payments.

### **STANDARDISED DISCLOSURE TECHNOLOGY**

ABx subscribed to the Socialsuite reporting platform to assist with the initial ESG gap analysis and preparation of the baseline report. The Company will now focus on taking actions to improve ESG metrics. The Socialsuite platform is an efficient way for investors and other stakeholders to assess the commitment and progress of the Company to improve ESG outcomes.

<sup>1</sup> <https://www.socialsuitehq.com/>

<sup>2</sup> ASX announcement, 12 October 2023

## ABOUT SOCIALSUITE

Socialsuite is a global leader in impact technology. Founded in 2014 in Melbourne, it has offices in Australia, the United States, and Canada. Socialsuite's purpose is to help organisations show the change they are making. Socialsuite develops and provides technology solutions to measure and manage social impact and ESG reporting. A progressive and influential customer base around the globe is using Socialsuite's impact technology to simplify the complexity of measuring social impact and disclosing ESG metrics.

This announcement is approved for release by the board of directors.

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## About ABx Group Limited

ABx Group (ABX) is a uniquely positioned, high-tech Australian company delivering materials for a cleaner future.

The two current areas of focus are:

- Creation of an ionic adsorption clay rare earth project in northern Tasmania
- Establishment of a plant to produce hydrogen fluoride and aluminium fluoride from recycled industrial waste, via its 83%-owned subsidiary, Alcore

There is also a legacy business:

- Mining and enhancing the value of bauxite resources for cement, aluminium and fertilisers.

We only operate where welcomed and we apply best practices to restore any disturbed land to a better condition than we found it.

ENVIRONMENTAL

SOCIAL

GOVERNANCE

# Disclosure Report



**Baseline ESG report (31 December 2023)**

Report generated on 29 May 2024  SOCIALSUITE

<https://www.abxgroup.com.au/site/content/>

Listed on ASX Stock Exchange (ASX:ABX)

[ESG Report Data Disclaimer](#)

# Environmental, Social, and Governance (ESG)

ABx Group (“**ABX**” or the “**Company**”) is committed to the principles of ESG as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations’ Sustainable Development Goals. In June 2023, we made a commitment to commence reporting on the Environmental, Social, and Governance (**ESG**) disclosures of the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF).

We are in the process of making ESG disclosures in the form of a set of universal, comparable ESG metrics focused on people, planet, prosperity and principles of governance that organisations can report on regardless of industry or region. This table represents our reporting against the 21 core metrics, being reviewed quarterly and updated periodically.

We use this universal ESG framework to align our mainstream reporting on performance against ESG indicators. By integrating ESG metrics into our governance, business strategy, and performance management process, we diligently consider all pertinent risks and opportunities in running our business. We continue to look for opportunities for further transparency on the topics which are material to our business.

To track our disclosure progress and demonstrate our sustainability performance against the WEF SCM framework we utilise Socialsuite’s ESG disclosure platform. Socialsuite ESG enables us to demonstrate our ongoing commitment to ESG by providing a dedicated solution to track, report, and share our ESG disclosures. With Socialsuite ESG we have started the journey of building robust ESG credentials.

Last updated: 27/5/2024

# Governance

## GOVERNING PURPOSE

### Setting purpose

CODE	TYPE	STATUS	LAST UPDATED
<b>GO-01-C1</b>	<b>Full disclosure</b>	<b>Verified</b>	<b>22 May 2024</b>

At ABx, our core purpose is 'Delivering materials for a cleaner future'.

ABx is a uniquely positioned, high-tech Australian company at the cutting-edge of providing the global market with much needed new supplies of strategic minerals (specifically rare earth elements) and chemicals (aluminium fluoride - essential for aluminium smelting).

See Also: [2023 Annual Report](#), [About Us](#)

## QUALITY OF GOVERNING BODY

### Governance body composition

CODE	TYPE	STATUS	LAST UPDATED
<b>GO-02-C1</b>	<b>Partial disclosure</b>	<b>Verified</b>	<b>22 May 2024</b>

ABx is strongly dedicated to upholding elevated standards of conduct and accountability. The Board recognises the significance of a well-organised board and compliance with ASX Listing Rules. ABx has established a range of policies, including a Corporate Governance Statement, Board Charter and Diversity Policy. Regular evaluations are conducted to ascertain their continuous relevance and effectiveness, especially in response to evolving circumstances and strategic priorities.

The Company has also adopted a Code of Conduct. This Code offers guidance for legal, ethical, and stakeholder obligations, outlining the responsibility and accountability expected of ABx personnel in reporting and investigating unethical conduct. This encompasses employees, clients, government bodies, and the wider community.

The ABx Board is assembled with individuals possessing a mix of skills, experiences, and attributes suitable for the Company's operations. At present, the Board is composed of:

4 Board Members

75% (3) Male, 25% (1) Female

50% (2) Independent Directors, 50% (2) Non-independent Directors

75% (3) Local Director (Australian origin), 25% (1) Directors of overseas origin

A summary of directors' tenure, qualifications and relevant experience can be found in the Directors' Report in the most recent Annual Report, as well as in the Board and Management section of the ABx website.

New director appointments are made based on their potential to contribute value to the Company. The Company appointed a new non-executive director in April 2024, and is considering further director appointments to contribute to its next stage of development.

**See Also:** [Board Charter](#), [Code of Conduct](#), [Board and Management](#), [2023 Annual Report](#)

## STAKEHOLDER ENGAGEMENT

### Material issues impacting stakeholders

CODE	TYPE	STATUS	LAST UPDATED
GO-03-C1	Partial disclosure	Verified	22 May 2024

At ABx, we understand the significance of connecting with our stakeholders to recognise and tackle material issues. ABx has a Continuous Disclosure Policy and a Shareholder Communications Policy, which outlines the standards and the requirements of the Company in relation to communicating with its shareholders. However, ABx has not conducted a stakeholder mapping exercise to consider other stakeholders. This is planned for 2024.

**See Also:** [Shareholder Communications Policy](#), [Continuous Disclosure Policy](#)

## ETHICAL BEHAVIOUR

### Anti-corruption practices

CODE	TYPE	STATUS	LAST UPDATED
<b>GO-04-C1</b>	<b>Full disclosure</b>	<b>Verified</b>	<b>27 May 2024</b>

As a publicly listed company on the ASX, ABx is committed to upholding the highest ethical standards, ensuring compliance with the anti-bribery and corruption standards required by the ASX.

To demonstrate this commitment, ABx has adopted an Anti-Bribery and Corruption Policy, which applies to all directors and employees. The policy clearly outlines the responsibilities of ABx personnel in observing and upholding the prohibition on bribery and improper conduct, and offers guidance on how to recognise and report instances of bribery and corruption.

At the date of this report, there have been no reported incidences of corruption or bribery involving the Company, its employees, or affiliated entities.

**See Also:** [Anti-Bribery and Corruption Policy](#)

## RISK AND OPPORTUNITY OVERSIGHT

### Integrating risk and opportunity into business process

CODE	TYPE	STATUS	LAST UPDATED
<b>GO-05-C1</b>	<b>Partial disclosure</b>	<b>Verified</b>	<b>22 May 2024</b>

ABx recognises that understanding and managing business risk is crucial for reaching its strategic aims, with the Board and management both having important roles. Effective risk management practices protect existing value and allow the Company to identify inherent opportunities that may create additional value. ABx recognises that neglecting risk recognition or management can have negative impacts on the Company, its shareholders and other stakeholders.

The Board has established an Audit and Risk Committee (ARC) as one of its sub-committees. However, due to the size and nature of the existing Board and the magnitude of the Company's operations, the responsibilities of the role and function of the ARC now fall to the Board.

The risk management approach does not currently explicitly include ESG factors. However, ABx is committed to incorporating ESG considerations into its risk management approach in the future.

**See Also:** [Audit and Risk Committee Charter](#), [Corporate Governance Statement](#)

## ETHICAL BEHAVIOUR

### Mechanisms to protect ethical behaviour

CODE	TYPE	STATUS	LAST UPDATED
<b>GO-04-C2</b>	<b>Full disclosure</b>	<b>Verified</b>	<b>22 May 2024</b>

ABx is dedicated to maintaining the highest standards of conduct and ethical behaviour, and supports a culture of integrity whereby honest behaviour, corporate compliance and good corporate governance are paramount.

The Company promotes the reporting of any occurrences of suspected unethical, illegal or undesirable conduct, providing several avenues for whistleblowers to make confidential and, if desired, anonymous reports without fear of intimidation, disadvantage or reprisal. These channels are outlined in the Whistleblower Policy, which is accessible on the Company's website. Reports can be made to immediate supervisors, managers, senior supervisors within divisions/business units, and designated Protected Disclosure Officers. This ensures that any person who becomes aware of reportable conduct has a secure and confidential route to communicate their concerns.

ABx pledges to investigate all matters reported under the policy promptly and fairly. Feedback on the progress and outcomes of investigations, while maintaining privacy considerations, is provided to whistleblowers.

**See Also:** [Whistleblower Policy](#)



# Planet

## CLIMATE CHANGE

### GHG emissions

CODE	TYPE	STATUS	LAST UPDATED
PL-01-C1	Explanation	Verified	22 May 2024

ABx acknowledges the importance of greenhouse gas (GHG) emissions reporting and understand the environmental implications of our actions.

The current ABx activities are minerals exploration and laboratory development of the ALCORE process, so GHG emissions are likely to be very low. GHG emissions will be higher when these activities move to the production stage.

At the date of this report, we have not yet begun reporting on our carbon emissions. However, we acknowledge the importance of adopting best practices and guidelines for climate-related disclosure and will consider conducting a GHG assessment in the future depending on its materiality to our business.

See Also: [Environmental and Social Charter](#)

## NATURE LOSS

### Land use and key biodiversity areas

CODE	TYPE	STATUS	LAST UPDATED
PL-02-C1	Full disclosure	Verified	22 May 2024

At ABx, we understand that our activities, as a minerals explorer, may have both short and long-term impacts on the environment. Through adopting a proactive environmental approach as part of our sustainability framework, we endeavour to assess all potential impacts, and wherever possible, avoid, control, or prevent harm to the environment. We have yet to investigate whether any of our activities are inside or close to a Key Biodiversity Area.

We have also adopted a comprehensive Environmental and Social Charter, which outlines our commitment to conducting exploration activities whilst minimising our environmental impact and community disturbance. The charter details our focus on preserving natural ecosystems, notably, the reclamation of soil, reforestation, water protection, and waste management. ABx aims to rehabilitate land to the required standards, working in harmony with the environment and society to contribute to sustainable development.

See Also: [Environmental and Social Charter](#)

## FRESHWATER AVAILABILITY

### Water consumption

CODE	TYPE	STATUS	LAST UPDATED
PL-03-C1	Partial disclosure	Verified	22 May 2024

At ABx, we are conscious that our activities may occur in regions that are subject to experiencing water stress, and that our operations have the capacity to exacerbate these stresses should we not act responsibly.

The current ABx activities are minerals exploration and laboratory development of the ALCORE process, so water consumption is very low. Water consumption will be higher when these activities move to the production stage.

At the date of this report, we have not yet begun reporting on our water consumption. However, we acknowledge the importance of adopting best practices and guidelines for climate-related disclosure and will consider conducting a water assessment in the future depending on its materiality to our business.

See Also: [Environmental and Social Charter](#)

## CLIMATE CHANGE

### TCFD implementation

CODE	TYPE	STATUS	LAST UPDATED
PL-01-C2	Explanation	Verified	22 May 2024

Currently, TCFD reporting is voluntary in Australia. As such, ABx is not currently reporting against the framework, as we do not consider it to be material to our organisation at this point in time.

Due to increasing expectations from stakeholders such as investors and government bodies, ABx acknowledges the need for clear assessment and communication of climate risks. As stated in our ESG Policy, we're committed to assessing climate vulnerabilities and implementing recommendations in the future.

The main risk to ABx is the impact of changing climatic conditions, such as increased fires and floods, on access to mineral resources.

**See Also:** [Environmental and Social Charter](#)

# People

## DIGNITY AND EQUALITY

### Diversity and inclusion

CODE	TYPE	STATUS	LAST UPDATED
PE-01-C1	Partial disclosure	Verified	22 May 2024

The ABx Board recognises the value of a diverse and inclusive workforce, and places significant importance on actively managing diversity to enhance the Company's overall performance. The Company strictly prohibits any form of harassment, discrimination, vilification, or victimisation in the workplace. To reinforce this commitment, the Board has embraced a comprehensive Diversity Policy that provides a guiding framework for the Company to realise several key objectives. These include: fostering a diverse and skilled workforce, cultivating an inclusive workplace culture, enhancing career opportunities for women, and developing a workplace that appreciates and leverages the input of employees from varied backgrounds, with a wide array of experiences and viewpoints.

The Company has not implemented specific measures to increase diversity, but is considering doing so.

The Company has not reported its diversity metrics in the most recent Annual Report, but will consider providing this disclosure in future reports.

See Also: [Diversity Policy](#)

## HEALTH AND WELL-BEING

### Health and safety

CODE	TYPE	STATUS	LAST UPDATED
PE-02-C1	Explanation	Verified	22 May 2024

At ABx, we recognise that best practice health and safety begins at the top. All leaders within the organisation, including directors, are responsible for implementing and managing the H&S framework.

All employees must take accountability for H&S. All incidents are investigated and any injuries are recorded.

At this time, ABx does not publicly report or disclose health and safety statistics, but it is planning its inclusion in future annual reports.

**See Also:** [Corporate Responsibility Page](#)

## SKILLS FOR THE FUTURE

### Training provided

CODE	TYPE	STATUS	LAST UPDATED
PE-03-C1	Explanation	Verified	11 Apr 2024

At ABx we are committed to providing our employees with regular training and coaching to elevate their skills and advance their careers within the Company, whilst also fostering unity and cohesion in the workplace.

At this time, we do not disclose statistics related to the training of our personnel, such as average hours of training per employee or average training expenditure per employee. We will explore this in the future.

## DIGNITY AND EQUALITY

### Pay equality

CODE	TYPE	STATUS	LAST UPDATED
PE-01-C2	Explanation	Verified	22 May 2024

ABx recognises the significance of ensuring equitable compensation for all personnel performing similar work, promoting a nurturing and supportive workplace. In line with this commitment, the Company adheres to the suggestions outlined by the ASX Corporate Governance Council including adherence to the principle of fair and responsible remuneration.

To reinforce this commitment, ABx has established a Remuneration Committee Charter which serves as a guideline for executive compensation, employee benefits, and other forms of remuneration.

However, at this stage, the Company is not of a size that justifies having a separate Remuneration Committee. Matters relating to remuneration are considered by the full Board.

See Also: [Remuneration Committee Charter](#)

## DIGNITY AND EQUALITY

### Wage level

CODE	TYPE	STATUS	LAST UPDATED
PE-01-C3	Explanation	Verified	22 May 2024

ABx believes that fair remuneration and benefits are both crucial in enhancing the economic well-being of the workforce. As such, ABx is firmly committed to providing its employees with equitable and competitive compensation and benefits packages as an acknowledgment of their valuable contributions to the Company's success

However, the Company does not currently compare or report on wage levels, including the CEO pay ratio against median employee pay.

See Also: [Remuneration Committee Charter](#)

## DIGNITY AND EQUALITY

### Child, forced or compulsory labour

CODE	TYPE	STATUS	LAST UPDATED
PE-01-C4	Explanation	Verified	22 May 2024

At ABx, we are committed to upholding ethical practices and preventing the existence of modern slavery and human trafficking in all our operations or supply chains.

Given the small size of our company, we have not yet developed a Modern Slavery Policy. However, we will re-evaluate its necessity as future circumstances demand.

# Prosperity

## EMPLOYMENT AND WEALTH GENERATION

### Rate of employment

CODE	TYPE	STATUS	LAST UPDATED
PR-01-C1	Full disclosure	Verified	11 Apr 2024

ABx regards the metrics related to new employee hires and turnover as meaningful indicators of the Company's capacity to attract diverse talent.

During 2023, ABx hired 2 new staff. Of the new employees hired:

- 2 identified as male; and
- 1 was between the ages of 20 and 30, and 1 was between the ages of 30 and 40.

During the past 12 months, 1 employee ceased employment at ABx. Of the staff who exited:

- 1 identified as male; and
- 1 was over 50.

## INNOVATION OF BETTER PRODUCTS AND SERVICES

### Total R&D expenses

CODE	TYPE	STATUS	LAST UPDATED
PR-02-C1	Full disclosure	Verified	22 May 2024

Research and development (R&D) is a core activity of ABx:

- ALCORE: the entire project is R&D; the development of a process to produce hydrogen fluoride and aluminium fluoride from aluminium smelter waste
- Rare earths: There is significant R&D involved in developing:
  - (1) better techniques for exploring for ionic adsorption clay rare earth deposits, and
  - (2) optimised processes for producing a mixed rare earth carbonate from ionic adsorption clay deposits
- Bauxite: There is R&D involved in developing low-cost methods of upgrading bauxite ore



More information on ABx operations can be found in the most recent Annual Report.

In 2022, ABx spent \$2.42m on R&D, and subsequently received a \$1.02m R&D tax incentive from the Australian government.

In 2023, the preliminary estimate is that ABx spent \$2.00m on R&D.

**See Also:** [2023 Annual Report](#)

## COMMUNITY AND SOCIAL VITALITY

### Total tax paid

CODE	TYPE	STATUS	LAST UPDATED
PR-03-C1	Full disclosure	Verified	22 May 2024

ABx is dedicated to transparency and adheres to all relevant tax laws and regulations. As a responsible company, ABx meets its tax obligations diligently by ensuring timely payment in the appropriate jurisdictions.

Further details of ABx's taxes can be reviewed in the most recent Annual Report.

**See Also:** [2023 Annual Report](#)

## EMPLOYMENT AND WEALTH GENERATION

### Economic contribution

CODE	TYPE	STATUS	LAST UPDATED
PR-01-C2	Partial disclosure	Verified	22 May 2024

ABX received \$1,212,000 in financial assistance from the Australian government during the financial year ending 31 December 2023.

- Research and Development tax incentives: \$1,025,000
- Modern Manufacturing Initiative grant income: \$82,000
- Other grant: \$105,000

The detailed financials are in the most recent Annual Report.

The EVG&D for 2023:

- Revenue: \$222,000
- Operating costs: \$2,609,000
- Employee wages: \$759,000
- Payments for investing activities: \$2,506,000

All figures are AUD.

See Also:[2023 Annual Report](#)

## EMPLOYMENT AND WEALTH GENERATION

### Financial investment contribution

CODE	TYPE	STATUS	LAST UPDATED
PR-01-C3	Full disclosure	Verified	22 May 2024

The Directors of the Company do not recommend that any amount be paid by way of dividend. There were no dividends paid, recommended or declared during the 2023 or previous financial year.

See Also:[2023 Annual Report](#)