



Altech Batteries
Limited

ESG

**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

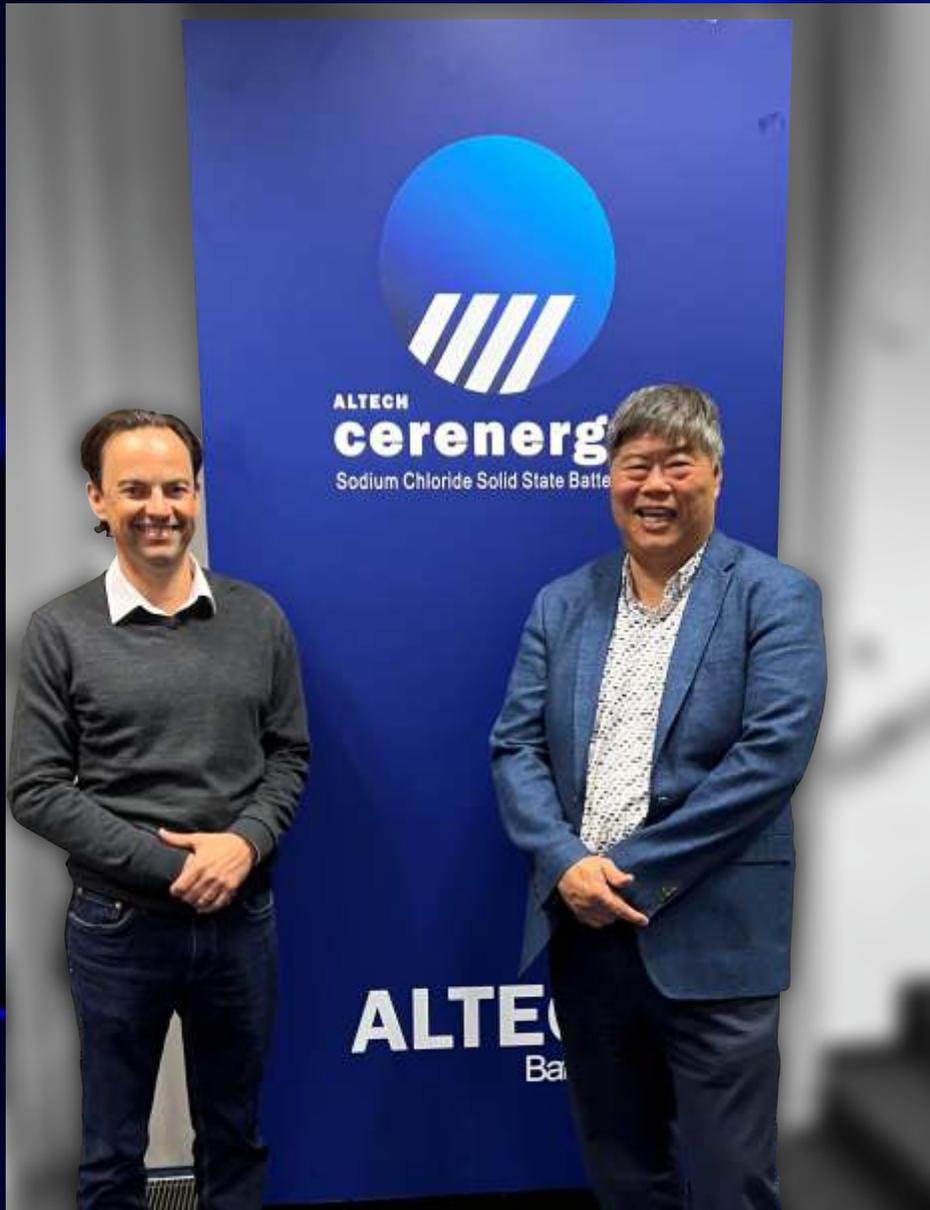
Altech Batteries Limited ("ATC" or the "Company") is committed to the principles of ESG as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations' Sustainable Development Goals. In February 2023, we made a commitment to commence 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 Go disclosure platform. ESG Go enables us to demonstrate our ongoing commitment to ESG by providing a dedicated solution to track, report, and share our ESG disclosures. With ESG Go we have started the journey of building robust ESG credentials.





OUR PURPOSE

IS TO REVOLUTIONISE ENERGY STORAGE

AND BATTERY MATERIALS IN ORDER

TO SUPPORT THE ENERGY TRANSITION FROM

A FOSSIL FUEL CARBON BASED ECONOMY

TO A RENEWABLE ENERGY ECONOMY.

GOVERNANCE

GOVERNING PURPOSE SETTING PURPOSE

At Altech Batteries Limited ("Altech"), our purpose is to revolutionise energy storage and battery materials in order to support the energy transition from a fossil fuel carbon based economy to a renewable energy economy.

We aim to achieve this through the commercialisation of solid state sodium batteries, and silicon-graphite anodes for higher energy density EV batteries. Our game changing technology, CERENERGY® Sodium Chloride Solid State (SCSS) battery, is an alternative to lithium-ion batteries and supplies the energy storage market with this higher quality and lower risk product. By doing so, we can reduce the dependence on traditional, energy-intensive methods, creating a more sustainable and environmentally friendly process.

Altech's CERENERGY® battery does not rely on lithium, copper, cobalt, graphite or manganese, rather, it uses sodium chloride (common table salt) technology.

As we continue to grow, our purpose will guide us in making decisions that benefit our stakeholders, including our employees, shareholders, customers, and the wider community. We will do this by bringing to market batteries and battery materials that meet the growing demand for sustainable electric solutions. Our innovative approach provides an opportunity to transform the industry, generate long-term growth, and create a positive impact on the environment.

QUALITY OF GOVERNING PURPOSE GOVERNANCE BODY COMPOSITION

Altech recognises the crucial role of its Board in providing overall good governance, oversight of its strategic direction, and delivery of accountable corporate performance in accordance with our goals and objectives. As such, the Board has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The Board's roles and responsibilities are formalised in a Board Charter which is available on the Company's website. The Charter is reviewed annually to ensure it remains appropriate given the operations of the business and the responsibilities and composition of the Board.

Altech seeks to ensure that our Directors have a broad range of experience and commercial expertise, or appropriate professional qualifications most relevant to the sound governance of the Company. To ensure that the Board possesses the necessary skills and expertise, Altech maintains a Board skills matrix that identifies the skills, experience, and competencies required for the effective functioning of the Board (which can be found in Altech's Corporate Governance Statement). The Company recognises the importance of ESG competencies and seeks to have directors with experience and knowledge on ESG matters to help guide the company in meeting its sustainability goals.

The Board conducts an annual internal evaluation to assess its performance as a whole and the performance of individual directors. Furthermore, the Chairman regularly provides informal feedback to each Board member regarding their contributions and performance during Board meetings.

Altech values the independence of its non-executive directors and seeks to maintain a balance between executive and non-executive directors on the Board. Our Board Member profiles can be found on our website. The Company recognises the importance of diversity on the Board and seeks to have a diverse representation of directors when it comes to background, skills, expertise and experience.

As of September 2023, the Altech Board had the following make-up:

- 6 Board Members (+1 Alternate Director)
- 100% Male
- 67% Local directors (Australian), 33% directors being of overseas origin
- 83% (5) Non-executive directors;
17% (1) is considered an Independent director
- All Directors are in the age group 50+

As part of the ASX Listing Rules, Altech's Board or a committee of the Board is expected to set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally. However due to Altech's size and limited scope of operations, the Company does not currently have a Diversity Policy in place and has not set any measurable objectives when it comes to gender diversity. Whilst the Board of Directors strongly believes in a socially inclusive and diverse Board, we acknowledge that we do not currently represent all these indicators at this point in time. As the Company's activities increase in size, scope and/or nature, the Board will consider the appropriateness of adopting gender diversity or other diversity objectives. It is important to note that the current Board has representatives from the three countries in which it operates; Australia, Malaysia, and Germany, thereby bringing a diversity of in-country skills and viewpoints to the oversight of the Company.

Altech Batteries considers director tenure, commitments, and obligations when assessing the composition of its Board, the parameters of which are set out in the Board Charter. The Company recognises the importance of continuity, while also ensuring that directors are not overcommitted and have the necessary time to fulfil their duties effectively. The details around Director tenure are included in the Annual Report.

The Board has also established an Audit Committee as well as a Remuneration Committee to assist with the effective governance of the company.

See Also: Board Charter, Board Members, Annual Report 2023





Stackable and all weather Altech MWh GridPacks

STAKEHOLDER ENGAGEMENT

MATERIAL ISSUES IMPACTING STAKEHOLDERS

Altech highly values its continuous drive for effective communication with all of its stakeholders. We take pride in actively listening to concerns, opinions, and ideas related to our business and the communities in which we operate. By involving diverse voices from stakeholders in management of our Company, we foster genuine engagement and cultivate a social licence to operate and create value for all of our stakeholders.

We recognise the importance of identifying and addressing material issues that may impact our business and our stakeholders. As a publicly listed corporation, Altech has a responsibility to ensure equal and timely access to material information about the Company in a fair and comprehensible manner for all shareholders and market participants. Our Continuous Disclosure & Shareholder Communications Policy thoroughly outlines the obligations we must uphold to comply with the Australian Securities Exchange (ASX) Listing Rules and the Australian Corporations Act.

Altech uses stakeholder mapping to identify our stakeholders and understand their needs and interests. We engage in regular stakeholder consultations to gather feedback and ensure that we are addressing material issues. Feedback on material issues is provided to stakeholders in a timely and transparent manner, and the Company continues to engage in ongoing stakeholder consultation to ensure that it is meeting stakeholders' needs.

We recognise the utmost importance of keeping our stakeholders well-informed about our actions and progress regarding material information. To ensure transparency, we adhere to rigorous materiality guidelines as per the Corporations Act that help us identify what constitutes a material issue, and whether it necessitates disclosure on the ASX or to our shareholders. We are committed to providing regular updates and feedback to our shareholders through various communication channels, including our website, reports, investor briefings, AGMs, and media releases.

To streamline our ASX and website communications on material issues, we leverage the Investor Hub software platform. Hosted on Altech's website, the Investor Hub offers a streamlined and efficient means of engaging with stakeholders and optimising investor communications. It serves as a centralised hub where stakeholders can access important information and engage with us effectively.

Interested parties are encouraged to engage with Altech directly by asking questions, watching video summaries and seeing what other shareholders have to say about this, as well as past announcements, at its Investor Hub.

See Also: [Continuous Disclosure & Shareholder Communications Policy, Investor Hub](#)

ETHICAL BEHAVIOUR

ANTI-CORRUPTION PRACTICES

Altech is committed to conducting business with the highest standards of ethics, integrity, and transparency. We recognise the detrimental impact that corruption can have on the Company and our stakeholders. As a publicly listed company, we are dedicated to combating corruption in all its forms.

While Altech does not currently have formal anti-corruption training, we take proactive measures to combat corruption. We emphasise the importance of ethical conduct and compliance with all applicable laws and regulations in the countries where we operate. It is our responsibility to ensure that our staff receive up-to-date Company policies annually, and written confirmation of reading and understanding the policy are recorded.

Our commitment to fighting corruption is demonstrated through the following initiatives:

a) Code of Conduct:

Altech Batteries has implemented a comprehensive Code of Conduct that sets clear expectations for all directors, officers, employees, and contractors. The Code of Conduct outlines our commitment to integrity, honesty, and objectivity, striving at all times to enhance the reputation and performance of the Company.

b) Anti-Bribery and Corruption Policy:

We have established procedures to prevent corruption and bribery in all countries that we operate in. The policy set out the responsibilities of the Company and its management and personnel in upholding Altech's commitment to preventing any form of bribery or corruption; and provide information and guidance to personnel on how to recognise and deal with any potential bribery and corruption issues.

c) Whistleblower Policy:

We have established a Whistleblower Policy that encourages employees and stakeholders to report any suspicions or instances of corruption, fraud, or unethical behaviour. This policy ensures that individuals who in good faith, raise concerns or breaches, can do so confidentially and without fear of retaliation or reprimand.

As of the date of this disclosure, Altech has not experienced any reported incidents of corruption involving its employees or stakeholders. We maintain a zero-tolerance approach to corruption and actively encourage individuals to report any suspicions or incidents they encounter.

RISK AND OPPORTUNITY OVERSIGHT

INTEGRATING RISK AND OPPORTUNITY INTO BUSINESS PROCESS

Altech has a comprehensive Risk Management Policy in place that is designed to identify, assess, monitor and manage risks and opportunities and internal compliance and controls across our business operations. This policy is reviewed every two years.

The Board ensures that appropriate risk management and internal compliance and control is in effect to identify, assess, monitor and manage business risks, ensuring compliance with all regulatory requirements and setting the risk appetite within which the Board expects management to operate. The responsibility for undertaking and assessing risk management and control effectiveness is delegated to the management team who is required to report back to the Board periodically.

Our risk management policy includes a systematic approach including:

- establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and

- monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.

The risk profile of the Company contains both financial and non-financial (or non-traditional, i.e. ESG risks or opportunities) factors including material issues arising from pricing, competitive position, currency movements, operational efficiency, ore reserve replacement, fuel prices, groundwater flows, product quality, investments in new projects, etc.

To mitigate these risks, the Company intends to put in place a broad range of risk management policies and procedures including monthly Board meetings, six monthly financial and internal audits, rigorous appraisal of new investments, advisers familiar with the Company and an internal audit function.

Altech is also exposed to risks and opportunities associated with climate change. Climate change and the energy transition is viewed as an opportunity for Altech, where the Company's goal is to develop and supply the materials and products to support a renewable energy system, thereby fighting climate change as evidenced in our work in achieving a 'Medium Green' rating from the Centre of International Climate and Environmental Research (CICERO) for our battery materials coating plant project. The Company has also engaged CICERO to undertake a green assessment for its CERENERGY® project, and aims to receive a green rating for this project as well.

See Also: Risk Management Policy

ETHICAL BEHAVIOUR

MECHANISMS TO PROTECT ETHICAL BEHAVIOUR

Altech is committed to maintaining the highest standards of conduct and ethical behaviour in all of our business activities. We promote and support a culture of honest, ethical behaviour, corporate compliance and sound corporate governance.

We recognise the importance of providing employees, Board members and other stakeholders with a safe and confidential environment to report any unethical behaviour. To achieve this, Altech has implemented a Whistleblower Policy that allows individuals to report any illegal, unethical, or inappropriate behaviours or practices in good faith without fear of retribution.

Our Whistleblower Policy provides an overview of the processes for dealing with disclosures and a confidential and anonymous mechanism for employees and stakeholders to report concerns that are construed as Disclosable Matters. This policy is communicated to all employees and stakeholders through the Altech intranet and website and applies to whistleblowers in all countries which Altech operates. The policy also outlines what constitutes a disclosable matter that can be reported, allowing the potential whistleblowers to understand whether the observation is or is not a reportable matter.

A disclosure/report can be made to any of the following Disclosure Officers:

- CFO
- Company Secretary
- Managing Director

In instances involving the Managing Director, a disclosure can be made to:

- Chairman

Reports can also be made by post to Altech's postal address found on the website.

Disclosable matters will be investigated by the Disclosure Officers as soon as practicable and will be treated with sensitivity and fairness. The investigation process will be clearly communicated to the whistleblower and the whistleblower's identity and confidentiality can be protected.

We remain committed to maintaining a culture of ethical behaviour and ensuring that our employees and stakeholders feel empowered to report unethical behaviour or seek advice when faced with ethical or illegal conduct. By establishing these mechanisms, the Company aims to promote a culture of transparency and accountability, which is essential to building trust with stakeholders and ensuring the long-term success of the Company.

See Also: Whistleblower Policy

PLANET

CLIMATE CHANGE GHG EMISSIONS

Altech recognises the importance of reducing greenhouse gas (GHG) emissions to address climate change and ensure a sustainable future. We are committed to measuring, reporting, and reducing our GHG emissions in line with industry standard and best practices.

Altech Battery Materials Coating Plant in Germany:

Our Battery Materials Coating Plant project in Germany has been awarded a "Medium Green" rating by the independent Centre of International Climate and Environmental Research (CICERO). This evaluation, also known as a "green bond second opinion", confirms that the proposed project would be suitable for future green bond financing. The assessment was conducted as part of a preliminary feasibility study (PFS) for the proposed battery materials coating plant at Schwarze Pumpe Industrial Park in Saxony, being undertaken by Altech's 75% owned subsidiary Altech Industries Germany GmbH (AIG).

The plant is being designed with a specific focus on minimising environmental impact and will adhere to German, European, and international environmental standards. The CICERO assessment confirmed that the project aligns with green bond principles and rated the proposed governance procedures and transparency as "good". The plant is expected to have near-zero Scope 1 and Scope 2 emissions as its processes, including steam generation, will be fully electrified and powered by renewable electricity from on-site solar panels and renewable energy certificates.

In a carbon footprint assessment of the proposed 10,000-tonnes-per-annum plant, it was found that using coated silicon anode material instead of the traditional graphite-only anode in lithium-ion battery technology could result in significant reductions in carbon emissions (for Scope 3 emissions). The reduction could be around 19% when 5% coated silicon is used in a battery anode, and up to approximately 52% if 20% coated silicon is used.

While the battery materials coating plant project by Altech is still in the development phase, CICERO has advised the Company to adopt a strong supply chain sustainability policy and work with suppliers to address their sustainability impacts. This is particularly important as over 90% of the plant's carbon footprint is attributed to plant feedstock, such as graphite and silicon, as well as chemical feedstocks mined from raw materials (e.g. bauxite).

In addition, an independent study performed by the University of Bochum has reported that Altech's CERENERGY® Batteries have 50% less greenhouse gas emissions than a comparable lithium-ion battery.



°CICERO

Medium Green

Altech Malaysia High Purity Alumina (HPA) processing plant:

Once constructed and operational, Altech's Malaysia High Purity Alumina (HPA) processing plant aims to be one of the world's leading suppliers of HPA for the production of LED and lithium ion batteries. Feedstock for the HPA plant will be sourced from Altech's 100%-owned kaolin deposit at Meckering, Western Australia. Altech also commissioned a CICERO Green Bond report for this project and it received a 'Light Green' rating.

Altech's production of kaolin based HPA involves burning of natural gas and the use of electricity from Malaysia's fossil fuel dependent grid. Approximately 50% of Altech's mine-to-gate emissions come from grid emissions, while 3% result from natural gas burning during production. With 6.6 tCO₂/t HPA versus 12.3 tCO₂/t HPA for the conventional alkoxide production method, Altech's overall annual emissions is approx. 29.7 ktCO₂. Altech's "mine-to-gate" study illustrated that its efficient HPA production process reduces emissions by 46% and reduces energy consumption by 41% compared to the conventional HPA production process. These emissions are estimated based on the usage of fossil fuel burning equipment. The Company believes that all fossil fuel burning equipment parts could be replaced with electricity based equipment in the future which would significantly reduce the risk of lock-in of emissions.

Corporate GHG inventory:

Altech is yet to conduct corporate-level GHG inventory across the entire business entity in line with the GHG Protocol Corporate Accounting and Reporting Standard. Due to our size and minimal level of activity as a start-up, we have not yet created a GHG emissions inventory and set any science-based reduction targets. Altech plans to understand its GHG inventory as part of the various financing and development stages of its projects. In addition, we aim to comply with German and European environmental regulations, as well as international standards such as the Equator Principles and IFC Performance Standards on Environmental and Social Sustainability.

This disclosure shall be updated when the projects progress further and we conduct the appropriate GHG inventory assessments. Altech is committed to reducing our GHG emissions in line with industry standards and best practices. We believe that our efforts to reduce emissions will not only benefit the environment but will also support our long-term business success and create value for our stakeholders.

See Also: CICERO Report - HPA Plant



NATURE LOSS

LAND USE AND KEY BIODIVERSITY AREAS

Altech is committed to responsible land use practices across all of its operations. As a manufacturer of battery materials, the Company recognises the potential impacts of its activities on land and biodiversity and strives to minimise its environmental footprint.

Our operations are subject to relevant laws and regulations governing land use, including environmental permitting requirements in the countries where we operate. Altech Batteries' operations take place on land in Germany, Australia and Malaysia, and we work closely with landlords, government authorities, and local communities to ensure responsible land use practices.

Altech is also developing an Environmental Management System (EMS), which is expected to be certified under the ISO 14001 standard before the plant starts operations. In addition, the Company's management team reviews environmental compliance bi-annually. The projects also follow international recognised environmental standards and practises including the Equator Principles and International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability.

Altech's Sodium Chloride Solid State Battery project in Germany uses common table salt (sodium chloride), which is not a critical element, and nickel. Salt is much cheaper than lithium and readily available globally. The requirement to extract critical elements or rare earth minerals such as lithium, cobalt, copper and graphite and be subject to supply, environmental or geopolitical issues associated with the sourcing of such minerals is non-existent.

Altech's Malaysia HPA Plant is being constructed on a site in an existing industrial/chemical park, therefore no greenfield construction is occurring here. The project plans to meet any environmental requirements set out by Malaysian environmental authorities as required. An Environmental Impact Assessment (EIA) was conducted accordingly as part of the requirement and the outcome of the report has granted Altech the approval with conditions.

The feedstock for the HPA plant will come from Altech's 100%-owned kaolin deposit at Meckering, Western Australia.

The kaolin deposit site has had an environmental impact assessment (EIA) conducted in 2017. The Company holds an exploration licence and a mining licence that regulate its exploration and future mining activities in Western Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration or future mining activities. So far as the directors are aware, there has been no known breach of the Company's licence conditions and all exploration activities comply with relevant environmental regulations.

Altech Batteries is committed to preserving biodiversity and natural habitats, and the Company strives to minimise the impact of its operations on sensitive ecosystems. The Company has implemented measures to protect biodiversity, including the use of low-impact drilling techniques and the implementation of reforestation programs to restore degraded land. A Mine Closure Plan (MCP) also has been developed in place to ensure that the Company are able to rehabilitate the disturbed areas.

In addition, Altech Batteries is committed to engaging in meaningful stakeholder consultation on land use issues, and works closely with local communities, government agencies, and other stakeholders to understand and address potential impacts of its operations.

A blue-tinted photograph of a forest. In the foreground, a large tree with a thick trunk and spreading branches is silhouetted against the sky. In the background, a stream flows through a dense forest of trees. The overall scene is serene and natural.

Altech has conducted a Site Identification Aboriginal Heritage Ethnographic Survey in 2017. The survey included the identification of the spokes people before the community consultation took place. Native title claims have been made with respect to areas which include tenements in which Altech has an interest. Altech is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Group has an interest.

See Also: Altech Green Bond Framework, Cicero Report - HPA Plant

FRESHWATER AVAILABILITY

WATER CONSUMPTION

Altech recognises the importance of water as a vital resource for sustaining life and the environment. We are committed to transparency and accountability in our operations, including the management of water consumption across our operations.

At an early stage of development, there are minimal activities ongoing across Altech's projects, with water withdrawal and consumption currently immaterial. Any water consumption is insignificant and not in the megaliters range. There may be water withdrawal and consumption in the future at some of our project sites and we will update this disclosure accordingly. For now we can report on the following water management information.

- Battery Materials Coating Plant, Germany: Altech plans to neutralise and filter wastewater generated from the plant's processes before discharge into the established Schwarze Pumpe Industrial Park's drainage for further treatment.
- Kaolin Deposit Project, Australia: There is limited water locally available for traditional kaolin processing, which has inhibited the economic development of the Kerrigan deposit in the past. Transport of bulk ore to a location with plentiful high quality water for kaolin processing was too costly to be economically competitive with other deposits. Two recent developments have changed this assessment:
 - There are a number of third party processors in Asia who will take bulk as-mined kaolin, or dry coarsely screened kaolin, and will pay a price that can be expected to cover mining and transport costs

- Kerrigan kaolin could be dry screened at 300 micron for use as feedstock for an HPA plant (i.e.: Altech's Malaysia HPA plant)

These developments mean that water withdrawal and consumption for the processing of kaolin is reduced significantly.

- HPA plant, Malaysia: With the plant site being located in an established industrial complex in Johor, water supply and wastewater treatment has well managed systems in place.

We plan to implement water management systems to optimise our water use efficiency and minimise waste, including recycling and reusing water where possible. We plan to regularly monitor and report on our water consumption to ensure that we are in compliance with relevant regulations and standards in the countries where we operate.

CLIMATE CHANGE TCFD IMPLEMENTATION

Altech has reviewed the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD) as part of its pre-feasibility studies. Due to the current size, minimal activities, and early stage of its projects, the Company has not started implementing the TCFD recommendations but notes that it will consider doing so in the future. Although the TCFD framework and its recommendations are presently optional in Australia, there is an increasing anticipation from various parties such as investors, governments, customers, and the community that companies evaluate and disclose climate-related risks.

Based on the overall assessment of the projects conducted by CICERO, Altech's green bond framework receives a CICERO Medium Green shading and a governance score of Good. CICERO recommended that Altech implement and enforce robust supplier policies and engage suppliers to develop low-carbon feedstocks. Further supply chain risk mitigation can be achieved by setting targets on Scope 3 emissions and recycled material use, and by engaging battery and vehicle manufacturers to improve material recoverability and recyclability. The CICERO assessment also recommends that Altech assess and mitigate physical climate risks to its plant and supply chains.

Altech plans to establish a robust reporting approach that includes a commitment to obtaining third-party verification and will provide an update in a future ESG report.



PEOPLE

DIGNITY AND EQUALITY DIVERSITY AND INCLUSION

Altech acknowledges the importance of diversity and inclusion in fostering a vibrant and thriving work environment. While we are currently a small company with limited operations and scope, we recognise that as our activities grow, it becomes increasingly important to prioritise diversity and inclusion within our organisation. As such, the Board of Altech is committed to evaluating the adoption of a Diversity Policy as our business expands.

With a presence in Australia, Germany, and Malaysia, and with employees and directors from all three countries, we bring a diverse set of local expertise and global viewpoints to our business. Our team has a deep understanding and knowledge of the particular geographic areas we operate in, including its culture, customs, markets, environment, and specific skills required to navigate and operate effectively within those specific regions.

Altech does not yet collect diversity data sets for employees, management, or Board. However, as the Company expands and our workforce grows, we will undertake efforts to gather and report on diversity-related data to inform our future policies and initiatives. We understand that diversity encompasses a wide range of dimensions, including age, sex, ethnicity, and other characteristics that contribute to an inclusive and diverse workforce. By understanding and evaluating these indicators, we aim to ensure fairness, equality, and inclusivity in all aspects of our business operations.

Please note that this disclosure reflects the current state of our diversity and inclusion efforts. As our Company evolves and adopts new policies, we will provide updates and enhancements to our approach in future ESG reports.

HEALTH AND WELL-BEING HEALTH AND SAFETY

Altech's Board, in conjunction with the senior management team, is responsible for ensuring the occupational health, safety and well-being of employees, contractors and community members, which is outlined in the Board Charter. This includes developing, overseeing and reviewing the Company's occupational health and safety systems to ensure it is effectively protecting employees, contractors and community.

At our operational sites, all people must complete government mandated safety training prior to entering the site and they must follow rules set out in this training module to ensure the safety of themselves and those around them.

There were nil reported fatalities, high consequence work related injuries, or recordable work related injuries in the 12 months to 30 June 2023. As H&S record is kept by our contractor at the Phase 1 HPA plant construction and is reported to Altech on a regular basis.

Altech provides additional medical services to its employees.

SKILLS FOR THE FUTURE TRAINING PROVIDED

Altech values the importance of the development of our people, as a skilled work force not only improves a company's performance, but also contributes to overall employee satisfaction and enhances human capital.

Altech supports employees in completing their university degrees through financial and time contributions. Altech encourages all of its staff to engage in continuous education and supports its employees in doing so. Altech Directors or key management personnel are all highly experienced and formal training is not common. However, any Director or key management personnel wishing to undertake either specific training or personal development courses is expected to approach the Chair for approval of the proposed course.

As the Company is very small, the collection and reporting of this data is insignificant and not material, therefore Altech does not currently report on training expenditure or hours. When the need arises as the Company grows, staff training shall be revisited and this disclosure will be updated in future reporting.

DIGNITY AND EQUALITY PAY EQUILITY

Altech upholds the principle of fair and responsible remuneration, recognising that a supportive work environment can only be realised through ensuring that all employees receive equal compensation for equal work. As of 30 June 2023, Altech has 19 permanent employees across its operations. As a small company in a highly competitive growth industry, we do not currently report on the ratio of basic salary and remuneration for each employee category by priority areas of equality (gender, ethnicity, etc.) Objectives on pay equality have not been explicitly set, however we facilitate equal employment opportunities based on relative ability, performance or potential.

We have established a Remuneration Committee which has four members comprising the Non-Executive Chairman, two Non-Executive Directors, and the Managing Director. The Committee is governed by the Remuneration Committee Charter and is responsible for assisting the Board in monitoring and reviewing any matters of significance affecting the remuneration of the Board and employees of the Company.

DIGNITY AND EQUALITY

WAGE LEVEL

An important priority for Altech is to offer our employees equitable and competitive compensation and benefits packages that duly acknowledge their valuable contributions to the Company's achievements. We believe that providing fair remuneration and benefits is crucial for fostering the financial welfare of our workforce and are committed to guaranteeing that our employees are compensated fairly and responsibly.

Our approach to CEO remuneration, as well as the compensation of directors and staff, is overseen by Altech's Remuneration Committee. The Committee operates under the governance of the Remuneration Committee Charter and adheres to the guidelines outlined in the Charter. Compensation made to the CEO, Directors and other members of key management personnel of the Company is set out in the Annual Report, ending 30 June 2023.

Altech is not disclosing wage levels at present due to the Company's small size and limited scope of operations. However, Altech's discloses in its Annual Financial Report remuneration in relation to its key management personnel.

See Also: Annual Report 2023

DIGNITY AND EQUALITY

CHILD, FORCED OR COMPULSORY LABOUR

Altech recognises the significance of addressing and preventing modern slavery within our business operations and supply chain. We are dedicated to adhering to all applicable laws and regulations pertaining to modern slavery in all the countries we operate, including the Modern Slavery Act 2018 (Cth) in Australia, the Supply Chain Due Diligence Act in Germany, and the Employment Act 1955 in Malaysia. Despite not being obligated to report on modern slavery annually in Australia due to falling below the reporting threshold, we approach this matter with utmost seriousness and remain committed to aligning our practices with the spirit and intent of the legislation and meeting all employment laws in these countries.

Altech acknowledges the potential risks of modern slavery in Malaysia. In Australia and Germany, we consider the risk of modern slavery in our operations to be low. We have not yet conducted a formal risk assessment on modern slavery in our business or supply chain, but we will review this decision as part of our ongoing commitment to responsible business practices.

Altech has not yet developed or adopted a formal Modern Slavery Policy or Statement. However, we are committed to preventing modern slavery in our business and supply chain, and we are reviewing our policies and procedures to ensure they are aligned with this commitment. We will consider developing and adopting a formal policy or statement in the future if deemed necessary.

Dock³ LAUSITZ

KOMPEENZEN IM FÜR
GRÖßER & GÜTE
ERFOLG WAR



PROSPERITY

EMPLOYMENT AND WEALTH GENERATION RATE OF EMPLOYMENT

Altech understands that the rate of employment serves as an indication of a company's ability to attract diverse talent, and contribute to employment in the countries where we operate.

As of 30 June 2023, the Company had 19 employees and utilises external consultants and contractors as and when required. As such, at this point in time, information detailing the turnover of staff, new staff hired, or staff to have exited the Company, is not disclosed. This will be reassessed in a future reporting period.

During the 12 months to 30 June 2023, the Company hired 3 new staff, of the new staff hired:

- 2 identified as female and 1 identified as male; and
- 1 was between the ages of 20 - 30, 2 were between the ages of 30 - 40.
- During the 12 months to 30 June 2023, 2 employees ceased employment with the Company. Of the staff who exited the Company:
- 1 was male between the age of 41 - 50 and 1 was between the ages 51 - 60.

INNOVATION OF BETTER PRODUCTS AND SERVICES TOTAL R&D EXPENSES

Altech established a dedicated research and development laboratory in Perth, Australia, and has produced the Silumina Anodes lithium-ion battery anode material with 30% higher energy retention and capacity than conventional graphite only anodes. Altech continues to work on increasing the battery capacity, with phase two R&D striving to attain capacity retention beyond the current 30%.

Altech entered into a strategic partnership with world class German battery research and development institute Fraunhofer IKTS for Silumina Anodes qualification. The independent performance testing and qualification of Silumina Anodes product by Fraunhofer IKTS will assist early market entry.

The details of Altech Batteries' total R&D expenses can be reviewed in the Annual Financial Report. Total R&D expenses for Altech Batteries for the financial year ending 30 June 2022 was AUD 546,262.

See Also: Annual Report 2022

COMMUNITY AND SOCIAL VITALITY

TOTAL TAX PAID

Detailed information disclosing the total global tax borne by Altech Batteries can be found in the Annual Financial Report (pg34), for the year ending 30 June 2022.

See Also: Annual Report 2022

EMPLOYMENT AND WEALTH GENERATION

ECONOMIC CONTRIBUTION

Altech has not received any financial assistance from government bodies during the FY ending 30 June 2022.

Detailed financials can be reviewed in the Altech Batteries Annual Financial Report for the year ending 30 June 2022.

The EVG&D of FY22 can be seen below (in AUD):

- Revenue (total income): \$468,659
- Operating cost (net profit/loss from continuing operations): (\$5,802,429)
- Employee wages: (\$2,201,945)
- Cash flow from investing activities: (\$4,334,862)
- Cash flow from financing activities: (\$13,351,370)

See Also: Annual Report 2022



CORPORATE INFORMATION

EMPLOYMENT AND WEALTH GENERATION FINANCIAL INVESTMENT CONTRIBUTION

Altech's disclosure of capital expenditure and other financial investment contributions can be reviewed in the Consolidated Statement of Cash Flows in Altech Batteries Annual Financial Report 2023 ending 30 June 2023.

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year (FY23).

There is currently no on-market buy back program for any of Altech's listed securities.

See Also: Annual Report 2023

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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