



ASX:MNS | FRA:U1P | OTCQX:MNSEF

# ESG PRINCIPLES

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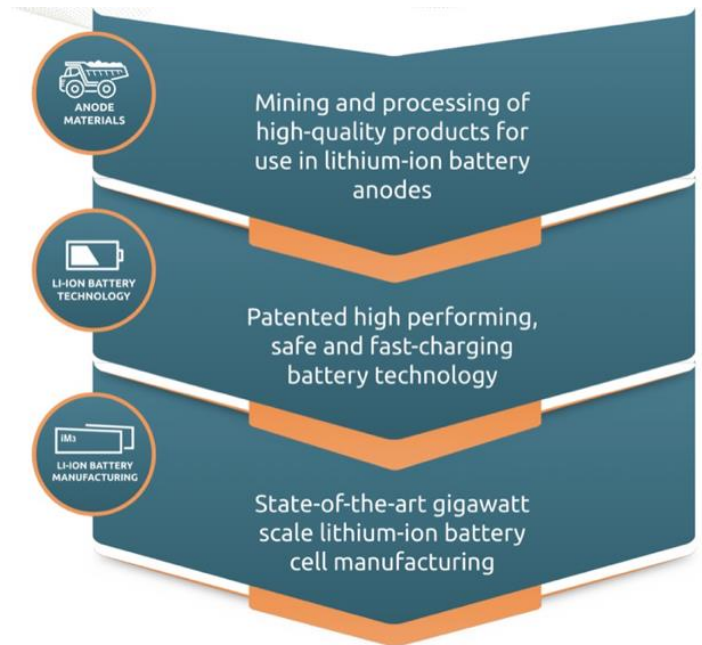
## Magnis at a glance

### Corporate overview

Magnis Energy Technologies Ltd and its related bodies corporate (Magnis) is a vertically integrated lithium-ion battery technology and materials company with strategic assets, investments and partnerships in the electrification supply chain.

The company's vision is to enable, support and accelerate the green energy transition critical for the adoption of Electric Mobility and Renewable Energy Storage.

From an ownership perspective, the Company has a strategic majority shareholding of approximately **60%** in iM3NY. The Company also has a minority shareholding of approximately **10%** in C4V. Magnis currently owns **100%** of the Nachu Graphite Project in Tanzania and the Anode Materials producer in the US, Magnis AAM LLC.



### Company verticals

#### Battery Manufacturing

Magnis' **62%** subsidiary iM3NY LLC has a **95%** stake in **Imperium3 New York Inc. (iM3NY)**, a world class Lithium-ion Battery plant in Endicott, New York. **iM3NY** is fully funded and has begun commercial production and will over the next few years ramp up to 1.8GWh.

#### Nachu Graphite Project

Magnis holds **100%** ownership of the **Nachu Graphite project** based in Tanzania.

The Export Processing Zones Authority (EPZA) in 2017, granted Magnis a license to operate within a Special Export Zone (SEZ) in Tanzania on a 10-year license, which was renewed in May 2021

#### Anode Active Materials

Magnis holds **100%** ownership of Magnis AAM LLC which will operate plants in the US to supply Active Anode Material in the US.

## Who We Are

Magnis' code of Business Conduct and Ethics, is grounded from our obligations to give proper regard to the interests of people and organisations that have a stake in Magnis' activities, including:



### EMPLOYEES

We are committed to attracting, developing, motivating and retaining competent, ethical, law-abiding employees.



### SUPPLIERS

We are committed to open and honest dealing with our suppliers, recognising their contributions in providing best value for Magnis' customers.



### CUSTOMERS

We are committed to conducting business fairly, honestly, ethically and sustainably, providing our customers with quality products and services within our expertise which satisfy their needs.



### COMMUNITIES

We are committed to earning and maintaining the support of the communities in which we operate, through dialogue with local, regional and national officials and other relevant groups



### SHAREHOLDERS

We are committed to providing a reasonable return, on shareholder's investment in Magnis, striving to increase the value of their investment by developing and carrying on business in a sound and effective way and clearly, openly, accurately and honestly reporting on the company's operations.

## Magnis Sustainability goals



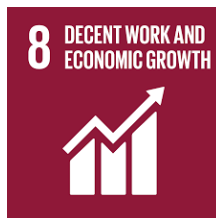
Increase diversity by increasing participation of females in leadership positions, Empowerment of women at all levels through sound policies and actions.



Availability of clean water and sanitation, through the implementation of sustainable water delivery systems in and around our mine and the choice of a sustainable management of this resource in the Nachu Graphite Project.



Acceleration of the green energy transition through clean energy solutions; reduction in energy consumption and a commensurate reduction in carbon footprint for our company and stakeholders. Address scope 1, 2 & 3 carbon emission reduction.



Jobs in a safe, secure and green work environment and sustainable economic growth through partnerships with suppliers with high ethical and sustainable standards. Ensuring that all Businesses adopt safety as a key focus without foregoing growth and ensuring all suppliers comply.



R&D development for more sustainable battery chemistries and the battery material whole cycle from extraction to recycling. Develop industries, technology, research and innovation in emerging and developed countries.



Magnis is developing more sustainable materials, battery chemistries and encourage our business partners to integrate sustainability information and strive for increased traceability for battery materials, in order to mitigate the effect on the environment and by implementation of the Ethical Procurement Policy.



Reduce energy consumption and increased energy recovery across the battery value chain; to achieve by 2030, cell manufacturing based on renewable energy whilst minimising carbon footprint in the battery value chain through reduction of scope 1,2 & 3 carbon emissions tracking and addressing the use of water by capturing and recycling this wherever possible.

## ESG at Magnis

### ESG Principles

Upholding strong governance, with the board leading the way by addressing diversity and gender equality.

Ensure wellbeing and safety of employees, in particular their physical & mental health and the physical health of the environment through Climate risk and sustainability management.

Be a good corporate citizen, by engaging with the communities in which the Magnis Group operate

#### a. Ensure wellbeing and safety of employees

Magnis has a fundamental philosophy of providing a safe and healthy work environment as well as equality for all its employees, regardless of their background and position. We strive to prevent discrimination in our recruitment process and employment relationships and aim to build a diverse working community.

We believe that all injuries, occupational illnesses (including mental health issues) and environmental incidents can be prevented and if not addressed. Management is accountable for safety and environment performance. Further, all employees are expected to take personal responsibility and be involved in setting standards and improvement initiatives.

We are in the process of adopting a common approach across the company to managing Safety and Health (SH). This approach incorporates a Safety & Wellness Policy (available on the group's intranet) which sets out the company commitments,

management systems, and requires reporting, auditing and setting KPIs which have a safety and incident reduction focus to ensure that Magnis and its people will suitably discharge their responsibilities.

Employees are responsible for reporting safety hazards and work-related accidents and injuries to avoid the adoption of bad behaviours - *‘the bad behaviour that you walk past is the bad behaviour you condone.’*

There are strict SH protocols for contractors as well as for employees to ensure the safety and wellbeing of all people on Magnis sites. The Health, Safety & Sustainability Committee, monitors safety performance indicators to better understand whether processes and behaviours are effective in minimising safety incidents and serious harm.

The committee further monitors and tracks any serious consequence-based injury, or major incidents that can cause or have caused serious or fatal harm under various measures. All incidents, injuries and near misses must be reported in accordance with incident management procedures to ensure appropriate action can be taken to prevent reoccurrence and ensure a safe and healthy work environment.

As part of providing a safe and healthy workplace, Magnis will not tolerate employees or anyone else taking illegal drugs on to our sites, nor employees carrying out company business while impaired by drugs including alcohol. Smoking is strictly prohibited on Magnis sites.

Health and workplace safety scorecard	30th June 2022	30th June 2021
Safety incidents	zero	zero
Loss-time injury frequency rate (LTIFR)	zero	zero

*Table 1: Health and Safety scorecard, Annual Report 2022*

**Associated Safety and Health policies currently in place include the following:**

Policy	Content	Source
Code of Business Conduct and Ethics	Covers anti bribery and fraud, the company’s drug and alcohol policy, Anti bullying and harassment policy amongst others.	<a href="https://magnis.com.au/files/Code-of-Business-Conduct-and-Ethics.pdf">https://magnis.com.au/files/Code-of-Business-Conduct-and-Ethics.pdf</a>

Diversity policy	Covers Gender equality and Modern slavery.	<a href="https://magnis.com.au/wp-content/uploads/2021/12/MNS-Diversity-Policy.pdf">https://magnis.com.au/wp-content/uploads/2021/12/MNS-Diversity-Policy.pdf</a>
Safety & Wellness policy	Outlines our commitment towards the health and safety of our employees and workplace.	Internally available
Alcohol and drugs Usage policy	Ensures the health and safety of employees whilst mitigating the risks associated with the consumption of alcohol and drugs at the workplace.	Internally available
Modern Slavery Statement	Highlights the Group's commitment to eliminating Modern Slavery (which includes forced and Child labour) which it considers abhorrent from its supply chain. This is a voluntary statement which is currently not required to be registered with Border Force.	Internally available
Human Resources	Is the overarching policy which resulted in the Diversity, Safety & Wellness and Alcohol & Drug usage policies, all aimed at the inclusion and wellness of staff	Internally available
Whistleblower	This recognises that ESG plays a role in all areas of the operation of the group including open accountability	<a href="https://magnis.com.au/files/WhistleblowerPolicy.pdf">https://magnis.com.au/files/WhistleblowerPolicy.pdf</a>

## b. Mitigate impact on environment

Magnis acknowledges the importance of sustainability in all aspects of our business. Our vision is to be a key global player in the lithium-ion battery value chain of electric vehicles and clean energy storage. Our objective is for all our group companies to work on minimising environmental impacts, promote a circular economy and to reduce CO2 emissions.

In support of the urgent need for more intensive actions against climate change, we are proud that Magnis operates in the responsible and just battery value chain, being one of the major near-term drivers to realise the 1.5°C Paris Agreement goal in the transport and power sectors.

We believe that we have a major role to play in the battery technology, manufacturing and materials space. We believe we have the potential to create new



jobs and significant economic value, increase energy access, and drive a responsible and fair value chain. Accordingly, we are pursuing the most promising battery technologies and our cobalt and nickel free battery technology developed by C4V, our investee company and technology partner, positions Magnis at the forefront of battery technology whilst utilising cheaper and cleaner materials.

Magnis has jointly undertaken the qualification of its graphite product offering with several prospective end users and supply chain partners. Key aspects of this qualification include the elimination of the use of harsh and toxic acids in the Graphite purification process and the reduction of carbon footprint of the entire supply chain, with use of Hydro-power in NY and the sustainable management of water in the Nachu Graphite Project. In addition, the proposed continuous monitoring of environmental data on Magnis' sites and the regular review of our suppliers' practices and performances will further contribute to the mitigation of any negative impacts on the environment. Going further, the engagement and actions of Magnis towards the local communities has always taken the environmental aspect into account, therefore, promoting sustainability on all levels of the Group's activities.

Magnis is proud to be a key player in the global energy transition and decarbonisation focus. As per a report by Abt Associates, commissioned by the New York State Energy Research and Development Authority, batteries produced by iM3NY are said to be "*the greenest in the world*", By utilising BLMP instead of cobalt and nickel will facilitate easier recycling something that C4V Magnis' technology partner is investigating in conjunction with the ramp up of the production of the cells at iM3NY plant. Also, most of the focus for the use of the cells is power storage for renewable energy sources.

The supply chain will be regularly audited to ensure that improvements are being achieved by suppliers to minimize their impacts on the environment, as similar activity is already implemented for Magnis' activities.

### Associated Policies under review include.

Policy	Subsidiary policies	Content
Sustainability policy (yet to be produced)	Ethical Procurement Policy, Conservation & Environment Policy, Climate Change (yet to be finalised)	Addresses the protection of the environment, restitution, compliance with each country's COP 26 Commitments. This leads to the obligation to adhere to the associated laws, regulations and proclamations resulting from that and other commitments made by the governments.
Ethical Procurement	Ethical procurement standard (under development)	Ethical Procurement Policy is internally available – the standard to be reviewed/ amended

### c. Upholding corporate governance

Our approach to corporate governance is to strive for best industry practice and to build excellent corporate governance principles. We believe this is essential for the Company's long-term sustainability of its business and general performance and will assist in the protection of the interests of all stakeholders of the Company. Our Corporate Governance statement can be viewed at

<https://magnis.com.au/files/Corporate-Governance-Statement.pdf>

The Board has a clear understanding that it is responsible for the Company's corporate governance and recognises the importance of this in establishing accountabilities, monitoring and managing risks, guiding and regulating activities and optimising the Company's overall performance. The Board is responsible for maintaining corporate integrity and ethical behaviour and seeks to set the standards for dealing ethically with employees, investors, customers, regulatory bodies, the financial and wider community, and the responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour.

As a result of the corporate governance review, the Board established three new Board Committees, then recently reviewed their composition, title and charters. They are:

- a. Audit and Risk Committee
- b. Nominations and Remuneration Committee
- c. Health, Safety and Sustainability Committee

In addition, we have a Continuous Disclosure Committee that administers all announcements required by the ASX Listing Rules, applying the Continuous Disclosure Policy which can be found at <https://magnis.com.au/wp-content/uploads/2022/08/MNS-Continuous-Disclosure-Policy2.pdf>.

The following outlines the main corporate governance practices currently in place for at Magnis. Further explanation of the Company's policy on corporate governance can be viewed below and, in the section, titled **"Upholding Strong Governance"**

- The Board has a clear understanding that it is responsible for the Company's corporate governance. The roles and responsibilities of the board are detailed in the board charter available at: <https://magnis.com.au/wp-content/uploads/2021/12/MNS-Board-Charter.pdf>
- In prior reporting periods, the Board has not undertaken any level of formal performance evaluation of Directors. As the operations of the Company increase, it is proposed that a performance review will be annual, please see the Board Charter.
- The Company is committed to creating an inclusive workplace where discrimination, harassment and inequity is not tolerated, and demeaning behaviour toward colleagues or management by Directors is managed by the Executive Chairman in conjunction with the CEO. The Diversity policy of Magnis can be viewed at <https://magnis.com.au/wp-content/uploads/2021/12/MNS-Diversity-Policy.pdf> Safe & Respectful Workplace Policy can be viewed at <https://magnis.com.au/files/Safe-and-Respectful-Workplace-Policy.pdf>

**The integral policies adopted as part of our Corporate Governance framework include**

Policy	Content	Source
Diversity policy	Covers Gender Equality and Modern Slavery	<a href="https://magnis.com.au/wp-content/uploads/2021/12/MNS-Diversity-Policy.pdf">https://magnis.com.au/wp-content/uploads/2021/12/MNS-Diversity-Policy.pdf</a>
Human Resources Policy	Rules and guidelines to hire, train, assess, and reward our workforce.	Internally available

Continuous Disclosure Policy	Ensures Magnis' responsibility and commitment towards notifying the ASX of any market sensitive information, namely that which would have a material effect on the price or value of the Company's securities.	<a href="https://magnis.com.au/wp-content/uploads/2021/12/MNS-Continuous-Disclosure-Policy.pdf">https://magnis.com.au/wp-content/uploads/2021/12/MNS-Continuous-Disclosure-Policy.pdf</a>
Anti-Bribery and Corruption policy	Covers the company's commitment to conducting its business activities fairly, honestly with integrity, and in compliance with all applicable legislation, rules and regulations.	<a href="https://magnis.com.au/wp-content/uploads/2022/06/Anti-Bribery-Corruption-Policy.pdf">https://magnis.com.au/wp-content/uploads/2022/06/Anti-Bribery-Corruption-Policy.pdf</a>
Magnis Whistleblower policy	Covers the Whistle-blower protections available to company employees and others that report disclosable activities.	<a href="https://magnis.com.au/wp-content/uploads/2021/12/MNS-Whistleblower-Policy.pdf">https://magnis.com.au/wp-content/uploads/2021/12/MNS-Whistleblower-Policy.pdf</a>
Securities Dealing policy	Covers the applicable policies governing the dealing of securities by company employees to prevent insider trading.	<a href="https://magnis.com.au/wp-content/uploads/2021/12/MNS-Securities-Dealing-Policy.pdf">https://magnis.com.au/wp-content/uploads/2021/12/MNS-Securities-Dealing-Policy.pdf</a>

#### d. Be a good corporate citizen

The Company is committed to being a good corporate citizen. The company has adopted a Code of Business Conduct & Ethics. This can be viewed at <https://magnis.com.au/wp-content/uploads/2021/12/MNS-Code-of-Conduct.pdf>

Social responsibility or Social Performance is viewed as one of our core values at Magnis. The Magnis group of companies is committed to complying with the laws, regulations and guidelines that govern our operations in the jurisdictions we operate. All of Magnis' entities and investee companies are committed to Corporate Social Responsibility. This supports us in ensuring long-term return on invested capital and the opportunity to create new jobs and support livelihoods in the local communities we operate in.

We respect human rights in accordance with the UN Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights as well as the ILO Declaration on Fundamental Principles and Rights at Work. Further, we ensure that we engage through dialogue with stakeholders and local communities that are or may be affected by our operations across the globe, while using the appropriate techniques or tools. The implementation of our Stakeholder Engagement Plan is indeed paramount to our Social Licence to operate. The concerns and fears our project might induce, amongst our stakeholders, are considered every step of the way. Our grievance mechanism is well established and guarantees that any founded grievance is taken seriously and investigated and resolved forthwith.

We aim, through interaction, to achieve positive impacts on the communities and avoid or mitigate any negative social impacts our operations might have on them. In doing so, we partner with a number of organisations, being NGO's, local Authorities or other commercial partners, in line with our commitment to operate in a sustainable manner and to gain the confidence of the communities in which we operate. In addition, through our regular assessments, we monitor the social impacts of our CSR actions on the socio-economic fabric of the area surrounding our operations.

Our engagement with the stakeholders is adapted to the communities with which we interact: From direct one-on-one meetings to public meetings and grievance mechanism. The same applies for the communication mediums used: Radio messages, newspaper announcement, posters, etc. We assess first and adapt to the communities we want to reach.

Assessments of our CSR actions on site are being done regularly in order to track the impacts on the communities.

### **Our social responsibility at play**

- The iM3NY operations will be creating approximately 150 new jobs in Endicott, New York, at the battery manufacturing plant.
- Future job creation opportunities are being planned for our Tanzania project (~600 jobs) and our newly announced AAM Production Project (~150 jobs).
- The company has conducted several programs in Southeast Tanzania addressing social aspects in the community. Examples of this include resettlement compensation as well as providing extensive financial literacy to those affected, donation of construction materials for medical clinics and renovation of classrooms and the provision of educational materials to schools and local libraries. We extended our CSR Program to the resettlement of an

entire village which for the first time for its inhabitants has running water, solar power and internal sewerage.

- The Nachu Project is expected to create meaningful social benefits for the Tanzanian community. This includes increased job opportunities for skilled and unskilled people with a focus on available local skills and manpower. When production is at its peak Magnis expects to employ in the vicinity of 600 mostly local staff.
- Moreover, the NGP has made plan to develop and implement training programs to restore livelihoods for the PAPs, fight gender inequalities and empower women, and awareness campaigns to improve the standards of living and mitigate the impacts of influx of people in the surrounding communities.

## Upholding Strong Governance

### Corporate Governance & Ethics

Our Corporate Governance Statement (CGS) outlines the main corporate governance practices currently in place for Magnis and addresses the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations). As an ASX listed company, we accord with the principles and recommendations of the ASX Corporate Governance Council. Our Corporate Governance statement can be viewed at [https://magnis.com.au/wp-content/uploads/2021/12/MNS-CGS\\_21ASX.pdf](https://magnis.com.au/wp-content/uploads/2021/12/MNS-CGS_21ASX.pdf)

### The ASX Recommendations are summarised below

- **Principle 1:** Lay solid foundations for management and oversight
- **Principle 2:** Structure the Board to be effective and add value
- **Principle 3:** Instill a culture of acting lawfully, ethically and responsibly
- **Principle 4:** Safeguard the integrity of corporate reports
- **Principle 5:** Make timely and balanced disclosure
- **Principle 6:** Respect the rights of security holders
- **Principle 7:** Recognise and manage risk
- **Principle 8:** Remunerate fairly and responsibly

The ASX Recommendations are regularly reviewed and updated. Magnis keeps abreast of those changes and will embrace the changes as they occur.

## **Board of Directors**

The Directors must act in the best interests of the Company and, in general, are responsible for, and have the authority to determine, all matters relating to the policies, management and operations of the Company.

### **a. Board Charter**

The roles responsibilities and duties of the board are set out in detail in the board charter which is available on the website <https://magnis.com.au/wp-content/uploads/2021/12/MNS-Board-Charter.pdf>

the Board's responsibilities, in summary includes:

- Providing strategic direction and reviewing and approving corporate strategic initiatives;
  - Overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;
  - Appointing, monitoring the performance of, and, if necessary, removing the Chief Executive Officer and/or Managing Director;
  - Ratifying the appointment or removal, and contributing to the performance assessment of the members of the senior management team;
  - Planning for Board and executive succession;
  - Ensuring there are effective management processes in place and approving major corporate initiatives;
  - Adopting an annual budget and monitoring management and financial performance and plans;
  - Monitoring the adequacy, appropriateness and operation of internal controls;
  - Identifying significant business risks and reviewing how they are managed;
  - Considering and approving the Company's Annual Financial Report and the quarterly Cash flow and Activities reports;
  - Enhancing and protecting the reputation of the Company;
  - Reporting to, and communicating with, shareholders; and
- Setting business standards and standards for social and ethical practices

### **b. Board Diversity Policy**

Magnis places great importance on its people and remains committed to promoting an inclusive workplace by applying policies and practices designed to improve both gender equality and diversity within the organisation. Having a diverse workplace, with varying skills, cultural backgrounds, ethnicity and experience brings a range of benefits to the business, such as improved business decision making, wider range of skills, fosters innovation and ultimately better solutions for stakeholders.

### **c. Board Matrix of Capabilities**

It is proposed that a performance review of the board takes place: its committees and all Directors will complete a questionnaire which will enable the creation of the Matrix of skills and capabilities. Remuneration consultants have been engaged to benchmark the remuneration of the board and management to ensure that adequate remuneration is available to attract and retain the board members and management. This process will be managed by the Nomination & Remuneration Committee.

### **ESG Governance**

The Board of Magnis with the assistance of the Health Safety & Sustainability Committee is responsible for the ESG Governance of the organisation. The Health, Safety and Sustainability Committee is made up of the Chairman of the Board, Non-Executive Directors with Sustainability expertise, the CEO and where seconded, key senior executive staff.

There is both a bottom up (through reporting in the MNS Quarterly Report to the ASX) and top-down approach where suggestions coming from the Board or HSS Committee ensuring that ESG is maintained 'front of mind'.

## **Business Ethics**

This section provides an in-depth overview of the Business ethics practices followed by Magnis and covers the following;

- a. Code of Business Conduct & Ethics
- b. Anti-Bribery and Corruption
- c. Anti-Money Laundering policy
- d. Business continuity and crisis management plan
- e. Whistleblower protection policy
- f. Continuous disclosure policy

### **a. Code of Business Conduct and Ethics**

Magnis is developing businesses (that it operates itself or through its subsidiaries – wholly owned or otherwise) that aspires to and will earn and maintain a solid reputation for integrity, diversity and success. Magnis will carry on business honestly fairly and sustainably, acting only in ways that reflect well on the company in strict compliance with all laws and regulations.

This code of business conduct and ethics [<https://magnis.com.au/files/Code-of-Business-Conduct-and-Ethics.pdf>] which has the full endorsement of the Magnis



board of directors and senior management – sets out the way Magnis conducts business.

### Why have such a code?

It is an effective way to guide the behaviour of everyone in Magnis – all employees including managers as well as the Magnis board – clearly stating the company's firm commitment to behaving honestly fairly and sustainably.

**Values:** The code is grounded in Magnis' fundamental values, the 4Rs:

**RESPECT** - The environment, the communities, its staff and the people with whom Magnis Group interacts, including suppliers, customers and stakeholders.

**RESILIENCE** – Magnis Group has an attitude of never say never and thus-is proactive, adaptive and solutions focussed.

**RESOURCEFUL** – Innovative through being proactive, adaptive and solutions focussed.

**RESPONSIBLE** – Magnis Group's attitude is one of doing what we say we will, being transparent and adherence to the law by protecting the environment and the communities with which Magnis interacts.

The above code is also grounded in organisations that have a stake in Magnis' activities, including:

- **Our employees:** Magnis recognises that the talent, skills, knowledge, integrity and reputation of its people are Magnis' greatest asset. We are committed to attracting, developing, motivating and retaining competent, ethical employees.
- **Our shareholders:** Magnis is committed to providing a reasonable return for the company's owners – our shareholders – on their investment in the company, striving to increase the value of their investment by developing and carrying on business in a sound and effective way and clearly, openly, accurately and honestly reporting on the company's operations to our shareholders.
- **Our customers:** We are committed to conducting business fairly, honestly and sustainably, providing our customers – including the final consumers or users of our output – with quality products and services which satisfy their

needs. We recognise that we are in a long-term partnership with our customers for mutual benefit.

- **Our suppliers:** We are committed to open and honest dealing with our suppliers, recognising their contributions in providing best value for Magnis' customers. Suppliers must be aware that they will be chosen based solely on commercial, ethical and environmental sustainability considerations.
- **Our communities:** Magnis is committed to earning and maintaining the support of the communities in which we operate, including through dialogue with local, regional and national officials and other relevant groups. We believe that good community relations benefit both the company and our fellow members of society by building relationships based on trust and mutual understanding of one another's needs and where opportunities present assisting the communities to develop in a sustainable way.

### **If in doubt...**

If in doubt, Magnis' people should ask themselves:

1. Do I believe the action I am taking is right – am I being fair and honest?
2. Is the action legal? (If in doubt, do not do it!)
3. Would I or Magnis be embarrassed if my action was disclosed publicly?

If employees are not sure that a proposed action is appropriate, they should ask their manager, or Magnis Legal or Magnis Human Resources departments for guidance prior to acting. By following the Magnis Code of Business Conduct and Ethics, Magnis' people will ensure that our reputation for high ethical standards is protected.

### **Employee Responsibilities**

Each Magnis employee is responsible for complying with this Code of Business Conduct and Ethics both in detail and in spirit. Everyone must:

- Act with integrity – being honest, fair and trustworthy in all business dealings and relationships;
- Avoid conflicts between Magnis' interests and their personal interests;
- protect Magnis' business assets;
- Respect and abide by our obligations to fellow employees, shareholders, customers, suppliers, competitors and the communities in which Magnis operates

- Act within the laws and regulations affecting business conduct.  
(These requirements are dealt with in more detail below)

It is the responsibility of all Magnis' people, including managers and other leaders, to ensure ethical conduct is recognised and valued throughout Magnis. Magnis' contract of employment requires all Magnis employees to abide by its policies including the Code of Business Conduct and Ethics.

### **Responsibility and Accountability of the Magnis Board of Directors and Managers**

The Magnis board of directors is responsible for the contents of the code and its regular review and updating. The CEO and managers at all levels of Magnis are responsible for ensuring that all employees understand and follow the Code of Business Conduct & Ethics. Any significant deviation from the code will be reported by management to the board – with a report of action taken to correct the situation.

### **Consultants' Responsibilities**

Individuals or organisations consulting for, or representing Magnis, or both, must comply with this code in the same way as company employees. Magnis employees who engage consultants should ensure that they are provided with a copy of relevant Magnis policies, including the Code.

### **Responsibility to Protect Magnis' Business and to Use Company Resources Correctly**

All Magnis employees must use their best efforts to protect company assets and other resources including plant, equipment, and other valuable property including confidential information and intellectual property such as patents, trademarks and copyrighted material, from unauthorised use, loss, theft and misuse.

Managers are responsible for maintaining controls which:

- Prevent, detect, and correct problems;
- Ensure that their part of Magnis attains its business objectives; and
- Ensure compliance with laws, regulations and company policies.

To ensure important information about Magnis is distributed fairly and openly to the public, as required by law, outside requests for information shall be dealt with by

authorised people only. Employees should refer requests from the media, investors or financial analysts to the Corporate Development & Investor Relations Manager or the Group General Counsel & Company Secretary.

The use of Magnis' time, material or facilities for purposes not directly related to company business, or the removal or borrowing of company property without permission is prohibited. Incidental personal use of such company resources as computers, phones, faxes, copiers and internet access is permitted, but employees must ensure that Magnis' interests are not harmed.

More information is available in Magnis' related policies, such as Delegated Authorities, Magnis Credit Cards Policy, the Electronic Communication Policy and related guidelines and the Ethical Procurement Policy.

### **Protecting Confidential Information**

Magnis employees are responsible to ensure that confidential information relating to customers, work colleagues and Magnis' operations, and suppliers is properly protected. Such information cannot be disclosed to third parties, unless allowed or required under relevant laws or regulation – or agreed by the person or organisation whose information it is. In particular employees must abide by Magnis' Privacy Policy.

### **Responsibility to Individuals**

Magnis is committed to the fair and equal treatment of all its employees and abides by the employment laws of the countries in which it operates. Employees and candidates for employment shall be judged on the basis of their behaviour and qualifications to carry out their job without regard to race, gender, religion, sexual orientation, disability, age, marital status or political belief or any other aspect protected by law. See Magnis Diversity Policy for more detail in this regard [<https://magnis.com.au/files/MNS-Diversity-Policy.pdf> ]

Magnis' privacy policy is designed to protect privacy of personal information and other rights of individuals in accordance with law. The company will only acquire personal information that is required to be effective in its business or is required by law.

More information is available in Magnis' Privacy Policy, the Diversity Policy, and the Anti Bullying & Harassment Policy.

## **Acting Responsibly on Safety and Health**

We believe that all injuries, occupational illnesses and environmental incidents can be prevented. Management is accountable for safety and environment performance, and all employees are expected to take personal responsibility and be involved in setting standards and improvement initiatives.

We are in the process of adopting a common approach across the company to managing S&H. This approach incorporates an OHS policy, company commitments, management systems and reporting and auditing, which ensures that Magnis and its people will properly discharge their responsibilities.

Employees are encouraged to report safety hazards and work-related accidents and injuries to avoid the adoption of bad behaviours as the bad behaviour that you walk past is the bad behaviour you condone.

There are strict S&H protocols for contractors as well as for employees to ensure the safety and wellbeing of all people on Magnis sites.

As part of providing a safe and healthy workplace, Magnis will not tolerate employees or anyone else taking illegal drugs at our sites, nor employees carrying out company business while impaired by drugs including alcohol. Smoking is not allowed on Magnis sites.

More information is available in Magnis' OHS Policy and Alcohol and Other Drugs Policy.

## **Avoiding Conflicts of Interest**

Employees must avoid any situations involving divided loyalty or a conflict between their personal interests and those of Magnis. Employees faced with conflicting interest must report it to their manager. In particular:

- Employees and any organisation in which they or their family have a significant interest must not compete with, or have business dealings with Magnis unless this is disclosed and approved prior to that relationship commencing.
- Employees must not work or consult for, or have any other key role in, an outside business organisation which has dealings with Magnis or is a competitor of Magnis unless disclosed and approved by the Board.

- Employees must not use Magnis' assets for any purpose other than for Magnis' business purposes or interests.
- Employees must not make improper use of their employment with Magnis, their position or role in the company, or information obtained because of their position, to gain an advantage for themselves or anyone else, to Magnis' detriment.
- Employees must not buy or sell shares in Magnis or any other companies at any time when they are aware of market sensitive information about the company, which has not been disclosed to the Australian Stock Exchange or during any blackout period as determined under the MNS Security Dealing Policy [ <https://magnis.com.au/wp-content/uploads/2021/12/MNS-Securities-Dealing-Policy.pdf> ] .

More information is available in Magnis' Delegated Authorities; Magnis Credit Cards Policy; Continuous Disclosure Policy and Security Dealing Policy.

### **Potential Takeovers, Acquisitions or other “Change of Control” Transactions involving Magnis**

Employees must be particularly careful to avoid conflicts of interest and the improper disclosure of confidential information in the case of an approach by a third party (“potential bidder”) in relation to the proposed acquisition of the shares in, or any of the businesses of Magnis. Such an approach might be made informally (for example, by enquiry or overture) and/or through an intermediary or advisor to the potential bidder.

The Magnis board must be informed of any approach (no matter what the form of the approach) and will establish protocols for Magnis' response to the approach.

Any Magnis employee who is approached (even informally) by or on behalf of a potential bidder must:

- Immediately notify his or her manager and Magnis' General Counsel & Company Secretary of the approach, including the details of any inducement or incentive offered to that employee or any other Magnis person;
- Cease communications with the potential bidder until communication protocols are established and then only if so, authorised under those protocols;
- Not provide any corporate information to anyone without the express approval of the Magnis board or the board's representative and then only on terms approved by the Magnis board;

- Ensure that the approach is not discussed with customers, suppliers or other employees unless specifically authorised by the Magnis board and then only on terms approved by the Magnis board.

### **Gifts, Gratuities and Entertainment**

We do not give nor take bribes, kickbacks or gratuities or any other payments for favourable treatment or as an inducement for doing business. However, the company allows the acceptance of token gifts and entertainment provided they are appropriate to the intended business purpose and consistent with local business practice and laws. For more details refer to the Antibribery & Corruption Policy [<https://magnis.com.au/files/Anti-Bribery-and-Corruption-Policy.pdf>]

Employees should not seek to gain special advantage for Magnis or themselves through the use of business gifts, favours or entertainment, if it could create even the appearance of impropriety. Business entertainment should be moderately scaled and clearly for business purposes. Gifts and entertainment should not be offered to a customer or supplier whose organisation does not allow this.

Employees may accept or give gifts, favours, or entertainment only if they would not create embarrassment, and:

- Are a common courtesy associated with normal business relationships;
- Are minor in value (under \$500, a sum which will vary on what it buys depending on the country and currency where this is occurring) and cannot in any way be construed as a bribe, pay-off, or business inducement; and
- Do not commit any employee, Magnis, or any other party to an obligation concerning business.

Any item in excess of \$500 must not be accepted, or if that causes embarrassment, the item should be given to the company and entered in the Gifts Register.

If an employee has any doubts about an issue, they are encouraged to discuss it quickly with their manager who will, if necessary, refer it in writing to their general manager.

### **Integrity in Financial Reporting**

Magnis is committed to providing accurate, timely and clearly understandable disclosures in reports on its results to shareholders, the Australian Stock Exchange,

Australian Securities and Investments Commission and other regulators. Magnis will exercise the highest standard of care in preparing such reports.

All material financial information and disclosure must be accurately represented in the company's accounts. No information may be concealed by employees from Magnis' internal auditors (if appointed) or external auditors. No director, officer or employee may take any action to influence, coerce, manipulate or mislead the company's external auditors in order to produce misleading financial statements.

### **Magnis' Responsibilities to Shareholders and Others**

Magnis will strive to increase shareholder value and promote the interests of all stakeholders through:

- Effective operation of the company, including preparing and implementing strategies, budgets, plans and policies
- Identification and implementation of opportunities to improve results
- Clear and honest reporting of results
- Effective management of business risk and safety, occupational health and environmental issues
- Protecting property and other assets, confidential information and intellectual property including patents, trademarks, brands and copyright material.

#### **a. Anti-Bribery and Corruption Policy**

Magnis is committed to conducting its business activities fairly, honestly with integrity, and in compliance with all applicable legislation, rules and regulations. The Magnis Board, Management and employees have a zero-tolerance approach to bribery and corruption. Bribery and corruption can come in many forms, broadly defined as including the provision or acceptance of:

- Cash payments;
- Deceptive jobs or agreements;
- Political and charitable contributions;
- Significant gifts, travel, hospitality and related expenses and general kickbacks.

The Company has approved and adopted this Anti-Bribery and Corruption Policy ("Policy") to establish and support the general governance model of the Company along with the Code of Business Conduct and Ethics as adopted by the Company and should be read in conjunction with that Code. In this Policy, references to the Company includes references to the Company and all of its subsidiaries, whether wholly owned or otherwise.



### **b. Anti-Money Laundering Policy**

Magnis is committed to preventing its business from being used for laundering money, funding terrorist groups, and other financial frauds. The company is dedicated to fully complying with all pertinent anti-money laundering laws and statutory requirements, which include government enforced trade and economic sanctions.

### **c. Business Continuity & Crisis Management Plan**

Magnis is committed to ensuring that the company's operations continue in the event of an incident that has the potential to significantly disrupt everyday business activities (for example, natural disasters, building damage or safety incident). The Business Continuity and Crisis Management Plan, under review defines the procedures, resources, and information needed to guarantee safety, mitigate the impacts of disruption, and enable the resumption of business as usual in compliance with recovery time objectives (RTO).

Business risk evaluations are carried out and assessed on a regular basis, with core business units providing inputs to determine the critical importance of systems and operations, RTOs, and the resources needed to keep operations running.

The plan describes the duties of the teams in charge of responding to an incident, along with the steps to be followed and activities to be undertaken depending on the extent of the incident, such as:

- Detection and reporting of incidents
- Communication protocols and methods
- Technology tools and services, such as remote access to servers and information
- Alternate work locations
- Preventative measures
- Plan evaluation and assessment

### **e. Whistleblower Protection Policy**

Magnis is committed to directing all of its business activities fairly, honestly with integrity, and in compliance with all applicable legislation, rules and regulations.

The Magnis Board, Management and employees are dedicated to ethical standards and recognise and support the Company's commitment to compliance with these standards. The Company encourages reporting of improper, unethical, or illegal behaviour and provides effective protection from victimisation or dismissal to those

reporting such conduct by implementing systems of confidentiality, fair treatment and report handling. Accordingly, the Company has approved and adopted a Whistleblower Protection Policy [\[https://magnis.com.au/files/WhistleblowerPolicy.pdf\]](https://magnis.com.au/files/WhistleblowerPolicy.pdf)

This Whistleblower Policy applies globally. If the legislation and regulations in any country are more severe or restrictive than this Policy, those laws and regulations should be followed by any subsidiary operating in that country. Where a country has specific whistleblower laws which are less rigorous than this Policy, this Whistleblower Policy prevails. The Company may, from time to time, provide country-specific directions for subsidiaries operating in countries outside of Australia. In this Policy, references to the Company includes references to the Company and all of its subsidiaries.

**The aim of this Whistleblower Policy is to:**

- (a) Set out the responsibilities of providing the support and protections available to disclosers if a report is made.

**Consequences of breaching this whistleblower policy are:**

- (a) A breach of this Whistleblower Policy may expose personnel and the Company to damage, including but not limited to criminal and/or civil penalties, substantial fines, loss of business and reputational damage.
- (b) A breach of this Whistleblower Policy by personnel will be regarded as a serious misconduct, leading to disciplinary action which may include termination of employment.

**d. Continuous Disclosure Policy**

Magnis is admitted to the official list of, and its shares are quoted on the financial market operated by, ASX Limited (ASX). As such, the Company is committed to:

- (a) Ensuring that the trading on ASX in the shares of the Company takes place in a fair, orderly, transparent and fully informed manner;
- (b) Immediately (i.e. promptly (and without delay) giving all Market Sensitive Information to ASX for dissemination via the Market Announcements Platform;
- (c) Ensuring that all disclosures that the Company gives to ASX are accurate, informative, timely and duly authorised by either the Company's disclosure

committee (Disclosure Committee) or by at least one of the Company's directors (each, a Director); and

(d) Complying at all times with all relevant provisions of the Corporations Act 2001 (Cth) (Corporations Act) and all relevant rules (and accompanying guidance notes) of ASX (Listing Rules). The Company will also comply with any reasonable direction of ASX in relation to continuous disclosure

“Market Sensitive Information” is information that a “reasonable person” would expect to have a material impact on the price or value of the Company's shares (as to which term, please see Section 3 of the Schedule to this Disclosure Policy for further detail) and which is not already generally available to or known by market participants.

The purpose of this continuous disclosure policy (Disclosure Policy) is to assist the Company comply with its continuous disclosure obligations by establishing a robust framework to enable disclosure by the Company to the Company's shareholders (and the market more generally) in a timely and transparent manner.

Further detail in relation to the Company's continuous disclosure obligations (including in relation to the key legislative and regulatory concepts, definitions and requirements pertaining to continuous disclosure) as well as more general guidance in relation to the manner in which the Company will apply this Disclosure Policy in certain circumstances (or deal with certain bespoke situations) is set out in the Schedule to this Disclosure Policy.

## **Human Rights and Modern Slavery**

### **Modern Slavery Statement**

Magnis is committed to operating in an ethical and responsible manner. This includes undertaking our business operations in a way that recognises and endorses the protection of human rights by striving for the following:

- Elimination of workplace discrimination;
- Elimination of workplace harassment and mental or physical abuse; and
- Prohibition of modern slavery, including forced and child labour.

Magnis acknowledges that human trafficking and modern slavery are potential concerns within our supply chain and business operations. We strive to continue to address these concerns by reviewing business policies and practices to guarantee they reflect our dedication to:

- Establishing and enforcing appropriate procedures and systems to prevent the risk of modern slavery in our operations and supply networks; and
- Maintaining transparency through our disclosure obligations.

## **Ethical Procurement**

Magnis believes in equipping our employees with the resources and tools they require to create goods of the highest quality. Our responsible contractor policies explain the requirements for choosing contractors and subcontractors and once chosen they are required to adhere to Magnis' relevant policies, such as those relating safety, wellness and diversity to name a few. The following criteria is required to be used for selecting contractors:

- Costs, competitive risk-adjusted returns, and other factors such as experience, reliability, demonstrated skills, and safety track record
- Adherence to all applicable local, state and federal laws
- Provision of high-quality services, including paying fair compensations and benefits based on local market considerations
- Assurance that all contractors engaged by such corporations are appropriately trained and qualified
- Their agreement to abide by the applicable Magnis policies and procedures

## **Conservation and Environmental Policy**

Magnis strives to conduct its operations in compliance with the local and international environmental laws and regulations, while committing to its sustainability goals. The Group works to continuously improve its environmental performances through setting and reviewing conservation targets and environmental KPI and progressively establishing company-wide standards.

It is the responsibility of everyone at Magnis, employees, contractors, and suppliers to actively support the Group's environmental programs and actions by reporting any environmental issues arising from Magnis' activities, and contribute ideas which can improve environmental performances.

Our commitments encompass:

- Protecting natural ecosystems and habitats wherever we operate,
- Actions to:
  - reduce waste in landfill,
  - reduce greenhouse gas emissions and other air pollution,

- reduce packaging materials,  
increase recycling and reuse of materials,
- Integrating environmental considerations into exploration, project development, operations, decommissioning and rehabilitation,
- Monitoring relevant environmental parameters and managing and mitigating environmental risks.

## **Audit Oversight**

### **Audit and Risk Committee Charter**

The purpose of the Audit and Risk Committee (A&RC):

- To assist the Board in the effective discharge of its responsibilities in relation to external and (where applicable) internal audit functions, accounting policies, financial reporting, funding, financial risk management, business risk monitoring and certain compliance matters.
- The Committee has authority from the Board to review and investigate any matter within the scope of its charter and make recommendations to the Board in relation to the outcomes. The Committee has no delegated authority from the Board to determine the outcomes of its reviews and investigations and the Board retains its authority over such matters.
- The Committee has unrestricted access to employees, records, internal and external auditors, tax and other financial or legal advisers engaged by Magnis. The Committee is authorised to take advice from any external parties as appropriate at Magnis' expense. The internal and external auditors will have direct access to the Committee and to the Board via their respective Chairmen.
- Where other policies specify the Chair of the Committee to investigate matters (eg Whistleblower Policy and Anti-Bribery & Corruption) those will be conducted by those referred to above.

The A&RC shall consider any matters relating to the financial affairs, corporate governance, external audit, and internal controls of the Company and its controlled entities that it considers necessary. In addition, the A&RC shall examine any other matters referred to it by the Board. The key areas of authority are:

#### **a. External audit**

- Regularly evaluate and report to the Board on the performance and independence of the external auditor.

- Review the appointment and selection of the external auditor and the rotation of external audit engagement partners at least every three years and make recommendations to the Board in relation to the proposed fees and terms of engagement of the external auditor and audit engagement partners, and any proposed change of external auditor or audit engagement partners.
- Review and approve the external audit plan for each audit or review of financial statements, i.e., the half year and full year and excluding the quarterly Appendix 5B.
- Review all reports from external auditors, report to the Board on any issues arising out of those reports and ensure that the required disclosures by the external auditors are made to the Committee within the required timeframes.
- Any non-audit assignments performed by the external auditors for Magnis will require the prior approval of the Chair of the Committee.

#### **b. Accounting**

- Review the accounting policies of Magnis Group, including conformance to relevant accounting and reporting standards.
- Review all significant accounting policy changes and, where appropriate, recommend to the Board that the changes be adopted by Magnis Group.

#### **c. Financial reporting processes**

- Review in detail and report to the Board on the integrity of Magnis' half year and annual financial statements, prior to their release to the financial market.
- Review any statements or commentary to be released to the Australian Stock Exchange to accompany the half year or annual financial statements.
- Review any financial reports to be released to the Australian Stock Exchange. This does not apply to the quarterly reporting unless the board directs otherwise.
- Review the adequacy of Magnis policies relating to financial reporting and controls, including compliance with laws, regulations and ethical guidelines
- Discuss with management and the external auditor any correspondence with regulatory or government bodies and any published reports which raise material issues regarding Magnis' financial statements.

#### **d. Financial risk management**

- Review policies relating to financial risk management, including hedging of interest rate risk and foreign currency exchange risk. Monitor compliance with such policies and report to the Board on any relevant issues.

- Review the dividend policy (if applicable)

To determine whether it is functioning effectively, the Board will:

- Review this A&RC Charter every two years;
- Assess the performance of the A&RC on an annual basis
- Be able to amend the A&RC Charter by a Board Resolution.

The Directors acknowledge that all proceedings of the Board and its sub-committees are strictly confidential and that a Director will be expected to resign from the Board if he or she commits a breach of this confidentiality.

## Executive compensation

### a. Statement of Corporate Governance Practices

Magnis' corporate governance policy refers to the activities of the company's board of directors, who are appointed by and accountable to the shareholders, as well as the role of management, who are selected by the board of directors. Magnis' board of directors promote strong corporate governance practices that promote the company's well-being and continuous development, with the ultimate goal of serving the company's best interests. The company's corporate governance policy can be viewed at [https://magnis.com.au/wp-content/uploads/2021/12/MNS-CGS\\_21ASX.pdf](https://magnis.com.au/wp-content/uploads/2021/12/MNS-CGS_21ASX.pdf)

## Global Data Protection Policy

Magnis Energy Technologies Ltd and its subsidiaries ("Magnis" or the "Company") ensure their data protocols adhere to all state and federal regulatory obligations. The company's data protection checklist assures that handling of personal information is in accordance with legal and regulatory obligations. The checklist comprises of due diligence indicators aimed at ensuring fair processing, foreign transfers, data processors, security measures to prevent a potential breach of personal data.

All employees of the company are required to follow the acceptable use policy when using the company's equipment and all applicable data protection and privacy regulations. Failure to comply with the company's policy, as well as unlawful use or disclosure of confidential information, may lead to disciplinary action, including employment termination.