

Maiden Sustainability Report

Evolution Energy Minerals (“Evolution” or the “Company”) (ASX: EV1, FSE: P77) is pleased to release its inaugural Sustainability Report that provides an overview of the Company’s sustainability activities for the period from November 2021 to 31 December 2022. The Sustainability Report forms part of Evolution’s overall annual reporting and should be read together with the Company’s 2022 annual report.

Since completion of its initial public offering in November 2021, Evolution has committed itself to the principle of sustainability. In accordance with that commitment, the Evolution directors have undertaken to report on the Company’s approach to sustainability and in particular its focus on the places in which the Company operates, being better for its presence.

Phil Hoskins, Managing Director commented:

“We recognise that our sustainability journey has really only just begun, and this report should be read in that context. In future reports, the Company expects to include relevant data and systems continue to be implemented to ensure the capture of relevant sustainability performance related information.”

“As we progress towards the development of our Chilalo Graphite Project in south-east Tanzania, the Company appreciates the importance of presenting a transparent account of our sustainability objectives and outcomes so that host communities, government and other key stakeholders can understand and engage on Evolution’s sustainability performance. This report, our maiden Sustainability Report is a critical part of presenting such a transparent account.”

The Company is also pleased to announce the appointment of Vickey Puncheon as General Manager Sustainability. Vickey will be responsible for driving Evolution’s sustainability initiatives, including leading the ongoing response to climate change, overseeing the Company’s energy transition pathway, community and local government relations, and implementing the environmental, social and governance framework.

This announcement has been approved for release by the Evolution board of directors.

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ABOUT EVOLUTION (ASX:EV1)



Development ready

Chilalo Graphite Project in Tanzania



Robust DFS

High-margin, low capex



Framework agreement finalised

Provides Tanzanian government certainty



Binding offtake

With global leader for expandable graphite and foil



Battery suitability

Premium quality CSPG produced from fines



Vertically integrated strategy

Downstream processing in US using proven technology

Evolution's vision is to become a vertically integrated company that will only supply sustainably sourced graphite products and battery materials.

This will be achieved by combining our unique graphite source with industry-leading technology partners, working closely with customers and producing diversified downstream products in both Tanzania and strategically located manufacturing hubs around the world. Evolution is committed to being global leaders in ESG and ensuring its operations support the push for decarbonisation and the global green economy.

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2022

SUSTAINABILITY REPORT

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ENERGY MINERALS



Evolution's Maiden Sustainability Report

This Sustainability Report – Evolution's maiden Sustainability report – is a standalone report that presents a summary of Evolution's approach to environmental, social and governance matters.

The report covers Evolution's activities in Tanzania and Australia and sets out how we manage our environmental, social and governance risks and opportunities. As Evolution's first report, it provides a baseline from which further sustainability reporting will be undertaken.

This report has been prepared for our stakeholders to provide an understanding of Evolution's approach to sustainability and provides a platform from which Evolution can communicate with its stakeholders on its sustainability activities and achievements.

In order to be a successful company, we recognise the critical importance of transparent and respectful relationships with our key stakeholders. Reporting on sustainability is a key part of maintaining such relationships.



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A Message From our Team



Phil Hoskins , Managing Director

Welcome to Evolution's 2022 Sustainability Report, a document that seeks to provide transparency on our approach to sustainability and the journey we are on to deliver long term value and sustainable benefits to our stakeholders.

We are committed to developing our graphite business in a sustainable and responsible manner, focused on health and safety, the environment, and relationships with the local communities proximate to our Chilalo project. Our commitment to engagement with local communities and social responsibility is a basic fundamental of our activities. We consider ESG to be critical to our business success and expect the same from our directors and executives. Should there be a material breach of ESG standards, Evolution directors may be required to stand for re-election and incentive awards for executives may be voided.

We recognise the important contribution that minerals have in achieving a low carbon future, particularly graphite, as the world transitions to clean energy sources. We take great pride and responsibility in the development of Chilalo to provide the graphite that is critical to this progression towards a green energy future.

We welcome feedback on our sustainability activities and on this 2022 Sustainability Report.

Phil Hoskins ,
Managing Director



Vickey Puncheon, General Manager Sustainability

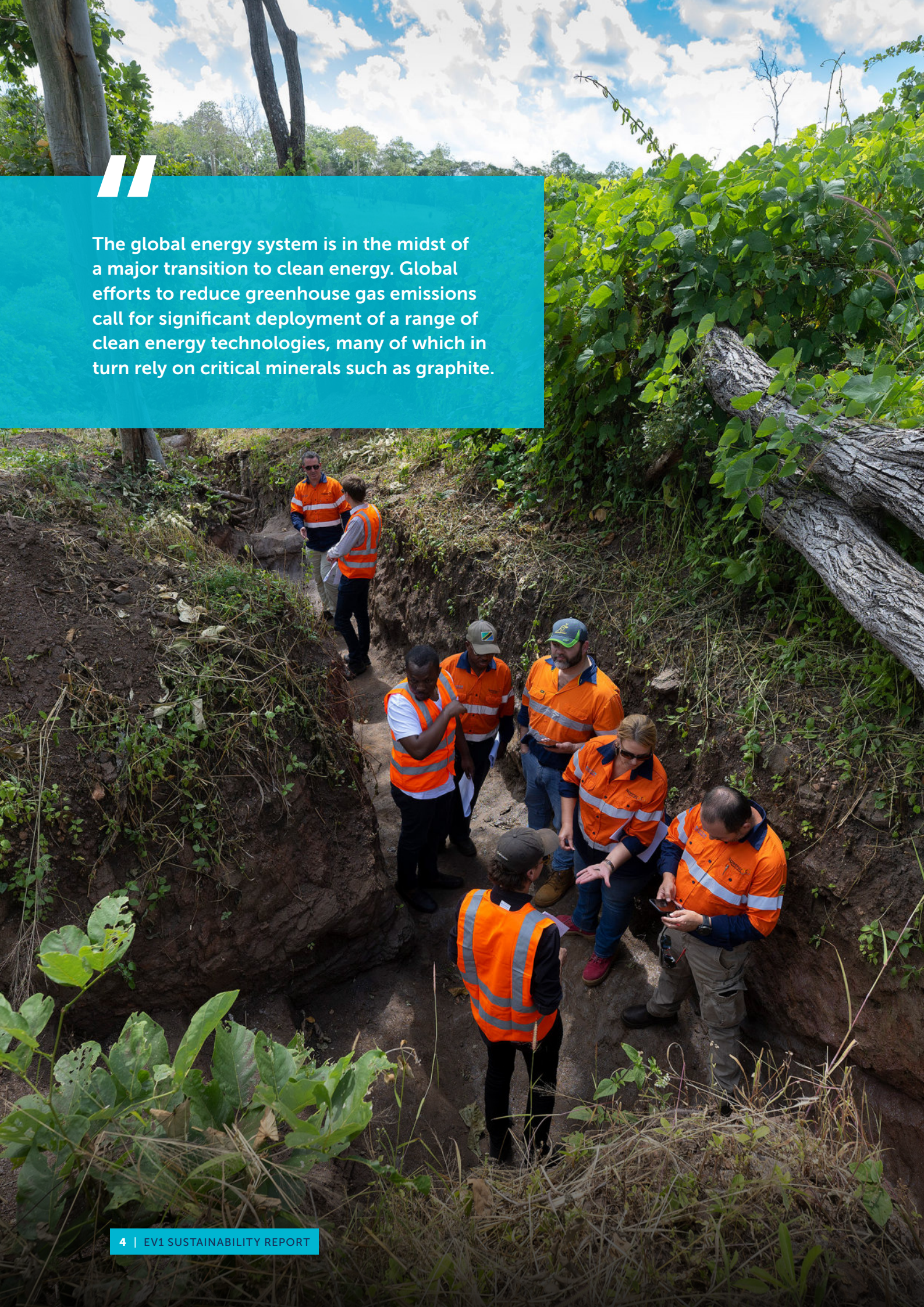
Since listing on the ASX in November 2021, Evolution has been steadfast in its focus on embedding ESG considerations in decision making throughout our company.

In a short space of time, we have made significant progress. We have worked with our key stakeholders to develop sustainability objectives where we aim to create value for our shareholders, ensure the health and safety of our employees, protect the environment, assist the communities in which we operate and make a meaningful contribution to Tanzania. Assessment and monitoring of our ESG performance is central to improved ESG outcomes. To support this process, we joined with Digbee, an independent group which applies leading international standards to measure ESG performance. In February 2022, we received our first rating of "B" and 12 months later had advanced this rating to a "BBB", reflecting the progress made in that 12 month period.

Other notable achievements during 2022 included obtaining approval of the Resettlement Action Plan, a key element of our social licence to operate, establishing a year-round presence at the Nangurugai village to foster a closer relationship with the local community, completion of a life cycle assessment of Chilalo, adoption of eight UN Sustainable Development Goals, and removal of a conventional tailings storage facility in the updated definitive feasibility study for Chilalo.

We understand that this is just the start of a journey and that there is much work to be done. We look forward to doing that work and keeping you updated on our progress.

Vickey Puncheon,
General Manager ESG



The global energy system is in the midst of a major transition to clean energy. Global efforts to reduce greenhouse gas emissions call for significant deployment of a range of clean energy technologies, many of which in turn rely on critical minerals such as graphite.



About Evolution Energy Minerals

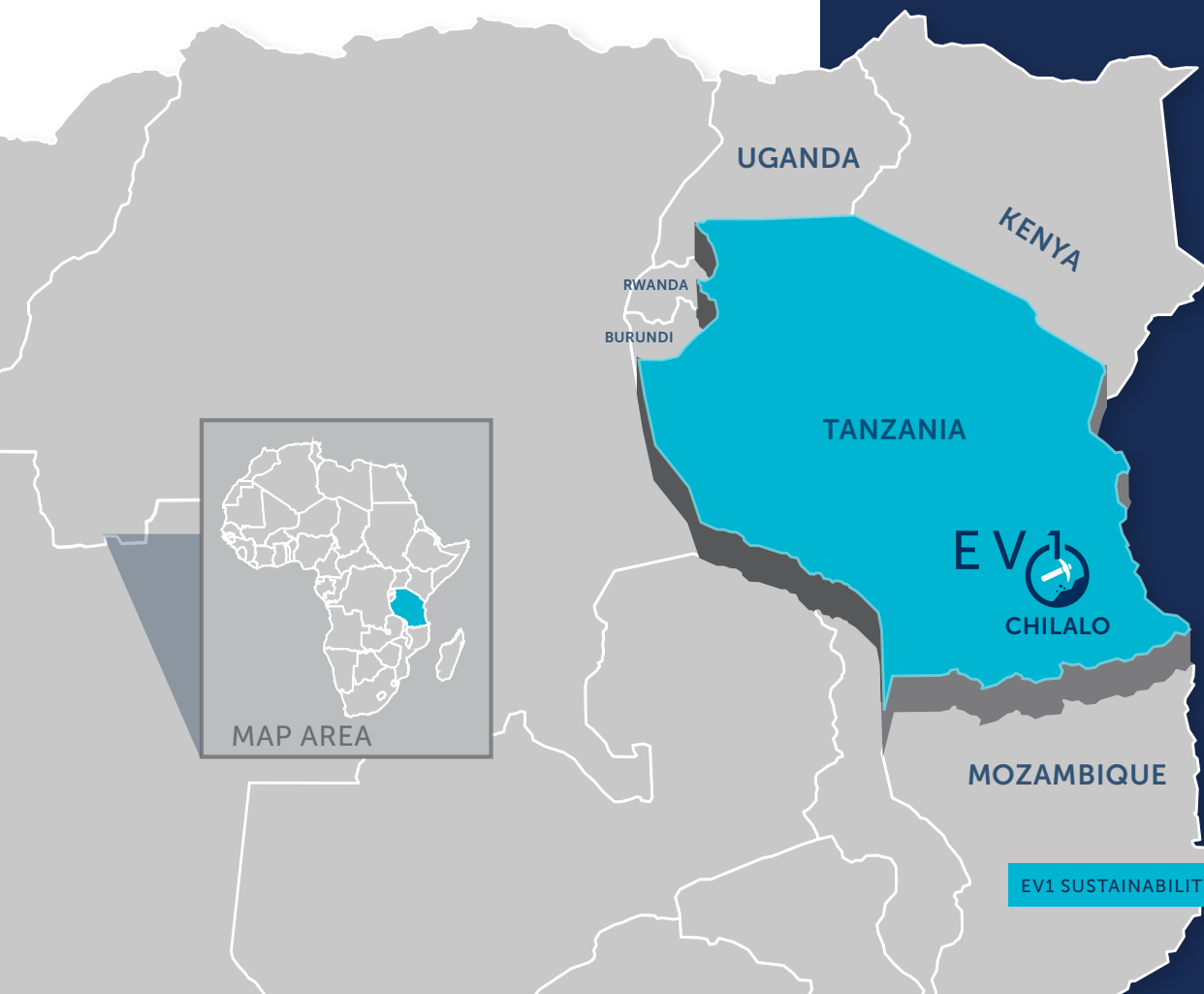
Evolution's principal asset is the advanced and development-ready Chilalo graphite project located in south-east Tanzania, which Evolution believes will become a premier source of world-class flake graphite products.

Since completing an IPO and listing on the ASX in November 2021, Evolution's activities have focused on advancing the Chilalo Project and advancing downstream processing initiatives in parallel. The recently completed updated definitive feasibility study confirmed that the Chilalo project is a high-margin project, poised to become a significant producer of high-value graphite products and make a meaningful contribution to Tanzania.

This work has been undertaken while laying the platform for leading environmental, social and governance (ESG) performance, to underpin the Company's development activities.



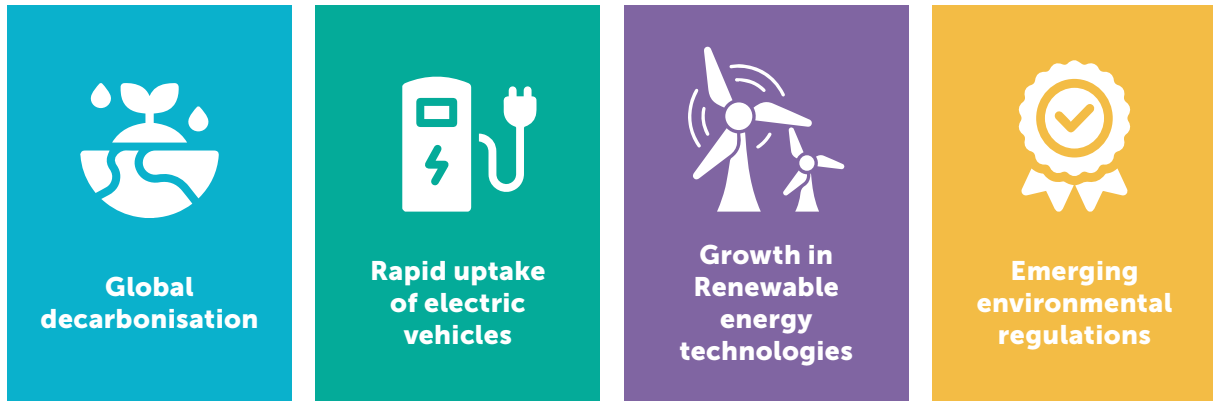
We are committed to putting our people first, creating new opportunities, supporting local communities, minimising our environmental impact and behaving ethically and responsibly in all that we do. We aim to provide our stakeholders with comprehensive and transparent reporting on the sustainability issues that are material to Evolution and its stakeholders.





Sustainability at Evolution Energy Minerals

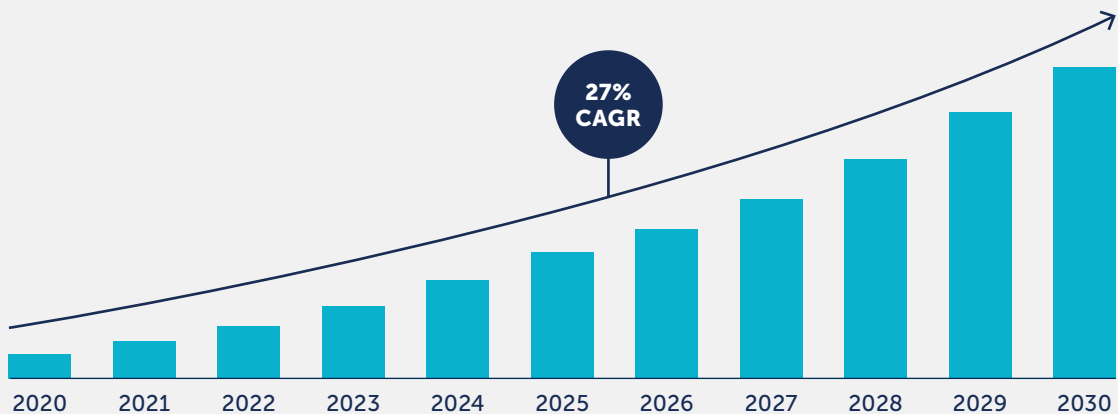
SUSTAINABLE GRAPHITE – A CRITICAL MINERAL FOR CLIMATE CHANGE



The global energy system is in the midst of a major transition to clean energy. Global efforts to reduce greenhouse gas emissions call for significant deployment of a range of clean energy technologies, many of which in turn rely on critical minerals such as graphite. To meet the growing market for clean energy technologies such as electric vehicles and lithium-ion batteries, the demand for graphite is expected to increase significantly in the coming years.

More stringent environmental requirements for batteries are being proposed by international governance bodies such as the European Commission. Increasingly, large corporations and their supply chain partners are opting for responsible sourcing. All of these emerging trends contribute towards a strong demand for sustainable graphite for the global green economy.

BATTERY DEMAND GROWTH 2020–2030 (MWH)



Source: Benchmark Mineral Intelligence



Evolution’s Commitment to Become a Sustainable Graphite Supplier

The transition from fossil fuels to low-carbon energy sources will depend on critical minerals. Evolution is well positioned to produce sustainable graphite which is vital for supporting decarbonisation. Our vision is to become a vertically integrated company that will only supply sustainably sourced graphite products and battery materials. As part of our strategy,

we work with leading battery anode technology companies to develop both strategic supply and technology partnerships. We conduct carbon assessments to evaluate feasibility of progression towards a net zero carbon graphite mine. The table below shows our strategy to tackle challenges faced in the battery market.

Challenges faced by traditional battery makers	Evolution’s Strategy
High carbon footprint	Pursuing net zero carbon graphite mine Conducted life cycle assessment for flake graphite produced from the Chilalo Project Commitment to utilise renewable power and progressively replacing diesel with gas
Emerging environmental regulatory framework on the traceability of batteries	Maintain high level of traceability to demonstrate compliance with the increasingly regulated supply chain
Increasing demand for responsibly produced materials from supply chain partners and customers	Maintain supply chain custody of the graphite from the Chilalo mine site through to the production of a coated battery anode material



Our ESG Milestones

Since we completed our IPO and listed on the ASX in November 2021, we have achieved several ESG milestones which laid the foundation for ongoing sustainability performance. As the Chilalo Project continues to develop, we will further expand our ESG capabilities to drive improved ESG performance.





2022 Sustainability Highlights

Environment	Social	Governance
ESIA compliant with IFC Performance Standards and Equator principles	Local job creation from Chilalo Project to generate 230 direct jobs for potential multi-decade mine life	Committed to ASX governance principles ensuring accountability, transparency and regular reporting to stakeholders
Target carbon neutrality for operations	Developing an ethical and sustainable supply chain	Full product transparency and traceability including adherence to ISO 8001 (Quality)
Dry stacking of tailings, removing requirement for a conventional tailings storage facility	Approval of Resettlement Action plan by Tanzanian government	Separate ESG Committee established
Power supply for the Chilalo project to include solar and gas	Conducted community engagement including focus group discussions and meetings	Established two new Board committees, Audit and Risk Committee, and Nomination and Remuneration Committee
	Conducted archaeological surveys	Board will voluntarily stand for re-election if material breach of Company's ESG policies
	Livelihood Restoration Plan voted by the community and commenced	



United Nations Sustainable Development Goals

Evolution has chosen to publish our sustainability information with reference to elements of the United Nations Sustainable Development Goals (SDGs). In 2022, we conducted a stakeholder survey to evaluate the relevance of the SDGs to our stakeholders and our impact on SDGs. We received representative responses covering both internal and external stakeholders with responses from employees, Board members, ESG consultants and government representatives. After a review of the survey results, we developed a materiality matrix for the ESG Committee's endorsement. The following material topics were identified.

Evolution's ESG Framework, which guides all aspects of our ESG activities, is underpinned by these 7 UN Sustainable Development Goals.

3 GOOD HEALTH
AND WELL-BEING



4 QUALITY
EDUCATION



5 GENDER
EQUALITY



6 CLEAN WATER
AND SANITATION



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



13 CLIMATE
ACTION





Economic Impact

Subsequent to the 2022 calendar year-end, Evolution completed an updated definitive feasibility study that confirmed Chilalo is a standout high margin, low capex and development ready graphite project. With a mining licence and environmental approvals in place and a framework agreement and shareholders' agreement settled with the Tanzanian Government, Chilalo is well placed to deliver economic benefits to the Tanzanian Government, local communities, indigenous Tanzanian businesses and Evolution shareholders.

US\$338m

Post Tax NPV₈

32%

Internal Rate
of Return

52ktpa

Ave Graphite
Concentrate

17Yr

Mine Life

US\$120m

Pre-Production
Capital

12ktpa

Steady State
Exandable
Graphite Sales

US\$82m

Annual EBITDA

52%

Operating Margin

8ktpa

Steady State
Micronised
Graphite Sales

3.3 Yr

Payback Period
(Post tax)

500ktpa @ 10.6% TGC

Average Annual Plant Feed



Environment



At Evolution, we are committed to minimising the environmental impact of our operations through seeking continual improvements in energy efficiency, utilising best practice procedures in resources management and complying with legislative requirements.

Our Environmental Policy provides general principles and directions to the development of sustainable exploration and mining operations that benefit its employees, contract partners, suppliers, key stakeholders, and the community. To avoid or reduce environmental impacts from operations, we will:

- Commit to environmental protection through visible and effective leadership, application of environmental management strategies and systems and through the active participation of every employee, contractor and consultant.
- Assess the potential effects of our projects and integrate protective measures into the planning process to prevent or reduce impacts on the environment and on public health and safety.

- Comply with all applicable environmental laws and regulations.
- Engage with government and local industry groups and communities to foster timely review of environmental standards.
- Manage our business with the goal of preventing environmental incidents and controlling emissions and wastes to below harmful levels.
- Respond quickly and effectively to environmental incidents resulting from our operations, in cooperation with industry organisations and authorised government agencies.
- Communicate and engage with communities on environmental and operational matters.
- Undertake appropriate reviews and evaluations of its operations to measure progress and to foster compliance with this policy.

Greenhouse Gas Emissions

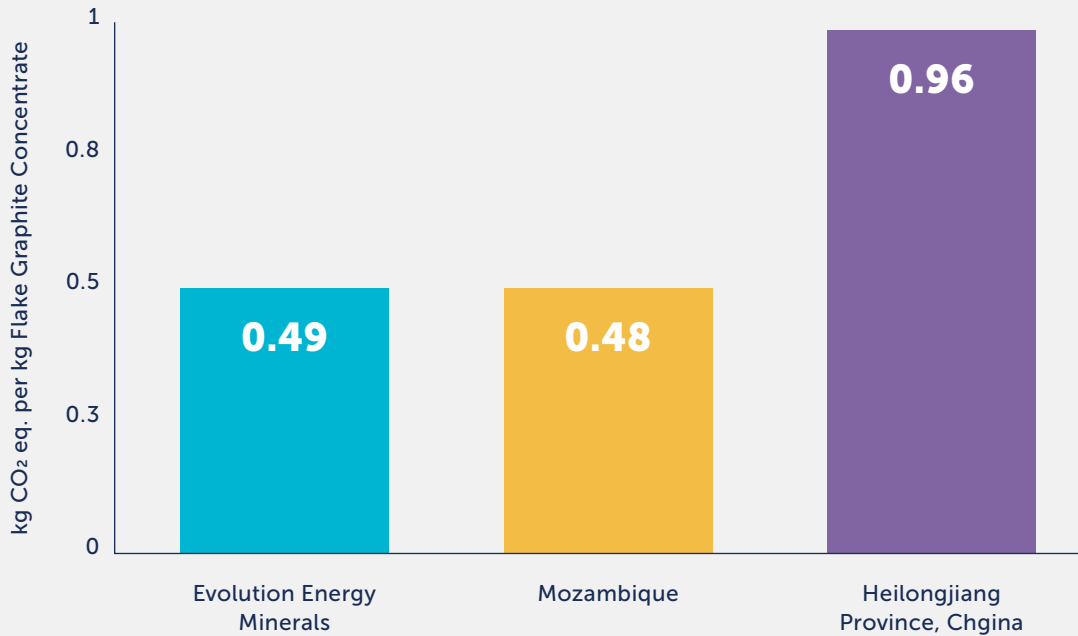
Evolution is committed to supporting the transition to a low carbon economy. We commissioned a consultant to conduct an independent Life Cycle Assessment¹ (LCA) of the Chilalo Project's environmental footprint. An LCA is a method for Evolution to assess the environmental impacts of the production of 1 kg of flake graphite concentrate produced from natural flake graphite ore extracted at the Chilalo Project. Essentially, an LCA makes it possible to evaluate indirect impacts that occur in the development of a product or process system over its entire life cycle, providing information that otherwise may not be considered.

The LCA results showed that the Chilalo Project will have lower emissions than comparative production in other parts of the world, including China, in particular the Heilongjiang Province, where more than 50% of the world's graphite is produced. Completion of the initial LCA is one of our first steps to develop Chilalo as a net zero carbon graphite mine. An updated LCA is expected to be commissioned in the coming months, with improvements expected as a result of incorporating solar power, replacing diesel with gas in certain activities, and adopting waste heat recovery to reduce diesel usage.

1. For more details, please refer to ASX announcement ["Chilalo demonstrates low carbon footprint"](#).



PEER COMPARISON OF CARBON FOOTPRINT



To understand the Chilalo Project's effect of climate change on our Chilalo site, we conducted a Climate Change Risk Assessment. Baseline conditions and climate predictions were established alongside relevant policy, legal and institutional frameworks and multilateral agreement review. Subsequently, a risk assessment was undertaken to determine if there are any potential climate risks that may bring significant impact to the Company during construction, operation, closure and post-closure stages.

Based on the risk assessment results, it was concluded that the Chilalo Project is not expected to be significantly impacted as a result of physical climatic changes. Despite the relatively smaller impact, we are considering appropriate mitigation measures to enhance our climate resilience.



Potential risks	Mitigation measures
Construction	
Increased run off and erosion resulting in further loss of soil resources and impacts to water resources as a result of land clearance.	Stormwater management design to account for potential increase in annual rainfall and flood peaks. Consider more adaptable ecosystem-based design for aspects such as stormwater attenuation and water recycling. Ensure that cleared areas are kept to a minimum and are only cleared immediately prior to the start of construction or mining.
Operation	
Direct risks to, or as a result of, the mining operation	
Failure of dewatering infrastructure (e.g., pumps in pit) to accommodate additional water volumes from predicted changes in increased rainfall or flood events may result in impacts to mining operations and the receiving environment.	Implement meteorological monitoring under a monitoring plan. Utilise the monitored meteorological trends to inform the extent to which infrastructure is adapted to accommodate climate change. Infrastructure design to accommodate for a potential increase in annual rainfall and flood peaks.
Failure of pollution control facilities to contain increased volumes of stormwater (stormwater control dams) may result in overflow of contaminated water to the environment.	Implement control measures of water storage facilities prior to potential flood events. Monitor moisture content and pit wall stability throughout the mining process and implement additional mitigation or management measures if and when required.
Destabilisation of open pit benches (which could result in pit failure) may occur due to increased rainfall or moisture content.	Concurrent rehabilitation should be adopted to limit the exposed area as far as practically possible. Monitor the efficacy of stormwater management infrastructure on the waste rock dump.
Destabilisation of the waste rock dump may occur if not adequately designed to accommodate increased extreme rainfall events or moisture content would result in loss of containment and potential impacts to water resources.	
Operational disruptions due to flooding or inadequate stormwater management infrastructure may result in damage to processing plant, utilities and site camp.	Infrastructure design to accommodate the potential increase in flood peaks. Develop disaster management plan for flood warning and response.
Uncontrolled release of hazardous materials to surrounding surface water resources should the process plant, hazardous storage facilities or sewage treatment facilities flood.	Clearing for mine operation must ensure that cleared areas are kept to a minimum and are only cleared immediately prior to the start of mining. Concurrent rehabilitation will be adopted to limit the exposed area as far as practically possible. Model the predicted flood zones utilising worst case climate change predictions and ensure that hazardous waste facilities are located outside of potential risk areas.



Indirect risks which may influence the operation of the mine	
Disruption of energy supply due to offsite or remote flooding and related infrastructure damage.	Implement a disaster management plan that assesses the risk to power infrastructure and ensure that adequate back up measures are in place in the event that power infrastructure is damaged due to increased flood events.
Disruption of transportation routes due to offsite/remote flooding related infrastructure damage.	As far as possible source local raw materials. Investigate all alternative routes for transportation of raw materials to the mine and transportation of goods from the mine to the transfer/export facility. If one route is compromised by flooding, another option can then be utilised. Engage with local transportation and roads authorities to support where practicable the improvement of transportation routes to the Chilalo Project.
Increased prevalence of vector borne diseases due to higher temperatures and rainfall in certain months (with specific relevance to malaria) and associated increases in humidity in an already humid climate.	Undertake an entomological study of vector borne diseases and implement mitigation measures identified. Provision of malarial prevention measures and treatment for staff. Community awareness and education.
Community and staff displacement due to flooding.	Develop a disaster management plan that includes measures to support the surrounding community. Build community resilience through education and support programmes.
Increased requirement for decarbonisation in line with client, funder and lender requirements.	Undertake a decarbonisation options analysis to explore various alternatives in the mine's proposed process and activities for reducing carbon footprint. Implement alternatives suggested where feasible from the operations analysis to reduce carbon footprint prior to mine construction to avoid retrofitting.
Closure and post closure	
Decreased structural integrity of the waste rock dump due to higher rainfall than that accounted for in the design.	Designs to consider long term increase in flood peaks. The results of climate trends to be updated throughout the life of mine and where necessary additional mitigation measures implemented. Develop and implement a meteorological monitoring plan.



Environmental Studies

Evolution recognises the importance of understanding the existing environmental and social conditions, assessing potential impacts and proposing mitigation measures before development of the Chilalo Project. We have undertaken scoping studies and are currently conducting environmental studies under our Environmental and Social Impact Assessment compliant with the IFC Performance Standards for the Chilalo Project. Based on the results of these studies, we will propose suitable measures (if deemed necessary) to mitigate potential negative impacts from operations. Key findings on environmental studies will be released once the studies are completed.

Mining Indaba 2022

Junior ESG Forum & Awards

At Mining Indaba 2022, Evolution was the winner of the energy efficiency category for Junior ESG Awards. The awards recognise the work of junior mining companies in relation to ESG. Evolution was acknowledged for its aspiration to be a zero-carbon graphite mine and the work being done as part of the updated definitive feasibility to position the Company accordingly.



an event





Social



Evolution recognises the significant roles played by our employees and local communities. We are committed to attracting and retaining a highly competent workforce, maintaining workplace health and safety standards and supporting local communities.

Employment Practice

At Evolution, we are dedicated to providing an inclusive workplace that attracts, develops and retains a skilled workforce. Our Human Resources Policy sets out the objectives and commitments of Evolution with respect to our employees, contractors and suppliers. This policy involves the following disciplines:

Equal Opportunities	Evolution is committed to providing equal opportunity to employees regardless of race, colour, religion, sex, sexual orientation, gender identity or expression, family status, pregnancy, age, national origin or ancestry, disability status, union affiliation, political belief or other characteristic protected by law.
Diversity & Inclusion	We aim to have a workforce that reflects the demographics of the communities in which we operate. Our Diversity Policy is in place to foster diversity and supports equal opportunity at all levels across the Company. We recognise that achieving gender parity is a major challenge due to geographic remoteness or shift working rostering. In such cases, Evolution focuses on maximising local employment instead, including any vulnerable communities represented there.
Talent Development	Attracting and developing entry-level resources industry talent is part of our wider set of talent initiatives, which also includes bursaries, summer vacation placements, internships and apprenticeship programmes. Topics covered in our training programs include: • First aid training • OSHA health and safety training • Water resources and environmental engineering • Waste Management • Driver training • External snake handling and snake bite • Job safety analysis • Permit to work • Budget preparation • Preparation of management accounts • Obtaining professional accounting qualifications
Local Employment	We aim to employ locally wherever possible. To support local markets and provide further economic uplift, we invest significantly in workforce development, as well as offering our host communities training for employment opportunities.



Occupational Health and Safety

At Evolution, safety is our first and foremost priority. To protect the health and safety of our workforce, Evolution is committed to eliminating and effectively managing health and safety hazards and risks within our business. Our Health, Safety and Wellbeing Policy outlines our commitment to eliminating workplace illnesses and injuries. Risk management activities are undertaken to identify, prioritise and manage health and safety risks. We actively and continuously seek to report and rectify all hazards, non-compliances, near hits, and incidents. Training, toolbox talks, supervision and resources are provided to our employees and contractors to ensure that they perform their duties safely. In FY22, some of our actions to manage work-related health and safety issues included:

- Our COVID-19 response included a compulsory quarantine period for employees travelling in from abroad with testing protocols; provision of face masks and sanitisers.
- Provided employees with external safety training courses such as first aid training and snake handling training.
- Conducted a site-specific health impact assessment with extensive consultation with the district medical officer and the local community.

Cultural Heritage

Evolution respects the cultural heritage, customs and traditions of traditional owners in the regions where we operate. We established a Cultural Heritage Management Plan for our Chilalo Project to identify and manage any impact on items of cultural significance. The key items covered in this plan include:

- Key policies, legislation and standards relating to heritage management.
- Roles and responsibilities of the Company, archaeologists, local councils, office of the district commissioner and custodians.
- Actions and measures necessary for the effective management of risks and impacts to cultural heritage.
- General approach to cultural heritage management procedures and methodologies, including management of both tangible and non-tangible cultural heritage.
- Implementation of Chance Finds Procedure, which details the necessary steps to be taken if any culturally significant artifact is found during the construction process.
- Incorporation of requirements of relevant Environmental Impact Assessment findings, Supplemental Environmental Assessment, Supplemental Social Impact Assessment, international standards, requirements and project-specific construction permits.



Key Actions Undertaken in 2022

ARCHAEOLOGICAL SURVEYS

We conducted archaeological surveys in areas of proposed development. Our research team examined the cultural remains and artefacts to determine their cultural significance. Mapping of graves and sites of cultural heritage was also performed.



FOCUS GROUP DISCUSSIONS

Focus group discussions remain an important part of the stakeholder engagement process and the Company's commitment to meet International Finance Corporation (IFC) standards. We invited custodians and village officers to a village meeting and two focus group discussions in February 2022. At the meetings, custodians were informed on the impact of the Chilalo Project. The focus group discussions explored a range of topics, including current funerary practice, the importance of grave location, preferences and procedures for relocation and the relocation of other cultural heritage sites.





Community Engagement

Evolution conducts respectful engagement and provides clear and accessible communication with community stakeholders regarding our operations and potential impacts on the local community. As stated in our Community Relations Policy, we conduct community engagement activities in a transparent and culturally appropriate manner. Our engagement process ensures community concerns and

aspirations are recognized, respected and considered for incorporation into key decision-making processes.

A stakeholder engagement management plan (SEMP) has been developed to ensure that a consistent, comprehensive, coordinated and culturally appropriate approach is taken to stakeholder engagement. To this end, the SEMP:

Outlines the approach to be adopted for engagement and demonstrates how this will be integrated into Project processes.

Guides the identification of stakeholders and mechanisms through which these stakeholders can participate and be included.

Provides a plan of the stakeholder engagement process.

Identifies the Project's responsibilities with respect to the Tanzanian legislative requirements, international requirements and company standards.



Stakeholder engagement in Nangurugai village



A series of women-only focus groups was conducted in Evolution's project office in Nangurugai village



Resettlement Action Plan

Evolution recognises that working together with the local communities is the foundation for successful development of the Chilalo Project. In accordance with applicable Tanzanian legislation and IFC Performance Standards on Social and Environmental Sustainability, we have prepared a Resettlement Action Plan (RAP) to support local communities by assessing land and property values in connection with the relocation of people and properties. The RAP process began in November 2021 with extensive engagement with the Ambye, Lukowe and Nangurugai communities, all of which are proximate to the Chilalo project area.

More than 40 meetings were held with relevant government authorities, local leadership, Project Affected Persons (PAPs) and selected focus groups (i.e. vulnerable people, women's groups, farmers) from November 2021 to May 2022. After the stakeholder engagement, the RAP was submitted to the Government of Tanzania in June 2022, with formal approval of the Chief Government Valuer received in August 2022. An initial compensation payment was made in August 2022, with remaining compensation to be paid on commencement of construction. Approval of the RAP is fundamental to the Company's social license to develop and operate the Chilalo Project.

The RAP includes a five-year livelihood restoration program that consists of several initiatives targeted at delivering sustainable benefits to the PAPs, including:

Conservation agriculture	Supply of materials, training and ongoing coaching and mentoring to promote the development of sustainable sesame, maize and legume agriculture among the local communities.
Cashew tree nurseries	Propagation of alternative cashew tree stock for distribution to PAPs. Provision of training and mentoring to support local communities in the development of cashew tree farms.
Vegetable program	Establishment of a vegetable nursery to produce seedlings to assist in the development of vegetable farms. Provision of vegetable gardens with wells, treadle pumps and seedlings in a large number of new dwellings.
Youth skills training program	Local youth upskilling program that focuses on brick laying and carpentry as part of the construction of relocation dwellings.
Livelihood Restoration Centre	Construction of a community centre with fully equipped greenhouse, water wells, exhibition compound and trucks.



Governance



Evolution believes that adopting high standards of governance creates long-term shareholder value. We are committed to promoting a culture of ethical corporate behaviour through robust governance frameworks.

Sustainability Governance

STRATEGIC INVESTMENT BY ARCH SUSTAINABLE RESOURCES FUND

Sustainability is fast taking centre stage in corporate boardrooms, as the ESG investing trend accelerates. The Company's cornerstone investor, ARCH Sustainable Resources Fund ("ARCH SRF"), is an ESG-focused investor that raises and invests private capital in emerging markets to deliver long-term sustainable value. The Investment Deed between the Company and ARCH SRF specifically caters for co-investor rights for ARCH SRF's investors. Through its relationship with ARCH SRF, Evolution is supported with ESG expertise for strategic advice on ESG risk and opportunity management as well as transaction and portfolio management.

To ensure effective implementation, ARCH has appointed a director to the Company's Board and has imposed the following conditions:

- Payment of bonuses to management will not occur in the event of a material or fundamental breach of ESG policy.
- At least one third of director and management bonuses will be dependent on achieving key performance indicators tied to ESG.
- If there has been a material or fundamental breach of ESG-related policies, directors of the Company may be required to stand down and be subject to a vote by shareholders for re-election to the Board.





ESG Committee

Shortly after its IPO, the Company established an ESG Committee to drive the integration of the ESG framework into the Company's business, to assess ESG performance and to advise the Board in relation to matters which involve ESG considerations or impact the Company's ESG risks and opportunities. A specific ESG Committee Charter was developed to support the ESG Committee in overseeing ESG performance. During 2022, the members of the ESG Committee were ARCH SRF's nominee to the Evolution board of directors, Amanda van Dyke, former Non-Executive Chairman Trevor Benson and Non-Executive Director Henk Ludik. In the event of a material breach of ESG standards, members of the Evolution Board of Directors may be required to stand for re-election. The ESG Committee met seven times during 2022.

Key responsibilities of the ESG Committee include:

- Develop ESG related policies for Board approval.
- Develop, review and monitor Environment and Social Action Plan and ESG programs.
- Provide recommendations to the Board in relation to ESG policies, programs and credentials.
- Assess compliance of ESG policies and programs and report to the Board.
- Provide quarterly ESG reports to the Board
- Make recommendations to the Board in relation to the appropriate ESG performance conditions which must be satisfied before a director or executive of Evolution or of an Evolution Group Member will receive any ESG performance-based remuneration and determine whether such performance conditions have been satisfied (or not satisfied) from time to time.
- Provide determinations as to whether directors and executives of Evolution Group Members have breached any of the ESG policies or the ESG program.

Key topics considered by the ESG Committee during the period included:

- Establishing the ESG-related performance conditions that must be satisfied before an executive of Evolution receives any ESG performance-based remuneration, which represents 30% of performance-based remuneration.
- Development of the ESG Framework, in particular the approach taken to the determination of the SDGs that form the basis of the ESG Framework.
- The approach to Digbee reporting and achieving an improved Digbee rating.
- Investigation of options available with respect to carbon offsets to minimise carbon emissions at Chilalo.
- Key matters related to the RAP.



ESG Framework

As more investors look to deploy capital into companies with clear pathways towards sustainable development, Evolution's ability to access development finance is highly dependent on its ESG strategy and performance. Evolution has committed to an ESG Framework designed to meet the requirements of key stakeholders, including financiers and graphite customers. The ESG Framework will be applied across the Company's activities and includes the development and adoption of key policies and plans as shown below.

Environment	Social	Governance
Biodiversity Action Plan	Cultural Heritage Management Plan	Anti-Bribery and Corruption Policy
Climate Change Physical and Transitional Risk Assessment	Diversity Policy	Code of Conduct
Environmental Policy	Occupational Health and Safety Policy	Corporate Governance Code
Environmental and Social Action Plan	Modern Slavery Policy	Engagement of Digbee ESG™ to monitor ESG performance
Pollution Prevention and Low Carbon Emissions Policy	Relocation Action Plan	Local Content and Procurement Policy
	Human Resources Policy	Whistleblower Policy
	Health, Safety and Wellbeing Policy	ESG Policy
	Stakeholder Engagement Management Plan	



Independent ESG Assessment

To align with key global ESG standards and frameworks, we have undertaken an independent ESG assessment using Digbee ESGTM. Digbee has been developed in consultation with mining companies, ESG specialists and capital providers and is endorsed by leading financial institutions, producing mining companies and other industry stakeholders to provide an independent assessment of ESG performance.

Evolution signed up to Digbee when Evolution was formed as a means of obtaining an independent and transparent assessment of our ESG performance.

Undertaking the Digbee assessment enables Evolution's ESG program to be measured, transparently disclosed and in time, benchmarked, which will allow the Company to identify areas for improvement and to position Evolution as an attractive investment proposition for a wide range of ESG-focused fund managers and financiers.

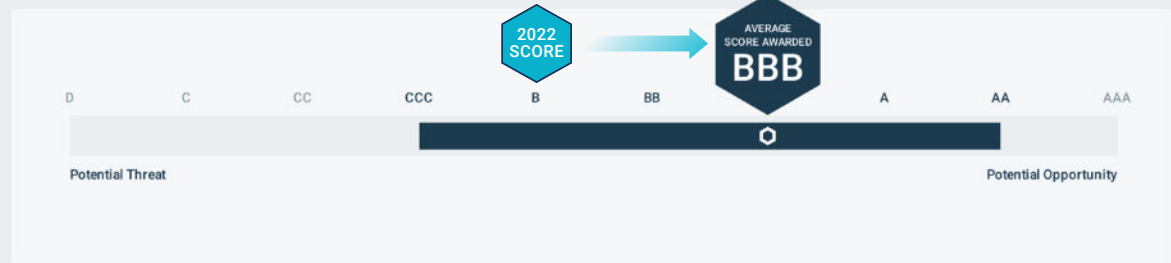
In early 2022, we received our initial ESG rating from Digbee, which assessed our performance as a "B" at both corporate and project levels. Together with Digbee, we identified improvement areas which would deliver a higher score, and in March 2023, received an improved rating of "BBB". We will continue to identify enhancement areas to further improve our ESG performance.

Key areas of progress included:

- The adoption of dry stacking of tailings which remove the requirement for a tailings storage facility and significantly reduces a key environmental risk, especially given the multiple high profile tailings dam failures in recent years.
- Following a period of extensive engagement with local communities, the Company's resettlement action plan was approved by the Tanzanian Government in August 2022.
- Completion of several ESG-related studies, including a health impact assessment (the first such study carried out in the local area), a water availability study, a cultural heritage study, vulnerable persons assessment, human rights impact assessment, and a local biodiversity and ecosystem impact assessment.
- Establishment of a company office at the Nangurugai village, which is located just outside the Chilalo mining licence area.
- Establishment of a formal grievance procedure and grievance register.
- Enhancement of governance practices with the formation of a Nomination and Remuneration Committee and Audit and Risk Committee, as committees of the Evolution Board.



Overall ESG Score: Evolution Energy Minerals Ltd



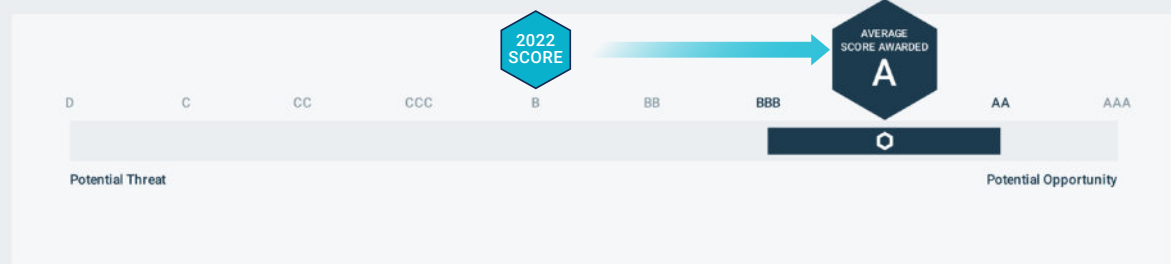
Project ESG Score: Chilalo Graphite



Overview



Corporate ESG Score: Evolution Energy Minerals Ltd





Code of Conduct

To uphold the highest standards of ethics in our business practices, we have established our Code of Conduct. This Code of Conduct underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees and consultants. Breaches of the Code of Conduct may lead to disciplinary action.

Supply Chain Management

To ensure our contractors share the same commitment to sustainability, we have a tender process in connection with the appointment of contractors. As part of the tender process, we require interested parties to submit sustainability related information, including:

- Approach to environment and safety management, including provision of relevant policies, manuals and procedures;
 - Emergency response system to ensure that key contractors are prepared for potential emergency situations;
 - Evidence of compliance with applicable Tanzanian laws and local regulations as applicable
 - Proposed procurement of local goods and services throughout the course of the engagement as applicable;
 - Confirmation that the contractor is willing to sign a contract that includes specific provisions relating to compliance with anti-bribery and corruption laws.
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Anti-bribery and Corruption

Bribery and corruption adversely affect the business environment by undermining legitimate business activities. Our approach to bribery and corruption is supported by our Anti-bribery and Corruption Policy which specifies expectations on employees, suppliers, contractors, consultants and other business partners to act lawfully, ethically, and responsibly. This policy provides information and guidance on how to recognise and deal with bribery and corruption issues. Principles for payments to governments or political parties, donations, sponsorships, gifts and entertainment are set out in the policy. Any breach of this policy is a serious matter which will be investigated and addressed by Evolution. There were no breaches or litigation associated with anti-bribery and corruption brought to the Company's attention in FY2022.

Whistleblower Policy

The Company's Whistleblower Policy gives our employees, suppliers and associates the opportunity to raise concerns about any suspected or actual unlawful, unethical, irresponsible behaviour or misconduct by the Company. This policy specifies reporting procedures that prohibit any form of punishment, disciplinary or retaliatory action being taken against anyone for raising or helping to address a business conduct concern. A Whistleblower Protection and Investigation Officer is assigned to handle and investigate any reported complaints and allegations. This policy is made available on the Company's website.



EVOLUTION

ENERGY MINERALS

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