

LOOKING FORWARD. MINING GREEN.



BLACKSTONE
MINERALS

SUSTAINABILITY REPORT 2023



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Introducing Blackstone



Disclaimers

This report contains certain forward-looking statements. The words 'expect', 'forecast', 'should', 'projected', 'could', 'may', 'predict', 'plan', 'will' and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings, cash flow costs and financial position and performance are also future-oriented statements. Forward looking statements, opinions and estimates are based on assumptions and contingencies that are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only, and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results or trends to differ materially. These variations, if materially adverse, may affect the timing or the feasibility of the development of the Ta Khoa Project.

About Blackstone Minerals

Blackstone Minerals Limited (ASX: BSX / OTCQX: BLSTF / FRA: B9S) (ABN 96 614 534 226) (Blackstone) is focused on building an integrated battery metals processing business that will produce battery precursor products for the world's growing lithium-ion battery industry.

From our beginnings as an explorer of gold, cobalt and nickel projects in Western Australia, Canada, and the US, we have successfully evolved and are now positioned to contribute to, and benefit from, the transition to a low-carbon world. Our Green Nickel™ strategy provides a clear roadmap to supporting the global battery industry and the energy transition. More information on our Green Nickel™ strategy can be found in the **Green Nickel™ chapter**.

In Vietnam, we are progressing our vision as a future focused business that produces battery precursor products for the growing lithium-ion battery industry. The Ta Khoa Project is a globally relevant, strategically located nickel sulfide mineral resource. It involves mining nickel sulfide deposits and processing the mined ore to produce a concentrate suitable for the downstream part of the project, the refinery. This vertically integrated mining and refining business model is being developed with Environmental, Social & Governance (ESG) performance integrated into our overarching Green Nickel™ strategy.



FY23 Sustainability Highlights



\$6.1M

AU\$6.1 million spent with Vietnamese businesses, up 180% year-on-year, including AU\$2.3 million with Vietnamese specialist engineering, environmental and social consultants

Successful Pilot

Successful piloting programme produced battery grade nickel and cobalt sulfate



BBB

Digbee ESG™ score BBB (up from Digbee ESG™ score BB in 2021)

ZERO

Lost Time Injuries



61

61 employees trained in speak-up platform Whispli



99%

99% Vietnamese employees with 84% of senior technical and administration roles filled by Vietnamese professionals



Low-Carbon Products

Life-Cycle Assessment - industry leading low-carbon products - pCAM (9.8 CO₂-e/kg) and nickel sulfate hexahydrate (4kg CO₂-e/kg)



ZERO

environmental non-compliances



Awarded Mines and Money 2022 ESG Explorer and Developer of the Year

About this Report

Sustainability and ESG performance are a defining focus for Blackstone. Our third sustainability report, covering the reporting period 1 July 2022 to 30 June 2023 (FY23), provides stakeholders with an accurate and transparent account of our efforts, impacts and achievements around **material ESG topics**.

These topics were defined through a comprehensive stakeholder engagement program and materiality assessment conducted from January to March 2023. Further information on this can be found in **Stakeholder Engagement**.

This report builds on corporate and operational initiatives that position us as an ESG leader among peers in the global mining sector. The reporting boundary is our corporate and operational facilities and activities in Australia, Vietnam, and Canada.

This report has been developed with reference to the Global Reporting Initiative Sustainability Standards.

Our sustainability reporting approach also incorporates the United Nations Sustainable Development Goals (SDGs), the Taskforce for Climate-related Financial Disclosures, and integrates the four-pillars of the World Economic Forum Stakeholder Capitalism Metrics Framework.

At this point in time, we have not sought external assurance of this report or its components, however we expect this to change as our project develops and our corporate commitment to ESG matures.

Final review and approval of this report is overseen by the Audit, Risk & ESG Committee who are responsible for our sustainability reporting activities. We believe in a continuous improvement approach to sustainability and ESG and invite feedback from stakeholders on our report, recommendations or overall ESG approach. Please forward any comments or ideas to admin@blackstoneminerals.com.au.



From the Managing Director



Scott Williamson
Managing Director

Welcome to our third sustainability report.

As we evolve from a nickel exploration business to becoming one of the cleanest and lowest-carbon nickel producers globally, we continue our Green Nickel™ journey, advancing our ESG commitments and performance.

We believe we have an opportunity to engrain best practices into our development strategy, to start from zero with respect to our emission targets, and to align ourselves with industry leaders.

Our strategy is built on supplying low-carbon nickel to a world grappling with climate challenges. Our focus is addressing the social and environmental consequences of our business activities. Every aspect of our approach is guided by strong values and robust corporate governance.

We are committed to contributing to a resilient, decarbonised world and providing opportunities for the communities we operate in. We understand that sharing value is a privilege driven by strong economic performance, and we consider socially responsible development a pivotal driver for our company to create shared value.

As the home of our flagship project, Vietnam presents many opportunities for delivering our strategy. In the four years since we made the decision to buy the Ban Phuc Nickel Mine, we have come to appreciate Vietnam's strong commitment to meeting the global climate challenge with targeted net zero carbon emissions by 2050, supported by a sound climate action plan. We also benefit from the strong bilateral relationship with Australia, Vietnam's highly skilled and dynamic workforce, as well as the predictability of regulatory processes.

This year, we have focused on advancing ESG initiatives that contribute directly and immediately to progressing the development of our Ta Khoa Project.

We continue to improve the governance of key business risks, including climate change and human rights, strengthening our board committees, and reinforcing transparency by including taskforce for climate-related change disclosures reporting in this report.

The successful completion of our pilot plant programme, together with the results from the cradle-to-market life-cycle assessment of our precursor products, confirms the validity of our decision to develop our industry leading, low CO₂ emission nickel sulfide Ta Khoa Project to supply precursor materials into the global growing lithium-ion market.

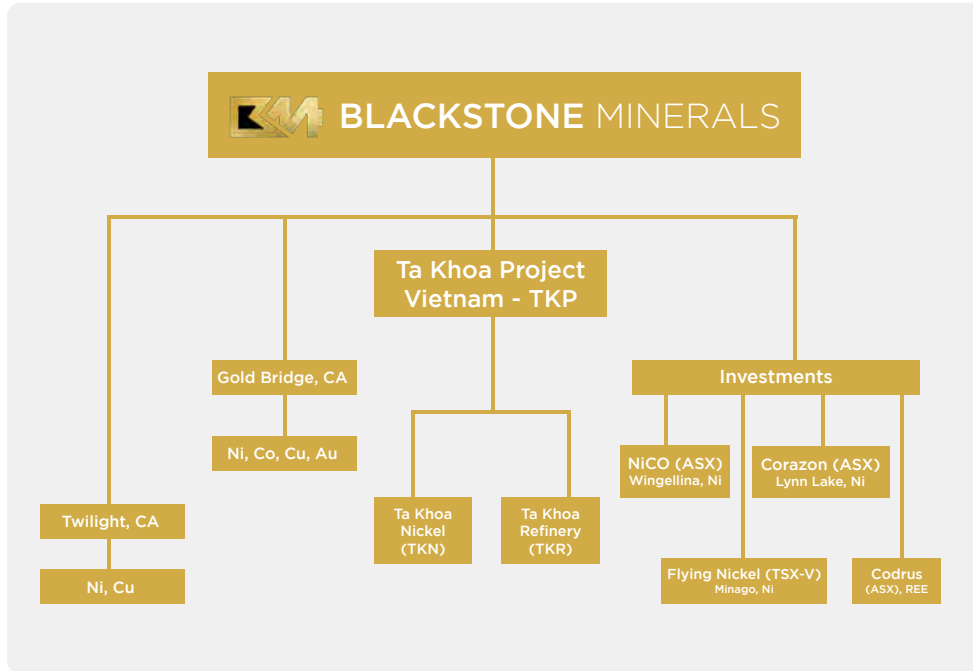
The project and permitting teams have worked diligently to ensure the project is Vietnam-ready, identifying a pool of experienced Vietnamese consultants and contractors and bringing several of them into the project team. Our ability to access in-country capabilities will significantly reduce project risk while simultaneously delivering our ambition to maximise value for Vietnam.

Receiving the 2022 Mines and Money ESG Explorer and Developer of the Year Award shows the investment community recognises the value of our Green Nickel™ Strategy. This is further strengthened by our overall improved **Digbee ESG™ assessment score of BBB**, confirming our progress towards our goal of becoming a Green Nickel™ producer.

Through our continued partnership negotiations, we have become increasingly aware of how critical our low carbon products will be to premium electric vehicle manufacturers. The reality is that not all nickel will have the same level of ESG performance as our products. We believe our commitment to ESG will ensure our products will be in high demand from downstream customers and are well placed to attract a green premium.

I'm proud of our team's continued razor-sharp focus to ensure sustainability is embedded in everything we do as ESG becomes the binding structure embodying the way we operate at Blackstone. Our commitment and focus on ESG has moved on from a 'nice-to-have' to business-as-usual as we continue to grow and become one of the cleanest and lowest carbon nickel producers on the planet.

Our Projects and Interests

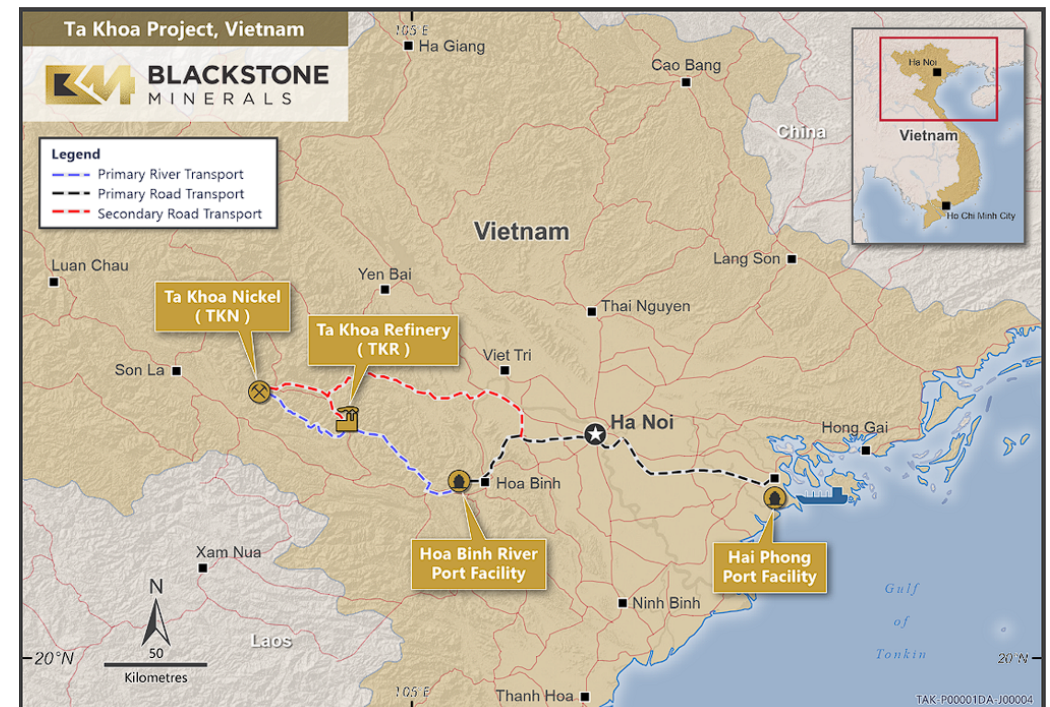


Vietnam

Our Ta Khoa Project in Vietnam consists of a nickel mine and refinery as the two primary cogs in our vertically integrated development strategy. Blackstone owns a 90% interest in the mine (Vietnamese company name Ban Phuc Nickel Mine) located in Son La Province, a modern mine built to Australian standards, which successfully operated as a mechanised underground nickel mine and concentrator from 2013 to 2016.

Since acquiring the mine in 2019, we have completed an extensive exploration program and successfully defined a large low grade nickel ore body that will be mined by open cut, requiring a significantly larger concentrator. The mine is expected to be operational for at least 10 years with the potential of a longer life and will produce a nickel concentrate containing ~8-10% nickel processed at our proposed refinery.

Our Ta Khoa Project will produce one of the lowest emission pCAM¹ as verified by Minviro and certified by the Nickel Institute. We are focused on a partnership model, collaborating with groups committed to a decarbonised future enabled by sustainable mining, and a responsible, vertically integrated value chain.



¹ASX announcement 15 September 2022

Canada

Gold Bridge Project

The Gold Bridge Project is located 180 kilometres north of Vancouver in British Columbia, Canada and was acquired by Blackstone in October 2017. We have since completed an extensive maiden exploration program including drilling, geochemical and geophysical surveys, with the initial results indicating potential for the project to host a world class cobalt belt in British Columbia.

Twilight Project

The Twilight Nickel-Copper Sulfide Project comprises a contiguous 217 square kilometres block of exploration claims located in eastern Labrador, about 80 kilometres northeast of Labrador City-Wabrush and 55 kilometres west of Churchill Falls hydroelectricity power station.

We have an option agreement to acquire up to 100% project interest of the claims from the prospector Big Land Exploration as per the terms of the option agreement.

With our focus primarily on the Ta Khoa Project, we will continue to invest proportionately in the progress of our Canadian assets.



Strategic Interests

We hold interests in strategically aligned companies that have the potential to add value to our vertically integrated business model. In particular, these upstream interests provide optionality for feed stock to the refinery component of the Ta Khoa Project.



Nico Resources 15% interest

Nico Resources (ASX:NC1) Wingellina is a development-ready, large resource project, with a demonstrated ability to produce nickel and cobalt sulfates, sulfides, and hydroxides. The unique characteristics of Wingellina provides several investment and development options for Nico Resources and potential investment partners.



Corazon Mining 17% interest

Corazon (ASX:CZN) Sulfide Project in the central Canadian province of Manitoba, as well as two Australian battery-metal projects – the Mt Gilmore Copper-Cobalt-Gold Project (New South Wales), and the Miriam Nickel-Copper Sulfide Project (Western Australia). With a focus on nickel sulfide, Corazon is ideally placed to take advantage of the widely forecasted future growth in the rechargeable battery and renewable energy industries.



Flying Nickel Mining Corp 7% interest

Flying Nickel Mining Corp. is a Canadian mining company trading on the Toronto Venture Exchange under the symbol FLYN and on the OTC under FLYNF. The company's flagship Minago project, located on the Thompson nickel belt in Manitoba, Canada is one of the world's largest high-grade open-pit optimised nickel sulphide deposits in the world. Flying Nickel aims to supply the electric vehicle industry with high-performance battery ingredients that are 100% made in Canada with low carbon emissions.



Codrus Minerals Limited 47% interest

Codrus Minerals (ASX:CDR) is a rare earth element (REE) and gold explorer. Codrus recently entered into a farm-in and joint venture agreement with Talgamine Minerals Pty Ltd to earn up to a 90% interest in the Karloning REE Project, located in Western Australia's Wheatbelt. In addition to the REE project, Codrus has a portfolio of projects in Western Australia and Oregon, United States of America.

Our Leadership

Our board consists of industry professionals with a mix of technical, commercial, cultural, and development experience. A diversity of backgrounds and experience remains a priority as we progress the Ta Khoa Project and other interests, generating and sharing value for stakeholders.



Hamish Halliday
Non-Executive Chairman



Alison Gaines
Non-Executive Director,
Chair of Audit, Risk and
ESG Committee

'ESG is embedded in the strategy and decision making of Blackstone and is the right pathway to build our credentials as a green miner. We have an ESG mindset and framework to ensure good decision making across all dimensions of ESG in the countries in which we operate as well as our corporate headquarters. Our ESG rating improvements to score BBB in the Digbee ESG assessment, and the award of 2022 Mines and Money ESG Explorer and Developer of the Year Award are evidence of our commitment to ESG.'



Dr Frank Bierlein
Non-Executive Director



Scott Williamson
Managing Director



Dan Lougher
Non-Executive Director

GREEN NICKEL



Figure 1 - Blackstone's Green Nickel Strategy

Blackstone Minerals Corporate Strategy >> Green Nickel™

Our Green Nickel™ strategy sits at the heart of the business and sets our course. From ambition, to goal, to strategy, Green Nickel™ drives our focus at each stage of development to deliver a project and a product with the highest possible ESG credentials.

As Blackstone has evolved, so too has our Green Nickel™ strategy. Our most recent update in FY23 reflects the progress we have made across the business. These include technical studies validating our low-carbon credentials, an enhanced ESG governance structure, progress on environmental and social baselines, and a commitment to sustainable development that creates shared value for the communities we are part of.

“

Sustainability is extracting the minerals required to ensure a brighter future for our children in a manner that has a positive impact on the environment and the local communities in which we operate. Through partnering with stakeholders that are aligned with our vision to produce green products for the electric vehicle market, we seek to lead the industry in producing low carbon products for our downstream partners. One person at a time we aim to change the world's view of mining to ensure that people understand the integral role that sustainable mining practices play in enabling a cleaner future for generations to come.

”

Scott Williamson, Managing Director

THE GREEN NICKEL™ STRATEGY

Low-carbon Nickel

Planning, technology, and collaboration to deliver low-carbon intensity nickel that meets the needs of customers, stakeholders and minimises climate impact.

- Roadmap to net zero
- Validated low carbon nickel
- Hydrometallurgical processing technology
- Powered with renewable energy
- Electrified mining

Robust Governance

Deeply integrated into our business, ESG performance is driven by our board, led by our executive team, and incorporated at all levels of the organisation.

- ESG Policy framework
- board and management level ESG accountability
- UN Global Compact Signatory
- Permitting Steering working group
- Whispli enabled speak-up culture
- Best-in class ESG reporting

Circular Economy

Planning, design and operations that prioritise the responsible use of natural resources with a focus on recycling, re-use, maximising value for local communities, and technology enabled traceability.

- Blockchain enabled traceability
- Global battery passport
- Proximity to markets
- Use of refinery by-products and repurposed tailings and other waste streams
- Refinery design to support high-impurity third party feed

Socially Responsible

More than compliance, we believe in the social value our projects can deliver. We operate responsibly, focusing on impact beyond our operational boundaries, and are determined to share prosperity across our value chain.

- Human rights roadmap
- Social licence framework
- Socio-economic baseline studies
- Alignment with the United Nations SDGs
- Prioritised local employment and content
- Meaningful community engagement

Environmental Stewardship

Design and operations that seek to minimise the impacts of mining on local and global environments. An approach guided by risk and experience with a commitment to effective management.

- Lower impact - Pressure oxidation leach flowsheet
- Decarbonisation strategy
- Optimised tailings storage design
- Environmental Impact Management across the project life-cycle
- GHG emissions reporting – Scope 1, 2 & 3

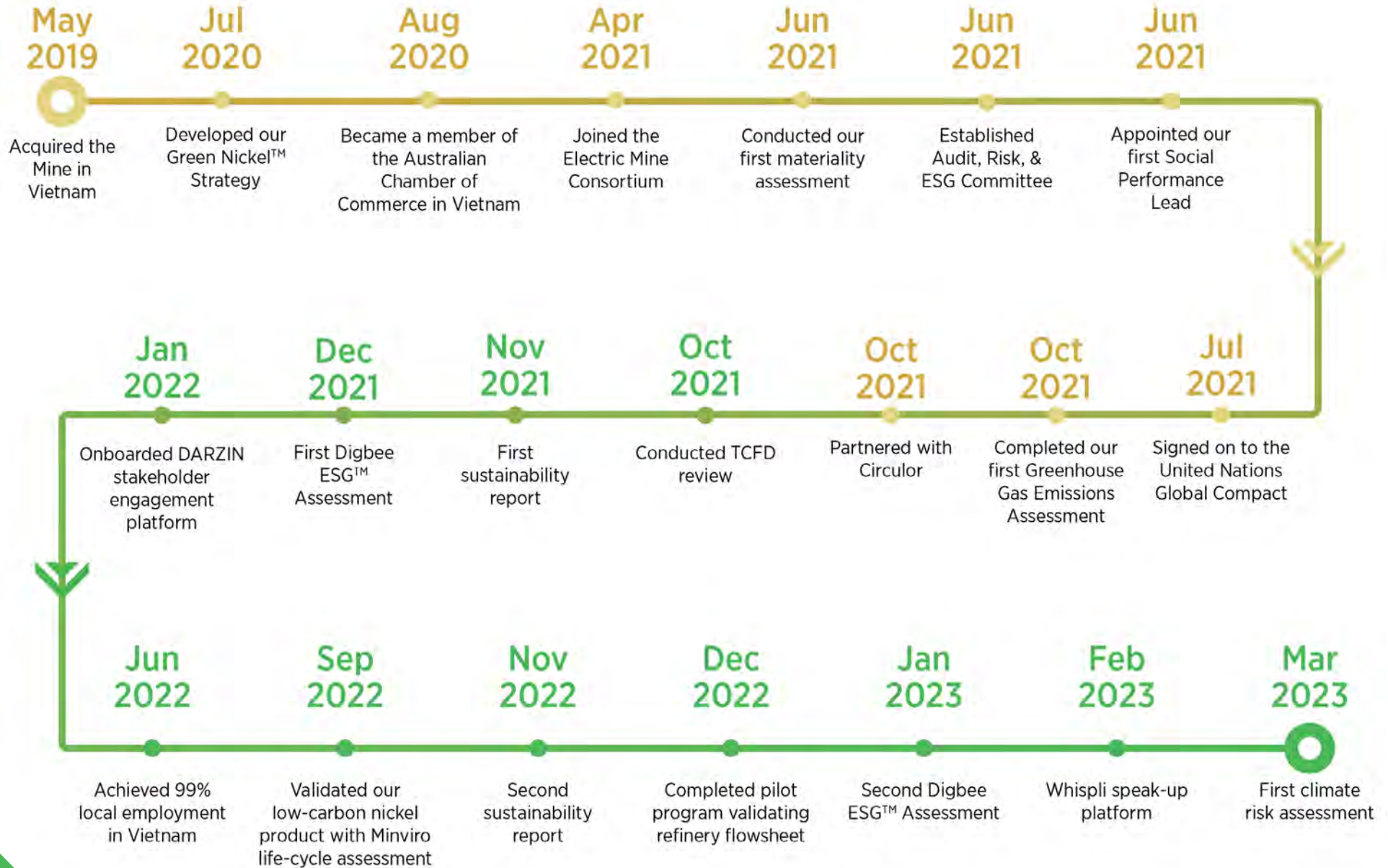
Mines and Money - 2022 ESG Explorer and Developer of the Year Award

Blackstone was recognised for our commitment to ESG with the Mines and Money 2022 ESG Explorer and Developer of the Year Award. The Explorer and Developer award highlights the value of active management of material ESG threats and opportunities through early integration of ESG-related initiatives – such as the life-cycle assessment, calculation of our GHG emissions and Blockchain traceability – within our business strategy.

In a year that saw a record number of nominations across the mining industry, we are proud that our commitment to and performance on ESG is recognised on a global scale.



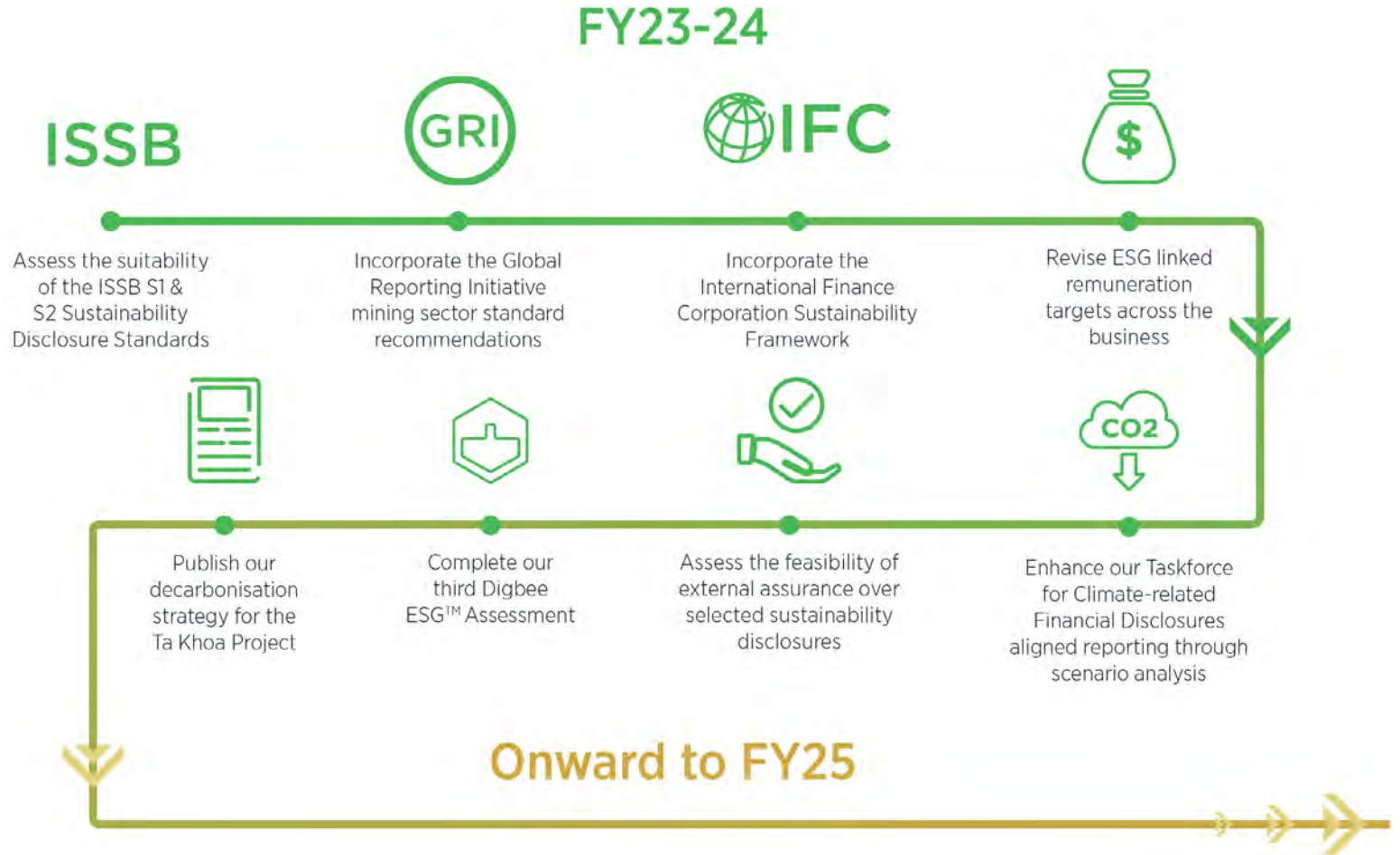
Our ESG Journey to Date



Our ESG Roadmap

We are defined by our commitment to ESG and developing this across our operations as we grow. We will continue to prioritise improving our performance for the benefit of shareholders, employees, communities in which we operate, along with broader stakeholder groups.

We have incorporated the following standards and frameworks to support transparent and comparable communication of our sustainability efforts: Global Reporting Initiative, UN Global Compact, SDGs, Taskforce for Climate-related Financial Disclosures (TCFD), and the World Economic Forum Stakeholder Capitalism Metrics. As our commitment to ESG matures in line with our operations, we will improve our approach with the following actions.



Responsible Business



Vietnam in Focus

Vietnam is dedicated to a sustainable future. The government's commitment to renewables together with its strategic location, manufacturing capabilities, access to raw materials, skilled workforce, and regional connectivity position Vietnam as a future leader in green energy.

Our decision to embrace the opportunity that mining in Vietnam offers came from conversations with Korean battery manufacturers who were interested in Vietnam's potential as a regional hub for sourcing and potentially refining nickel to supply to the global battery industry. A comprehensive review of the country's nickel assets identified a nickel sulfide mine 160km west of Hanoi in the north-west of Vietnam that was under care and maintenance.

Built to Australian standards, the mine had successfully operated from 2013-2016. We saw a unique opportunity to buy a brownfield mine with quality infrastructure. The nickel sulfide deposit supported our ambition to deliver a product which required less energy and chemicals to process than nickel laterite, more commonly found in neighbouring countries such as Indonesia.

Four years on, our work to this point supports our decision. Our studies and engagement to date confirm Vietnam is the ideal place to pursue a wholly sustainable and ethical approach to mining, from extraction through to processing.

This is a win-win for Blackstone and for the Vietnamese people; we benefit from Vietnam's highly skilled and motivated labour force and supportive political environment, while in turn benefiting communities through employment, business opportunities and local development support, and the broader economy through taxation and royalties.

By aligning our practices with Vietnam's sustainability goals, prioritising environmental stewardship, engaging with communities, and collaborating with stakeholders, we are proud to contribute to Vietnam's transition to a low-carbon economy, and economic and social development.

Operating Environment

Economic growth and future-facing industries

According to the International Monetary Fund, Vietnam's GDP growth is expected to reach 5.8% in 2023, and accelerate to 6.9% in 2024, making it one of the **fastest growing economies in the world**.

Vietnam has emerged as a manufacturing hub, attracting multinational companies to set up production facilities, and becoming a major player in global automotive and electronics manufacturing, including EV-related industries.

In parallel, the e-commerce sector has grown exponentially, driven by a young, tech-savvy population, and encouraged by government investments in e-commerce platforms. Vietnam is also developing its biotechnology and healthcare industries to enhance the country's capabilities in healthcare delivery, drug manufacturing, and medical research.

The government has invested heavily in infrastructure to improve connectivity within the country, which in turn enhances trade links with regional and global markets, facilitates business operations, and supports emerging industries.

Vietnam has a first-mover advantage in the South-east Asia region, and a once-in-a-generation opportunity to train and upskill the local labour force to become experts in an emerging, critical industry. We are playing our part in the transition by bringing new technology to Vietnam's mining and refining industry, including advanced hydrometallurgy to support our operations and help Vietnam become a centre of excellence in nickel mining, processing, and a hub for electric vehicle innovation.

Vietnam's GDP growth is expected to reach 5.8% in 2023, and accelerate to 6.9% in 2024, making it one of the fastest-growing economies in the world.

Dynamic workforce

Vietnam boasts a young and dynamic workforce, with a **median age of around 30 years old**. The labour force is known for its strong work ethic, adaptability, and willingness to learn. This pool of talent provides a competitive advantage to investors seeking skilled and cost-effective labour for their operations.

The country has invested in education and vocational training programs, providing a skilled workforce that contributes to its economic growth and competitiveness. We are harnessing the potential of this dynamic workforce to elevate the project – we have actively recruited Vietnamese engineers and technicians and have a 99% Vietnamese workforce on the project.



Political stability and ease of doing business

Overall, Vietnam maintains a stable political environment. The government has demonstrated a commitment to economic reform and attracting foreign investment, including tax incentives, simplified administrative procedures, and establishing industrial parks and economic zones. The government also continuously strengthens investor protection measures, such as intellectual property rights enforcement and dispute resolution mechanisms.

Vietnam's regulatory framework and environmental requirements are generally predictable and stable for mining companies seeking to adhere to sustainable practices. The permitting process and regulatory compliance framework are, in general, comparatively clearer, and more streamlined than other countries in the region with mining related activity.

Access to regional markets

Vietnam's strategic location in Southeast Asia makes it an attractive logistics hub for regional distribution and global trade. The country serves as a gateway to the dynamic Association of Southeast Asian Nations (ASEAN) market of over 650 million people and has proximity to major economies such as China and India. Vietnam is a member to various trade agreements, including the ASEAN Free Trade Area and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

The government has invested in developing infrastructure, particularly in transportation and logistics, and prioritised improving seaports, airports, roads, and railways to enhance connectivity within the country and facilitate trade.

Vietnam serves as a gateway to the dynamic ASEAN market of over 650 million people.

Australia and Vietnam's strong bilateral relationship

2023 marks the **50-year anniversary** of diplomatic relations between Australia and Vietnam. Bilateral trade has grown steadily, with both countries benefiting from increased exports and imports. Today, Vietnam is Australia's 10th-largest trading partner and Australia is Vietnam's seventh-biggest trading partner. **Trade with Vietnam** in 2021 stood at US\$17.9 billion.

The Australian government provides aid and technical assistance to support Vietnam's development priorities, and the two countries have established strong educational and research linkages. Australian Prime Minister Anthony Albanese recently declared his desire to elevate Vietnam as one of **Australia's top-tier partners**.

At the macro-level, our projects deepen bilateral cooperation on minerals and energy – a key pillar of the Australia/Vietnam Enhanced Economic Engagement Strategy. At a project level, we help strengthen the relationship between Australia and Vietnam. In April, we hosted an official government delegation from Son La officials in Perth to improve the Vietnamese authorities' understanding of our world class mining practices. Additionally in May, we participated in a roundtable with the World Bank, the Australian Department of Foreign Affairs and Trade, and Australian and Vietnamese business leaders on energy and resources hosted by the Australian Embassy in Hanoi. We also had the opportunity to contribute to revising the Vietnamese mining and minerals law.



Climate Change and Renewable Energy

Climate change impact

Vietnam is **highly vulnerable** to the impacts of climate change due to its long coastline, extensive river systems, and reliance on agriculture. In 2020, the **World Bank** estimated climate change affected around 3.2% of Vietnam's gross domestic product.

The government has taken a responsible and active approach to managing risks, evidenced by the substantial investments it is making in renewable energy infrastructure. Prime Minister Pham Minh Chinh pledged an ambitious target of reducing emissions to net zero by 2050 at the UN Climate Change Conference in Glasgow in November 2021 (COP26). In addition, the **government has committed** to phasing out coal-fuelled power generation by 2040, reducing greenhouse gas emissions and stop deforestation by 2030. This government commitment cultivates a supportive political and cultural context for Blackstone to progress our Green Nickel™ vision.





Commitment to renewable energy

Vietnam is on the path towards cleaner and more sustainable energy. The government's policy incentives and efforts to attract investment have contributed to the significant growth of renewable energy in Vietnam in recent years. **Renewable energy targets** are fundamental to achieve the country's net-zero 2050 ambition, with the goal of 75 percent renewable electricity by 2045. **Hydropower** which has been part of the country's energy infrastructure since 1964, remains a big focus to meet its renewable energy targets.

Vietnam's favourable climate conditions and extensive coastline offer opportunities for large-scale renewable energy projects, including solar and wind. Expanding renewable energy capacity can support the transition to electrifying transport, including charging infrastructure for electric vehicles, while reducing carbon emissions associated with fossil fuel-based electricity generation.

Vietnam has set ambitious targets to be carbon neutral by 2050, with renewable energy powering 75 percent of its electricity by 2045.

The country has implemented feed-in tariffs and power purchase agreements to incentivise investment in renewable energy projects. The government's Power Development Plan sets capacity targets for solar, wind, biomass, and hydropower projects to ensure a sustainable and diversified energy mix. The **Green Growth Strategy** integrates sustainable development principles into the country's economic planning and policies.

Vietnam has also joined the **International Solar Alliance** and has signed agreements with countries including Germany, Denmark, and the Netherlands for technical cooperation and investment in renewable energy.

We are working towards net zero-carbon emissions for our project. Supply of hydropower from the Son La power grid is a major contributor to producing our low-carbon nickel. Five wind projects currently in development can potentially provide an alternative green energy supply. In addition to renewable energy, Vietnam is focused on improving energy efficiency across a range of sectors. The government has implemented energy efficiency programs, standards, and labelling schemes to encourage energy conservation and the use of energy-efficient technologies.

As a company, we are committed to developing an efficient, low-waste vertically integrated value chain, including opportunities for recycling and reuse of waste and excess materials where design opportunities allow. Our refinery hosts several options for repurposing waste products into resources that can be reused either for the project or wider community with the ultimate goal of achieving more from less.

Decarbonising Southeast Asia's Transportation sector

Vietnam's strategic location in Southeast Asia positions it as a key player in the region's efforts to decarbonise, particularly in the context of electric vehicles (EVs). With a skilled labour force and competitive manufacturing costs, Vietnam has the potential to become a regional centre for electric vehicle production, supporting the demand for electric vehicles in Southeast Asia.



Vietnam's first domestic automaker, VinFast, was established in 2017 to manufacture electric cars and motorbikes. With its factory located in Hai Phong, VinFast has invested heavily in developing a 3,350,000 m² facility with the capacity to produce up to 250,000 vehicles per year.

VinFast launched a new corporate strategy in 2022, announced it would cease producing internal combustion engine vehicles sold in Vietnam and transition to all-electric vehicle production from late 2022. Having sold approximately 7,400 EV's in 2022, VinFast is projecting to sell 50,000 vehicles in 2023 including exporting to the United States. In October 2022, VinFast solidified its commitment to a sustainable future joining the COP26 zero emission vehicle (ZEV) declaration.

Located close to countries rich in nickel and lithium, key minerals required for EV battery production, Vietnam has access to a secure supply of necessary raw materials, reducing supply chain complexities and costs for electric vehicle manufacturers in the region.

The country's growing middle class, improving infrastructure, and government support for EVs are also driving the expansion of the domestic EV market. The government has introduced policies and incentives to promote EV usage, including tax exemptions, subsidies, and charging infrastructure. This creates opportunities for EV manufacturers and suppliers to meet the increasing demand in Vietnam and leverage it as a base for regional expansion.

Vietnam's connectivity within Southeast Asia also enhances its role in regional decarbonisation efforts. It shares borders with China, Laos, and Cambodia, enabling cross-border cooperation in energy and transport infrastructure (including regional electric vehicle charging networks), as well as enabling harmonised standards and regulations.



We believe we are well-positioned with our Green Nickel™ strategy to support the regional and global battery industry and energy transition, providing the global market with a responsibly sourced product to meet growing demand. Our business is focused on producing some of the world's cleanest, most responsibly sourced nickel concentrate while developing the Vietnamese and global battery supply chain.

Vietnam has access to a secure supply of necessary raw materials, reducing supply chain complexities and costs for EV manufacturers in the region.

The Sustainable Development Goals

Our vision is to produce high-value Green Nickel™ that provides opportunities for the communities in which we operate and contributes to a decarbonised world. This vision, and our efforts to achieve it, allow us to contribute in a meaningful way to the 2030 Agenda for Sustainable Development and its 17 SDGs.



Sustainability means different things to different people. Something I read a long time ago has stayed with me and seems particularly relevant in the fast-changing world we live in, which is that sustainability is more about achieving the ability to keep moving, changing, and improving one's 'response-ability' to inevitably shifting circumstances, rather than assuming that those circumstances will ever be finally and successfully resolved, once and for all.

Robin Budden, Social Performance Lead



We recognise the importance of transparently defining our capabilities and constraints. While we value contributing to the SDGs, many of the 169 targets fall primarily under governmental action or are inconsistent with our business model. As such, our focus is on SDG goals and targets that resonate with our vision and align with our operations.



Figure 2 - Our alignment with the SDGs

Commitment to Climate Action (SDG13) underpins our Green Nickel™ Strategy and decarbonisation ambitions. It sits at the core of our business and is embedded in our governance structures.

Reduced Inequalities (SDG10) is a natural fit with our aim to deliver net-benefit to host countries and improve the quality of life in the communities proximate to our project.

The eight SDGs under these two objectives offer us the chance to create real impact. We plan to do this by merging our regular business practices (those ‘inside the fence’) with community projects ‘outside the fence’.

Partnerships for the Goals (SDG17) is essential for achieving our aims. By forming and enhancing public, public-private, and civil society partnerships, we can use proven strategies to enhance our success in meeting our sustainability goals more efficiently.

While Peace and Justice and Strong Institutions (SDG16) may seem idealistic, we’re confident its core targets lay a strong foundation for guiding behaviour.

 Peace and Justice and Strong Institutions (SDG16)		
Minimising project-related conflict and violence	Promoting the rule of law at the local and national levels	Ensuring public access to project-related information
Supporting the development of effective, accountable and transparent institutions at community, local and national government levels	Ensuring responsive, inclusive, participatory and representative decision-making when addressing project-related issues	Adopting a no tolerance approach to corruption and bribery in all project-related transaction

We believe that bringing these pieces together provides us with a solid framework for the future.



UN Global Compact



Human Rights	Principle #1: businesses should support and respect the protection of internationally proclaimed Human Rights
	Principle #2: make sure that they are not complicit in Human Rights abuses.
Labour	Principle #3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
	Principle #4: the elimination of all forms of forced and compulsory labour
	Principle #5: the effective abolition of child labour
	Principle #6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle #7: businesses should support a precautionary approach to environmental challenges
	Principle #8: undertake initiatives to promote greater environmental responsibility
	Principle #9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle #10: businesses should work against corruption in all its forms, including extortion and bribery.



Our 2023 communication on progress will be provided to the UN Global Compact in line with their updated deadline for 2023. Our 2022 communication on progress can be viewed [here](#).

Stakeholder Engagement

We operate in a complex landscape, where issues such as climate change, community relations, human rights, and resource management can rapidly change. By involving stakeholders in decision-making processes, we gain valuable insights into potential social, environmental, and governance risks associated with our operations. This approach fosters long-term collaboration, as well as helping us identify and proactively manage risks to mitigate impacts and minimise potential disruptions to our operations and project timelines.

The ‘stake’ of any group naturally evolves through the various phases of a project. At this phase, our external engagement has focused on establishing relationships and communication channels with relevant government authorities to expedite the approvals process. Our engagement with other groups has been primarily to help establish baselines, and to provide information about the project. Our engagement will broaden and deepen through subsequent phases.

Stakeholder Groups

Our internal stakeholders include employees and shareholders. Externally, our primary engagement is with government and community, followed by industry associations, investors, suppliers, contractors, media, and non-governmental organisations.

We engage with external stakeholders through multiple two-way channels. With community members, we receive feedback through community representatives on-site at Ta Khoa and through Ta Khoa’s General Director, Lon Taranaki, as well as through various community participation activities, including materiality assessments and social baseline studies, covered in the [People chapter of this report](#).

With government, we have established regular meetings with officials at all levels to facilitate the permitting process and ensure we understand and comply with regulations - more detail on government engagement is provided below. We have ongoing engagement with institutional and retail investors, and of course with our shareholders.

Internal stakeholders

- Board of Directors
- Employees
- Shareholders

External stakeholders

- Government and regulators
- Community organisations
- Local & ethnic minority communities
- Industry associations
- Investors, banks and lenders
- Media and analysts
- Suppliers and contractors
- Working partners



Our Materiality Approach

Since 2021, Blackstone has conducted an annual materiality assessment to help identify and prioritise sustainability issues relevant to our stakeholders. The results enable us to respond appropriately to the interests, values, and concerns of our stakeholders and to allocate resources effectively.

We have committed to conducting regular materiality assessments to understand evolving stakeholder expectations. Annual assessments also allow us to track our progress over time, identify trends, and evaluate the effectiveness of sustainability efforts. Our goal with these assessments is twofold: remain responsive to stakeholder expectations and continuously improve sustainability performance.

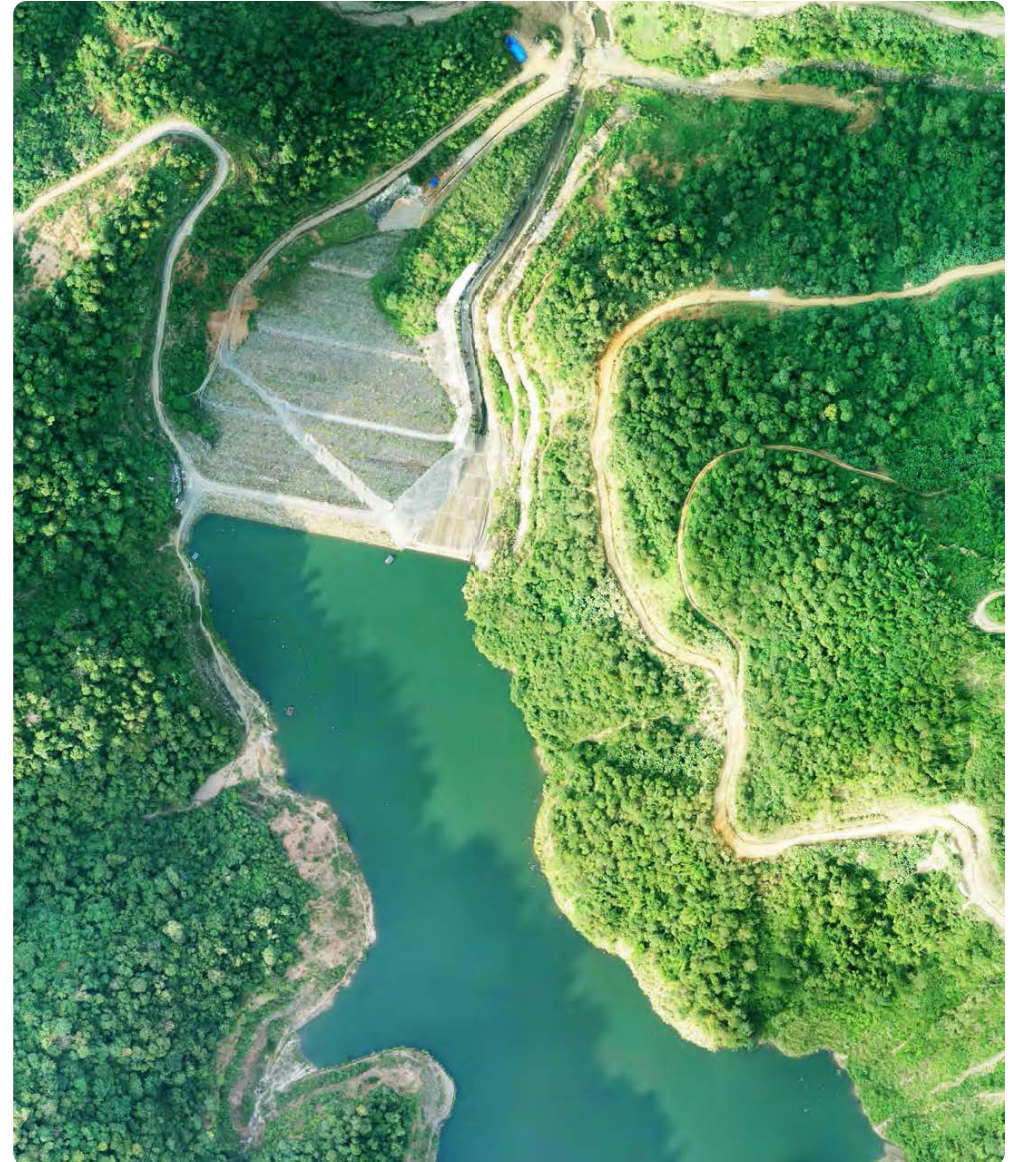
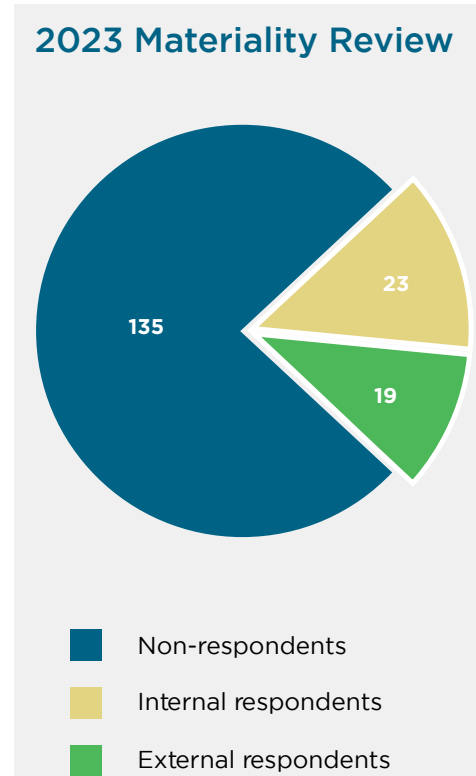
In FY23, we used an independent consultant to facilitate and analyse the assessment. We believe this approach has delivered greater objectivity and integrity in the process. Conducted via a dedicated ESG materiality online survey, respondents were asked to provide input on the topics most material to Blackstone’s sustainable success.

Local community members were not invited to participate in this assessment as Blackstone determined a social baseline study and in-country community engagement were better mechanisms to capture the specific needs and concerns of individuals. To this end, we have conducted multiple studies to build our social baseline, including a rapid screening assessment, socio-economic survey and household census within the immediate project area (outlined in the [People chapter](#)).

Methodology

This assessment focused on internal stakeholders (employees and shareholders), along with external stakeholders, (government, industry, investors, and business partners). The equal rates of participation between external and internal respondents reflects balanced input between the groups. Respondents were asked to identify which areas Blackstone should focus on and progress to support sustainable outcomes for the Company and its stakeholders. Importantly, responses were also received from each identified stakeholder category, providing a representative dataset.

Figure 3 - Survey response rates





Key Themes by Stakeholder Group

Stakeholder Category	Key Themes of interest expressed
Board of Directors	<ul style="list-style-type: none"> ■ A credible ESG approach that meets and exceeds global best-practice standards ■ Robust governance and continuous improvement ■ Innovation and technology ■ Shared prosperity ■ Net zero corporate and operational strategy
Employees	<ul style="list-style-type: none"> ■ Employee benefits, engagement, and retention ■ Diversity and inclusion ■ Health, safety, and wellbeing ■ Local community impact ■ Training, development, and innovation
Government and regulators	<ul style="list-style-type: none"> ■ Detailed social and environmental studies that ensure effective management of social and environmental risk ■ Development that ensures maximum benefit for local communities and Vietnam ■ Water stewardship and management ■ Community impact
Industry associations	<ul style="list-style-type: none"> ■ Net zero mining ■ Sustainable value chain ■ Investment in research
Investors, banks and lenders	<ul style="list-style-type: none"> ■ In country permitting and support ■ Double materiality approach ■ Economic performance and profitability ■ Net zero roadmap and target ■ Anti-bribery and corruption

Stakeholder Category	Key Themes of interest expressed
Local communities	<ul style="list-style-type: none"> ■ Local content ■ Training and capacity building ■ Shared partnerships ■ Environmental and land management ■ Infrastructure development and support
Media and analysts	<ul style="list-style-type: none"> ■ Transparency and disclosure ■ Economic performance ■ Local community impact and shared value ■ Net zero roadmap
Potential customers	<ul style="list-style-type: none"> ■ Sustainably, responsibly produced nickel across the value chain ■ Low carbon nickel
Suppliers and contractors	<ul style="list-style-type: none"> ■ Effective community relations and shared prosperity ■ Compliance and robust governance ■ Production of a premium ESG nickel product ■ Battery passport
Working partners	<ul style="list-style-type: none"> ■ Local content ■ Diversity ■ Commercial benefit from sustainability performance

Results

The top three responses per topic area as rated by respondents for importance and significance of impact are:

- Environmental: tailings management followed by water management and environment and land management
- Social: health, safety and wellbeing followed by local community contributions, training and education
- Governance: economic performance followed by ethics, integrity and governance, transparency and disclosure.

Participant comments from the 2023 Materiality Review

“
Achieving a world first 100% carbon free nickel mine and downstream processing facility.
”

“
In country permitting and support
”

“
Incorporate decarbonisation KPIs in decision making along with Capex and Opex considerations as premium ESG products will demand a premium
”

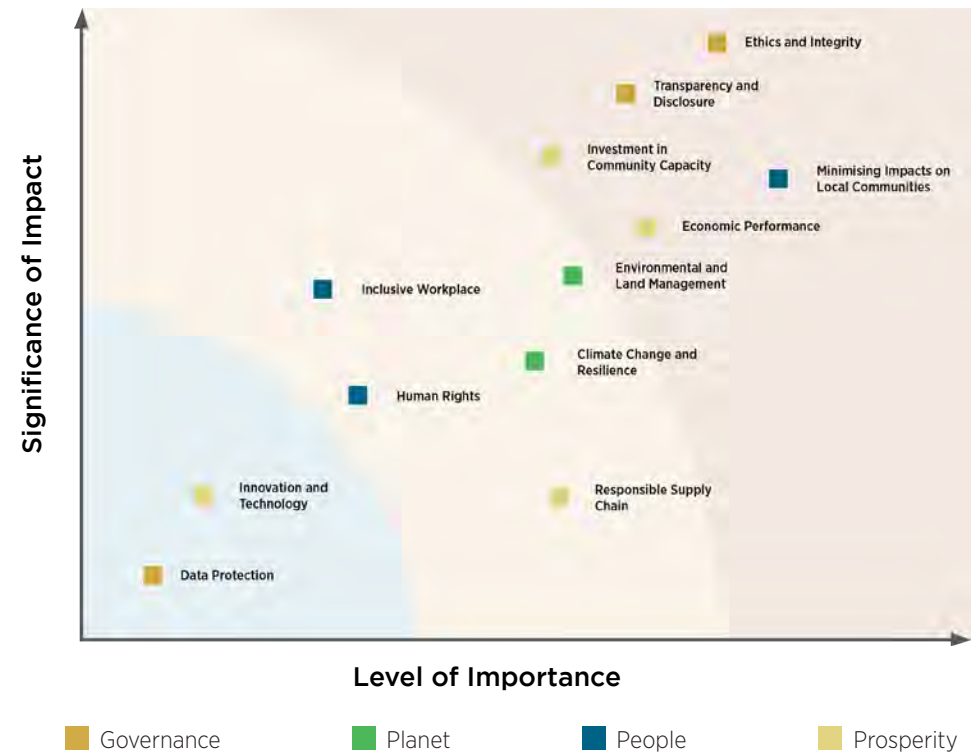
“
Continue to focus on life-cycle assessment integrated decision making
”

“
Community relations and uplift.
”

“
Deepen culture throughout organisation of the importance of sustainable operations, transparent engagement with local community, aim for net zero, develop robust governance.
”

2023 Materiality Matrix

Figure 4 - Blackstone's FY23 materiality matrix



Government Engagement

Our engagement with government helps us navigate a complex regulatory landscape and maintain our social and environmental license to operate. Through regular dialogue, we have developed constructive relationships at the provincial and national levels, demonstrating to the government our commitment to responsible mining along with minimising regulatory risk for the project.

Over the FY23 reporting period, we have hosted several delegations of provisional authorities to Western Australia to improve understanding of Australia's world class mining practices and further strengthen the relationship between Blackstone's management and the provincial government.



Permitting Steering Committee

Permitting is a key priority for us as we move towards development. To facilitate approval processes, a Permitting Steering Committee was established in August 2022 with key government officials from Son La Peoples Committee and representatives from provincial level agencies including the Department of Natural Resources and Energy, Department of Planning and Infrastructure, Department of Finance, and Department of Industry and Trade, Department of Construction, and Department of Agriculture and Forestry.

The group is mandated to discuss and resolve potential roadblocks to advancing the two projects, including raising questions and queries and to allow us to update the Son La Peoples Committee on progress. As a result of this process, we have made significant strides in permitting during the reporting period.

In February, we hit a major milestone with the submission of the refinery dossier, which is the first major step in getting the project licensed and permitted for development. Another critical milestone was reached in May when the Prime Minister of Vietnam approved the national electricity development master plan, which includes the power and infrastructure requirements for the refinery. This is a key step forward in our licensing and permitting process as the government has formally acknowledged the electricity infrastructure requirements for our project.

In early August we were informed the Ta Khoa Project will be included in the Vietnamese National Mineral Master Plan², which details Vietnam's mineral development strategy until 2030 with a vision to 2050. The plan is a key document and reference point in the approval of major mineral projects in Vietnam, designed to closely manage, exploit and process mineral resources to ensure Vietnam maximises the value generated from its natural resources. Having these projects included in the master plan has been an important step in the permitting and licensing of our projects.



² The Vietnamese National Mineral Master Plan was published after the reporting period



Material Topics



People

We are committed to enriching the communities in which we operate. A cornerstone of our approach to the sustainable development of the Ta Khoa Project is to invest in the people that work for us, in the communities that host us, and in skills and infrastructure initiatives that will continue to benefit the province beyond the life of the project. We are determined to share the significant economic and social opportunities of the project with impacted communities.

FY23 at a glance

- 97% engagement rate for 2022 staff engagement survey
- Six lunch & learn sessions with 200+ Vietnamese staff
- 1134 winter jackets donated to local school children
- Comprehensive social baseline survey completed for the refinery
- Corporate staff enrolled in the UNGC Human Rights Accelerator
- 85% of senior technical and admin roles filled by Vietnamese professionals

FY24 focus areas

- Publish our inaugural Modern Slavery Statement
- Finalise our local procurement plan for construction
- Conduct social baseline for communities in mine project area
- Broaden our engagement program in local communities
- Establish a mechanism to enable us to receive and respond to community concerns and complaints



Building our social licence

Our ability to develop and operate in Vietnam is contingent upon our social licence; the ongoing approval and willingness of our host government and communities to accept our operations. We know that building and maintaining our social licence is essential to the long-term future of our business. A strong social licence means we are accepted by local communities and are allowed to operate without interruption. This protects our investment as well as creating genuine shared value.

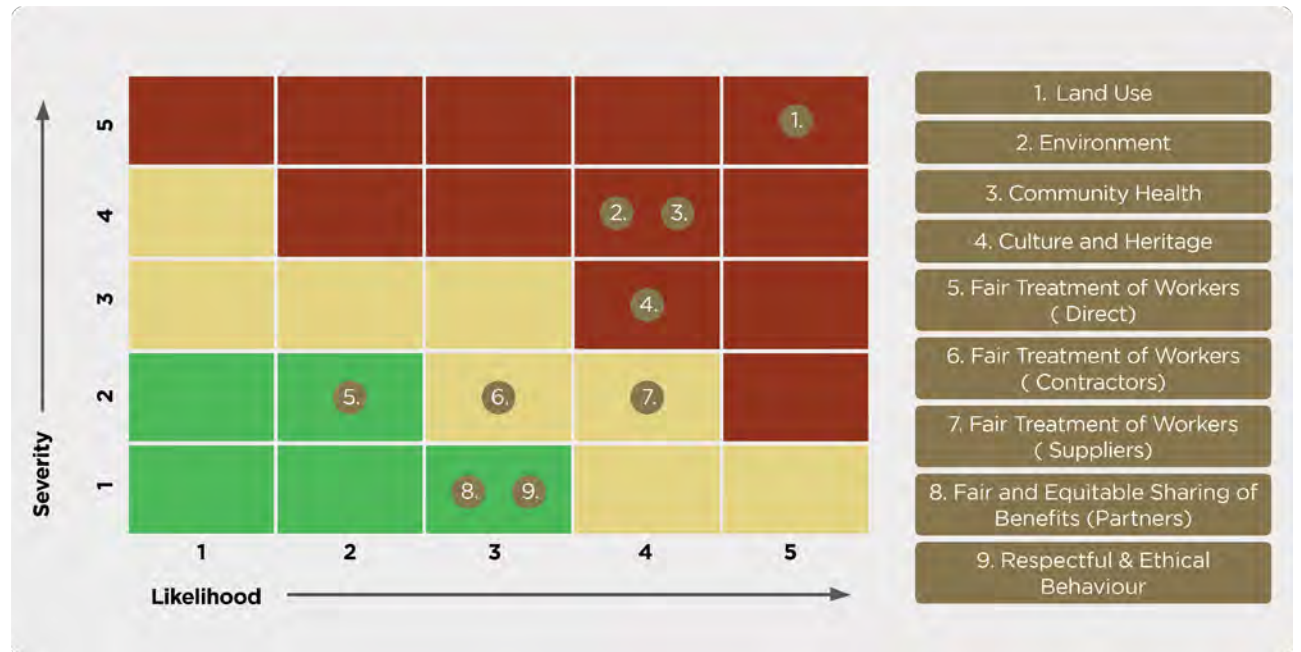
We understand social licence is not gained through individual activities, but rather an ongoing commitment to ensure the communities we work with benefit from our operations, and just as crucially, are not adversely affected. By promoting ethical practices within the company and throughout our supply chain, we also contribute to sustainable development and support Vietnam’s reputation as a responsible business destination.

Human rights approach

We are committed to respecting human rights of our employees, suppliers, communities, and other stakeholders in line with the principles and guidance contained in the United Nations Guiding Principles on Human Rights and support the principles outlined in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, and the Voluntary Principles on Security and Human Rights.

We believe our success is directly linked to the respecting of rights of individuals and groups who interact with us and are impacted by our business. Our people and community are the strongest asset we have and therefore we are dedicated to upholding fundamental human rights and respect for cultures, customs, values and in dealings with anyone affected by our activities. Our policy applies to all Blackstone directors, employees, contractors, subcontractors, and suppliers.

To ensure we have a human rights ‘lens’ on all aspects of our business, we signed up this year to the United Nations Global Compact Human Rights Accelerator which will help us identify the salient human rights across the project and develop our human rights action plan. We have conducted workshops with our executive team as well as the broader workforce to raise awareness of our obligations, particularly risks along the supply chain as the project moves into construction and operations. A part of this is our modern slavery statement, which will be released in 2024.



Investing in Community

Over the past few years, we have set the groundwork for engagement to ensure the project is mutually beneficial for our company and host communities. We have worked hard to build relationships, invested directly into projects important to community members, supported local businesses and employment, including employing Vietnamese technical consultants.

Our employees

We consider national employees a major stakeholder group. They are the most important asset we have, and our strongest advocate in the community. Their knowledge of local context and political dynamics will help us navigate complex relationships with local communities, government, and other stakeholders. Importantly, local staff facilitate effective communication between us and the community, essential for building trust and resolving conflicts. In turn, we are investing heavily in training, skills development, and opening career opportunities.

Workplace training

To ensure our staff understand their rights and responsibilities in relation to workplace behaviour and anti-corruption practices, we provided in-person workplace training on sexual and other workplace harassment, diversity and inclusion, and information non-disclosures. Conducted during the reporting period, the training was attended by 120 employees (Vietnamese and Australian) from the project site and corporate office in Hanoi.

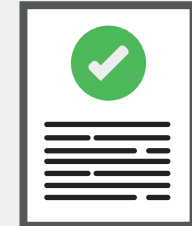
Lunch & learn

Our lunch & learn sessions are informal engagement opportunities for Vietnamese and Australian staff to learn about each other's culture, business values and processes, and to build transparency across both offices. Conducted every second month, the sessions have a high turn out with 40 - 50 staff participating. As part of the broader workforce engagement that includes regular townhalls, these sessions broaden our Australian team's understanding of the Vietnamese culture and operating environment as well as deepen the knowledge of our company and operations among our local staff. This benefits both teams and ensures local staff can be effective 'ambassadors' in the community.

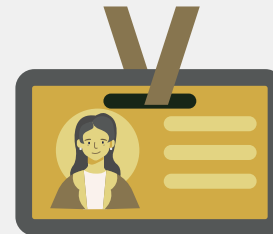
Blackstone 2022 employee engagement survey



194 employees completed the survey



97% survey response rate



80% of employees are satisfied with their current job and employment



81% of employees recommend Blackstone as a great place to work

Employee survey

A core part of building trust with staff and unity within the team is providing opportunities for feedback. A recent employee engagement survey focussed on our leadership, pay and benefits, communication, career development, and health and safety. 97% of employees participated, demonstrating a significant level of engagement, with 81% of employees stating they would recommend Blackstone as a great place to work.

One result of the survey showed that 25% of staff claimed they felt uncomfortable raising concerns about the behaviour or integrity of their supervisor. We used this finding to assure staff our speak-up platform, Whispli, provides a safe and confidential way to raise such concerns.

Local business

We contribute to the economic development of Vietnam by promoting local businesses and industries. By prioritising our procurement from local suppliers, we create opportunities for local businesses to grow, generate employment, and stimulate economic activity within Son La Province and Vietnam. Procuring services and goods locally also leads to increased cooperation, trust, and support for our operations, and reduces risks of supply chain disruptions and reduced emissions for freight and transport for goods.

Over the past 12 months, we've contributed AU\$6.1 million to Vietnamese businesses, a significant increase compared with the AU\$3.3 million spent last year which reflects our commitment to maximise use of local expertise and services as much as possible.

Employment

One of the biggest opportunities we have for positive impact is through employment by not just offering casual labour contracts but increasing employee skill sets. Compared to other employment opportunities, Blackstone provides better work conditions, higher pay and elevated career opportunities in Son La Province, as well as for corporate roles in Hanoi.

We are proud that almost all in-country roles are filled by Vietnamese nationals. We anticipate that 95% of the entire workforce across all operations will be local once we start construction.

The benefits flow both ways. A major lesson of the past few years, particularly through COVID lockdowns, has been how important local knowledge is to efficient and agile operations. As such, in addition to the local staff employed at Blackstone, we have taken advantage of the highly skilled workforce in Vietnam to hire senior-level specialists. Our senior management team includes 15 Vietnamese specialists, including a civil engineer, mechanical engineer, social performance lead, environmental lead, and geologist.

Our Impact in Vietnam



99%

of positions were filled by Vietnamese nationals

AU\$6.1



million spent with local businesses in Vietnam



85%

of the in-country senior management team are Vietnamese



64%

of site employees were from recognised ethnic minorities



39%

of leadership roles in the Hanoi office occupied by female employees

Vietnamese engineers contributing to the Ta Khoa definitive feasibility study

Wood Plc and Blackstone have proactively engaged the Hanoi-based engineering group NARIME to support the definitive feasibility study for the refinery. NARIME are providing design, engineering and competitive market engagement procurement support for significant elements of the study. By sourcing engineering development for critical works from national specialists, we de-risk key approval gates, improve the market economics of the overall study and enable early engagement discussions with in-country major contracting companies required to execute the project in the field during construction phases. Wood Plc has engaged NARIME directly as an engineering supplier on the basis of this work and will seek to use their services to further strengthen Wood's delivery of projects in the Asia-pacific region.

Contributing to local initiatives

Developing the Ta Khoa Project with shared prosperity in mind is the foundation of our Green Nickel™ Strategy. Our ability to achieve this will evolve as the project matures. Our community development strategy focuses on building trust in our processes, balancing the interests of local needs and government priorities, as well as aligning with SDG commitments.

At this stage of the project, we provide direct benefit by supporting one-off community requests. To ensure we have a fair, consistent approach for making financial and in-kind donations aligned with ESG objectives and complying with anti-bribery and corruption laws in Vietnam and Australia, we have instituted a process for community members to request donations. These are small and short-term activities, usually to meet a specific need, as identified by communities within the project area. In FY23, we provided a total of AU\$76,166 to community initiatives.

Winter jackets for children

Community leaders approached Blackstone to supply winter jackets for school children from Muong Khoa. The northern areas of Vietnam endure cold and wet winters with temperatures reaching under 10°C. We saw this as an opportunity not only to meet a genuine community need, but to contribute to the regional economy by sourcing a local manufacturer to produce the jackets. We are proud we were able to purchase 1134 high-quality winter jackets made in Vietnam, contributing AU\$14,000 to the local economy.



Onsite clinic

We have developed strong relationships with local government clinics by supporting community health and wellbeing campaigns and initiatives over many years. Cooperation ramped up through the COVID-19 pandemic as we implemented testing, travel and isolation protocols for employees and logistical assistance to local health services delivering community vaccination campaigns.

Post pandemic, we continue to contribute to community health and well-being by making our on-site clinic accessible to local villagers. Restarted in 2021 (soon after we assumed ownership), our medical staff provide first aid for injuries, initial consultations, treatment of simple medical complaints and follow-up. Serious illnesses are referred to government facilities while medical emergencies are stabilised at the clinic before evacuation to hospital.

Managing Impacts on Local Communities

We continue to engage community stakeholders to ensure the right approach and strong community support for the Ta Khoa Project. There are four key risks to communities we need to manage over the life of the project: land use for communities located within the existing mine project area as well as communities in the proposed refinery area, environmental impact, community health, and cultural heritage.

Land use for communities located within the mine project area

The mine site has a modern nickel mine which operated as a mechanised underground nickel mine from 2013 to 2016. The project plans to expand the area of operations, which will involve transforming the underground operations into a surface mine allowing minerals to be extracted from an open pit.

Surface mines have larger environmental footprint than underground mines and are historically known for by-products that can adversely affect air and water quality. They also have a larger impact on communities. This is a key risk for the project and one we are carefully considering throughout our scoping and environmental studies to understand and build appropriate mitigation into the design.

The communities that live in the mine area are welcoming plans to reopen the mine because of the positive experience they had with employment and services when the underground mine was operational.

We want to maintain this goodwill and ensure the community benefits from the expanded operations. A significant part of this will be explaining what the new mine will look like and how we will deal with waste and other impacts to communities. A survey will also be conducted with the communities over the next 12 months to understand the social baseline as we begin the formal external engagement program for the expansion project.

At the government level, we are engaging with regional authorities to ensure they understand the proposed design of the surface mine. In 2023 we hosted a delegation of Son La Provincial authorities to visit surface mining operations in Western Australia so they could see large-scale mining firsthand.

Land use for communities located within the proposed refinery area

In 2021, we conducted a pre-feasibility study for a suitable site to build a refinery as part of the Ta Khoa Project. A project of this size will invariably impact communities residing in the project area. Changes in land use, particularly involving resettlements, are high-risk and can have profound impacts on the future of the project as well as on local communities. The process of displacement can disrupt livelihoods and the social fabric of communities. The idea of losing land creates strong emotions, and the complex business process of land acquisition and resettlement can lead to ongoing conflict and resentment. However, we believe that if managed correctly, it can result in positive outcomes for local people, creating benefits such as better-quality housing and new livelihood opportunities.

We are determined to follow a consultative process that, where possible, mitigates the problems that have plagued other mining-related resettlement programs and do the right thing for the communities we relocate, including fully restoring livelihoods. Through the Son La Working Group, we will develop a comprehensive resettlement action plan that aligns with national laws and practices and matches the performance standard of the **International Finance Corporation**, the global standard for managing resettlements and livelihood restoration.

Over the past 18 months, we have surveyed a range of potential sites to build a refinery, assessing and dismissing several options due to high populations and potential environmental impacts. The site we are currently assessing is located within Bac Phong Commune, Phu Yen District. Bac Phong is preferred as it is remote, less populous than other areas and sits alongside the Da River, which facilitates transportation, provides an alternate transport route, as well as significantly reducing interactions with the community. This site is also the preferred location for regional authorities.



Social baseline survey

From May to June 2023, we conducted comprehensive social baseline surveys of the communities in close proximity to the proposed refinery site, including a census of households that may need to be resettled. The baseline considers the overall socio-economic situation of households, focusing on general health, education, access to services, employment, and income.

The results of these initial surveys will provide input to multiple end-uses, including input to the EIA and planning for resettlement, impact mitigation and community development, as well as identify opportunities for consideration during the feasibility studies and engineering design phases of the project. Long term, the baseline will provide valuable data to measure the impact of the project.

“

The project must be widely known to the people who have their land acquired, and the environmental impacts as well as the social security and safety must be secured with the presence of workers from other places coming to the project area.

**Trung Phong Village
Leader**

”

Environment

Changes to land use from large projects are unavoidable but can be managed with engineered controls and robust plans to minimise undesirable consequences on local communities. We follow Australian and Vietnamese environmental laws to manage the risk of environmental impact as we continue geotechnical exploration for the refinery and rehabilitation of the mine.

The expansion of the mine and construction of refinery are being designed to minimise the use of key inputs - water, energy, land and reagents and the generation of waste, effluent, and emissions. Once completed, our physical and biological environmental baseline studies will, together with our development plan, inform our permitting process. The resulting environmental plan will follow through to construction and operations.

One benefit of the project location is that we will be operating on landscapes previously altered by farming, rather than impacting natural forests and nature reserves or impinging on a bio-density hotspot. In addition, the higher ore grades of our nickel sulfide orebodies require less material, energy, and water consumption for extraction and processing compared to nickel laterite deposits. From an environmental vantage point, Vietnam is lower risk than other nickel-producing countries, particularly those that have predominately nickel laterite mines.



Community health

We are considering the potential health impacts of the mine and refinery to ensure we have appropriate mitigation measures. Road safety, emissions, discharges from noise, dust, blasting and vibrations, soil, and water contamination by hazardous materials, are primary health concerns. Blackstone is working to understand potential impacts and put in place measures to avoid and/or minimise harm.

An area of focus for us is minimising project-related pollution by eliminating dumping and release of hazardous chemicals and materials, avoiding the release of untreated wastewater, and substantially increasing recycling and safe reuse of process and fresh-water. As part of our community engagement and contribution to SDG 6 – Clean Water and Sanitation, we will explore opportunities to assist communities to improve water access and sanitation.

Another potential impact is broad population increase. Large-scale projects in rural areas tend to attract transitory populations that see employment or entrepreneurial opportunities from the project. This unregulated population growth, referred to as in-migration, brings specific social, environmental and health risks to local communities, as well as operational and reputational risks to the project, particularly during construction and early operations.

Through our baseline and broader impact assessments, we are identifying potential impacts and will work with the Son La and Phu Yen authorities to ensure adequate measures are put in place to lessen impact on social services (health, water and sanitation, education, housing) before the first migrants arrive.



Culture and heritage

As part of our commitment to responsible and sustainable mining practices in Vietnam, we are mapping graves, shrines, and other sacred places, consulting with local communities and plan to engage cultural experts to assist developing appropriate mitigation measures as well as compensation for inadvertent impact.



Planet

We are committed to playing our role in the global energy transition while prioritising how we manage environmental impacts at both a site level and across our value-chain. Our Green Nickel™ Strategy incorporates both low carbon nickel and a circular economy, elements critical to achieve this.

In FY23, we continued to build our climate credentials which further demonstrated the low carbon nickel product the Ta Khoa Project will produce once completed. We published our first climate change policy³ which outlines our support and commitment to taking action. The broader environmental impacts of mining also remain front of mind for our corporate and operational teams, and we have continued to invest in our ability to minimise and effectively manage these.

FY23 at a glance

- Published inaugural TCFD-aligned disclosures
- Conducted life-cycle assessment on the Vietnam Project's nickel sulfate hexahydrate
- Developed our Climate Change policy
- Tailings carbon capture study conducted by the University of British Columbia
- Conducted climate risk workshop with executive leadership team
- Executive team enrolled in TCFD self-guided learning hub

FY24 focus areas

- Conduct an updated life-cycle assessment for the Ta Khoa Project using definitive feasibility study parameters
- Develop our decarbonisation strategy for Vietnam
- Complete environmental baseline surveys
- Develop our construction environmental management plans

“

Blackstone's guiding principles personally resonating with me centre around our life-cycle approach to product supply, in particular the traceability from raw material to end user. These include a focus on using locally sourced hydro power, a commitment to passive carbon capture, engagement of local industry, and value add through downstream processing and an alignment with globally significant regional partners.

Hamish Halliday, Non-Executive Chairman

”

³Blackstone's climate change policy was published after the reporting period.



Climate Change and Resilience

The global challenge of this century is climate change, and the world is rapidly transforming its energy grid to renewables and transitioning to electric battery-powered vehicles. The demand for battery and critical minerals is forecast to exponentially increase and we are currently well-positioned to support and participate in the resulting demand for critical and battery minerals.

Climate review, education and governance

In FY23, we engaged third party consultants, Automic ESG, to conduct a climate risk and education workshop with our executive team. As part of this training, the team were provided with the latest climate science and undertook a dedicated climate risk assessment, which then informed the development of Blackstone's inaugural **TCFD-aligned disclosure**. The executive team also established the governance responsibilities of Blackstone's climate efforts to be undertaken by the **Audit, Risk & ESG Committee**, chaired by Non-Executive Director Alison Gaines.



“

ESG must be factored in every decision and action taken by developing and operating mining companies. It's not a box ticking exercise; it's a way to view how a mining company fits into the communities they operate in, and aligning the best possible outcomes for all stakeholders.

Andrew Strickland, Executive, M&A

”



Producing low-carbon nickel

As the market for nickel chemicals and its co-products matures, we anticipate the demand for our Green Nickel™ to increase along with a split based on sustainability credentials of the nickel product. Key nickel customer segments, including battery manufacturers and original equipment manufacturers, are looking for products with the right ESG credentials. Environmental performance is a significant requirement, with a particular focus on carbon intensity or the climate change impact per unit of production.

To understand the impact of our products, we engaged life-cycle assessment practitioner Minviro to conduct studies for the nickel-cobalt-manganese (NCM) precursor and the nickel sulfate hexahydrate intermediate product that can be produced from the refinery.

In September 2022 we reported on Minviro’s results, which calculated 9.8kg CO₂-e will be emitted for each kilogram of NCM pCAM produced. We are currently exploring opportunities to reduce our pCAM’s carbon footprint to 6.3kg CO₂-e/kg of NCM pCAM.

In early 2023, we re-engaged Minviro to conduct a cradle-to-gate **life-cycle assessment** on our nickel sulfate hexahydrate intermediate product. This assessment indicated a low carbon footprint of 4.0kg CO₂-e/kg of Nickel Sulfate hexahydrate. The total global warming potential is shown in Figure 5 which details the contribution of emissions attributed to each stage of production.

Based on the assessment data, we expect our nickel products will meet increasing expectations of customers by supplying products with one of the lowest carbon footprints in the industry⁴.

One of the contributing factors to our low-carbon nickel products is the use of the hydrometallurgical processing technology. The proposed refinery flowsheet presents multiple advantages over our competitors such as having a lower environmental impact. In comparison to our peers, the amount of power drawn is low and our power supply (from hydropower) does not emit any off gas from burnt coal or sulfur. The refinery flowsheet also allows for a large range of potential feed sources, many which are not suitable for typical pyrometallurgy process (such as smelters) and has the flexibility to produce a range of products.



While our nickel sulfate has a low carbon footprint, there are opportunities to further reduce impact. As outlined in Figure 6, through powering the mine with 100% hydropower and sourcing low carbon third party nickel concentrate, we have the potential to reduce the climate impact of our nickel sulfate product from 4.0 to 2.0 kg CO₂-e/kg nickel sulfate.

Climate Change Impact

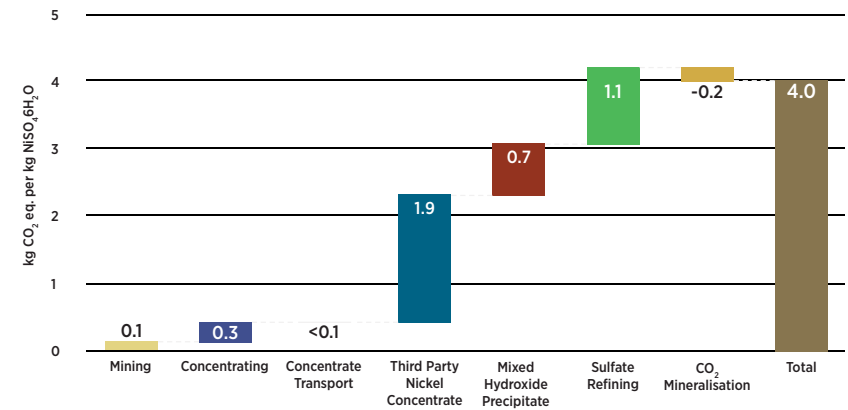


Fig 5: life-cycle assessment developed by Minviro

Climate Change Impact

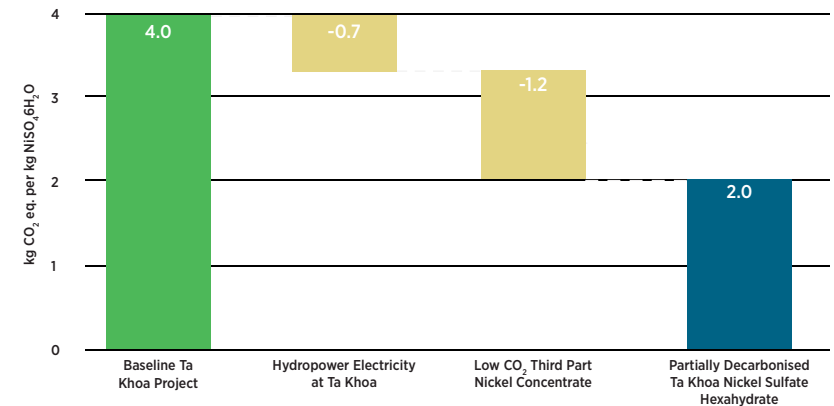


Fig 6: Opportunities to further reduce our nickel sulfate carbon footprint

⁴ This comparison is based on available life-cycle assessment data at the time of the study.



FY23 Greenhouse Gas Emissions Assessment

Since CY21, we have been tracking our greenhouse gas emissions to understand our environmental footprint. This enables us to implement effective strategies to reduce emissions and integrate low-emission methods into the Ta Khoa Project development plan.

The emission profile for FY23 has changed substantially compared with the previous reporting period. Whilst the FY22 reporting period focused on exploration, assaying and bulk sampling, the FY23 reporting period has seen a transition to the engineering, technical and financial assessment of the Ta Khoa Project together with the continuation of exploration in Canada. As a result, overall emissions for FY23 are lower than previous with a shift of activities and expenditure from in-country to head office and services to support project design. Scope 3 emissions continue to be the major source, contributing 92% of the FY23 total, with five suppliers accounting for 7,406,000 kg CO₂e or 69% of the Scope 3 emissions.

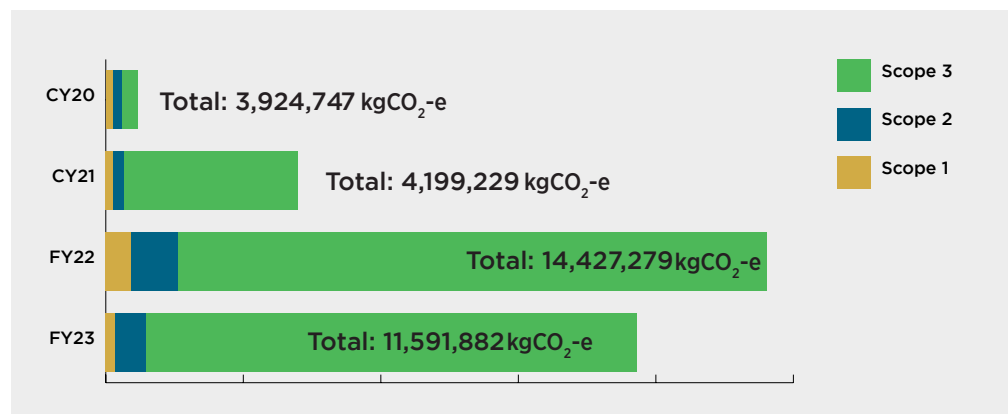


Fig 7. Blackstone's greenhouse gas emissions

This year, as part of our ongoing efforts to create a low-carbon nickel roadmap, we've collaborated with independent consultancy group, AMPERES, to craft a decarbonisation strategy for the Ta Khoa Project. Our comprehensive knowledge of the life-cycle impacts of nickel products and insights from the definitive feasibility study, leads us to believe FY24 is the right time to invest in a financially viable decarbonisation plan that aligns with our goal of producing low-carbon nickel.

Our impacts on water

Minviro's life-cycle assessment work also assessed Blackstone's impacts on water. The AWARE (available water remaining) methodology was adopted to quantify the environmental performance of products and operations regarding freshwater. This methodology is based on the available water remaining per unit of surface area in a watershed after human and ecosystem demands have been met relative to the world average. The resulting characterisation factor ranges between 0.1 to 100 m³-e/m³, with 0.1 referring to the large abundance of water available in the region, and 100 referring to water availability being extremely scarce.

The regionalised water stress factor for the Ta Khoa Project currently sits at 1.0 m³-e/m³. Compared with developing a project in a region suffering high-water stress, operating in a low-water stress environment is an advantage for Blackstone, notwithstanding the possible effects of climate-related change in the future. With this in mind, we will be exploring collaborative opportunities to integrate our activities with regional plans for managing watersheds.

Carbon mineralisation study

Mine tailings have the potential to react with CO₂ in the atmosphere, therefore reducing greenhouse gas emissions of the mine. To explore this possibility, we engaged Arca⁵- experts in optimising CO₂ sequestration in industrial waste - to conduct a small-scale research study on our tailings.

The results of the study showed that tailings have the potential to capture approximately 8.3 gCO₂-e/kg tailings (sample containing an average of 6 wt.% of brucite). This research also noted that other analysed samples have potential for direct CO₂ capture from the atmosphere and recommended further studies in this regard⁶.



Electric Mine Consortium

The **Electric Mine Consortium** (EMC) is a growing group of leading mining and service companies driven by the common goal to develop a fully electrified zero CO₂ and zero particulate mine. In the short time since it was established, the consortium's membership has nearly doubled, with members conducting over 40 ongoing equipment trials across 15 different mining locations.

We have been a member of the EMC since April 2021. Members of our executive team actively participate in the policy and skills working group and will lead the newly established Green Premium Accreditation Working Group. These working groups allow us to benefit from experiences of other members through information sharing workshops.



⁵Formally the Carbon Mineralisation Laboratory at the University of British Columbia

⁶Carbon Mineralisation: ASX Announcement August 2022

Environment and Land Management

We are committed to working responsibly in all interactions with the natural world. Environmental and land management for the Ta Khoa Project is managed by our Vietnamese-based leadership team, with oversight from the executive team and ultimately, the board. These activities are guided by our **environmental** and **sustainability policies**.

In Vietnam, we are in the process of conducting an environmental impact assessment (EIA) to understand the impact of our future operations on the environment and identify areas we can improve. The EIA process is illustrated in the figure below.

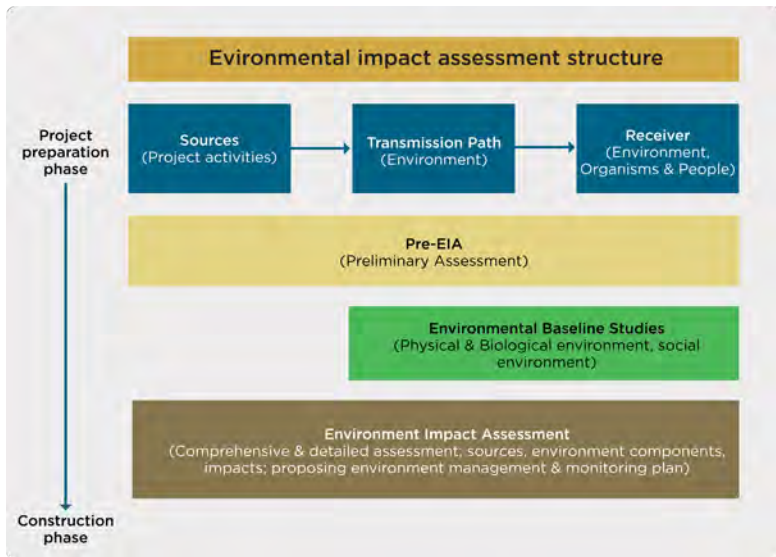


Fig 8: Environmental impact assessment structure

We will establish environmental management and monitoring plans as we identify and assess environmental impacts and environmentally sensitive factors. Our approach to environmental management is to avoid creating an impact where possible, and if avoidance is not possible then minimise, rehabilitate, and finally compensate or offset for residual damage.

Blackstone did not receive any environmental-related fines or non-compliance notices throughout the FY23 reporting period.

Tailings management

Tailings is a by-product of any mining process and must be managed responsibly to prevent potential risks to community health and safety, the environment and infrastructure. We are committed to taking steps to reduce tailings risk, employ sector best practice, and continually investigate opportunities to improve business-as-usual tailings management.

Currently, there is an existing tailings storage facility at the mine site that was used as part of the mine up to 2016. The tailings storage facility is under care and maintenance and audited annually to ensure its integrity. As the current tailings storage facility is not suitable for managing future tailings or waste disposal needs, our development plan includes building an integrated waste landform facility to contain the mine and plant's waste. The co-disposal method for mine waste and filtered plant tailings contributes to improving overall geotechnical strength, trafficability and reducing tailing-related risks, such as the production of acid and contamination of surface and ground waters⁷.

For the refinery, we will adopt a dry stacking method for refinery tailings which will be stored in the residue storage facility. The dry stacking method is known for its environmental benefits and risk management; it requires less land footprint for the disposal area, increases the physical stability of tailings, reduces tailings associated risks (e.g. dam-related) and allows for better water management. We've also strategically placed the residue storage facility away from natural forest and away from the Da River. This design allows us to have in place multiple contingencies to mitigate potential adverse contamination impacts to the Da River.

“

As Ta Khoa Project is in its early phases, we have the ability to influence impactful changes and do the right thing from the start. I am also very excited to be working with a company that is committed to producing Green Nickel!

Tran Huu Hung, Senior Environmental Coordinator

”



⁷ Geochemical characterisation of the tailings included static acid base accounting (ABA) and multi-element assay. The ABA tests indicated that the tailings had low Maximum Potential Acidity (MPA) of 6 kg H₂SO₄/t and high Acid Neutralisation Capacity (ANC) of 401 kg H₂SO₄/t, giving a strongly negative Net Acid Producing Potential (NAPP). (Section 6.2.4 Upstream PFS Report 2022)



While the size of these programs is small, their impact on the environment and community is large.

Tran Huu Hung, Senior Environmental Coordinator



Waste and recycling

Circular economy is one of the five pillars within our Green Nickel™ Strategy. From our first sustainability report, we have developed our waste and recycling program to ensure we manage and improve the ways we deal with waste. As this is the third year of our waste and recycling program, our circular economy practice has now become embedded in the way we operate.

This year, we have again redirected organic waste away from landfill and towards Bac Yen villagers who use it to feed their livestock. By doing so, Blackstone has enabled reduction in organic waste associated carbon emissions and provided the local community with a valuable source of animal feed.

For other waste types, Blackstone engages with local vendors to manage these wastes in accordance with Vietnamese regulations.

Waste Type	Waste Treatment	Weight of Waste (kg)
Organic waste	Provided to local villagers to feed livestock	7,300
Recyclable non-organic waste	Scrap metal and paper is transferred to local businesses to reuse or recycle to treat in accordance with Vietnamese regulations <ul style="list-style-type: none"> • from process plant facilities • from camp and other facilities 	40,567 <ul style="list-style-type: none"> • 26,891 • 13,676
Non-recyclable waste	Transportation and treatment of domestic waste by local business in accordance with Vietnamese regulations	86,490
Hazardous waste	Transportation and treatment of hazardous waste by locally owned company licenced to treat this type of waste <ul style="list-style-type: none"> • Hazardous waste stored on site 	3,342 <ul style="list-style-type: none"> • ~ 1000
Wastewater	Septic tank is periodically pumped out, with transportation and treatment by licenced company	30m ³

Environmental awareness and protection

We are dedicated to supporting environmental issues within local communities. By organising and participating in world environment day events, we've not only underscored our commitment to environmental management, but also strengthened working relationships with local stakeholders, critical for the success of the Ta Khoa Project.

World Environment Day 2023

In March, Blackstone collaborated with stakeholders including the Son La Department of Natural Resources and Energy and the Ministry of Agriculture and Rural Development to celebrate World Environment Day. We raised awareness to employees at the mine site and Muong Khoa Secondary School students about plastic waste pollution through 'toolbox talks' and donated waste collection facilities to the school and the Muong Khoa Commune. Promoting the 2023 theme, Beat Plastic Pollution, we displayed collaborative slogan banners at prominent locations and contributed to greening efforts in Son La City by planting 1,500 Madagascar almond trees and flower seedlings in the commune.

Prosperity

We are committed to making a meaningful contribution to a more resilient, decarbonised world and providing opportunities for the communities we operate in. We also understand that sharing value is a privilege underpinned by strong economic performance. We believe in the social value that our projects can deliver. The opportunity to create shared value through socially responsible development is a driving force for our company. As the home of our flagship project, Vietnam presents many opportunities for positive impact.

FY23 at a glance

- Successfully engaged local Vietnamese contractors across eight strategic project elements to support definitive feasibility study and key Vietnamese studies
- 85% of positions in the in-country senior management team filled by Vietnamese nationals
- FY23 spend with Vietnamese businesses up 180% compared with FY22
- Establishment of the Son La Working Group
- Continued engagement with partners to reach a final JV structure and investment contribution.

FY24 focus areas

- » Refinery definitive feasibility study completed
- » Mine definitive feasibility study completed
- » Local content plan development and implementation
- » Opportunities for job-readiness, entrepreneurship and small-business management capacity building identified.

Economic performance

Project design and development

The economic performance of the Ta Khoa Project is fundamental to achieving our aspirations and goals. Our staged, risk-based approach to development continues with a definitive feasibility study. This follows the scoping study (completed October 2020), the refinery pre-feasibility study (completed August 2021), and the mine pre-feasibility study (completed February 2022).

We expect the Ta Khoa Project to be a catalyst for industrialisation and socio-economic development in Son La Province, Phu Yen District and the communities hosting, and adjacent to the project and its related facilities. During the construction and operations phases, there will be direct and indirect employment opportunities, supply opportunities for local and regional businesses, and a commitment to support quality of life for the people in the communities we interact with.

Detailed socio-economic management plans will be developed and implemented to avoid negative impacts and support positive impacts during construction and operations. These will include:

Resettlement plan



Stakeholder engagement plan



Community impacts management plan



Socio-economic development plan



Multi product strategy

In consultation with partners and Wood, the lead engineering consultant for the definitive feasibility study, we are exploring various options that de-risk Blackstone’s path-to-project cashflows.

The refinery will produce the following products:

- Precursor cathode active material (pCAM) – primary use for the lithium-ion battery market
- Mixed Hydroxide Product (MHP) – primary use as a feedstock for the lithium-ion battery market
- Copper cathode – primary use in electrification and clean energy infrastructure
- Magnesium sulfate – primary use as a fertiliser
- Sodium sulfate – primary use in the glass, paper, and textiles industry.

In-country capability

We recognise the importance of engaging local contractors given their inherent understanding of the local business landscape, culture, and expertise in their respective fields.

Local contractors have played a pivotal role in developing our refinery definitive feasibility study and will continue to play a major role in expediting construction and permitting timelines, ensuring the project is ‘Vietnam-ready’, locking-in highly competitive local pricing and contributing to overall project success. Figure 8 outlines local partners we’ve engaged with to date in developing the definitive feasibility study for our refinery.

Further details on our approach to supporting and engaging with in-country capability can be found in the **People** section of this report.

Fig 9: Local partners contributing to the refinery definitive feasibility study

Refinery definitive feasibility study		
Refinery		With Local Partner Progressing
Logistics		Local Partner Complete
Port		Local Partner Complete
Water		Local Partner Complete
Roads		Local Partner Complete
Power and Comms		Local Partner Complete
Environment		Local Partner Complete
Social		Local Partner Complete

With our customers, we continue to explore opportunities to develop a vertically integrated value chain within Vietnam. Global manufacturing giants like Samsung and LG also recognise the advantages we see in the region, including affordable labour, cost-effective renewable energy, and a rapidly growing market, prompting them to boost their foreign direct investments in Vietnam. In addition, companies such as VinFast are expanding their interest into the electric vehicle market, which may allow us to complete the value chain from mine to electric vehicle within Vietnam.

Son La working group

As the home of the Ta Khoa Project, effective and meaningful engagement with representatives of the Son La Province is important to our teams and all stakeholders. In August 2022, Nguyen Huu Dong, Secretary of Provincial Party Committee formally announced the Son La People’s Committee would form the Son La Working Group, chaired by Dang Ngoc Hau (Vice Chairman of Son La People Committee).

The mandate set for the Son La Working Group is to create a forum for discussing and resolving potential roadblocks to the mine and refinery, an opportunity to raise questions and queries and to allow us to update the Son La People’s Committee on the progress of the projects.

Blackstone’s senior management and technical leads are joined by directors from key Son La agencies including;

- Department of Natural Resources & Energy (DONRE)
- Department of Planning & Infrastructure (DPI)
- Department of Finance (DOF)
- Department of Industry & Trade (DOIT)
- Department of Construction (DOC)
- Department of Agriculture & Forestry (DARD)

Sub-working groups have also been established to allow detailed discussion around particular issues.

Aligned partners

We have engaged with potential project development partners throughout FY23. Many of these remain ongoing, active discussions. This has included site visits for prospective partners as part of our partnership due diligence process. These visits were accompanied by meetings with government representatives (provincial and national), Austrade, Australian Department of Foreign Affairs and Trade, financial institutions, and other important stakeholders.

As we progress, we are focused on developing mutually beneficial relationships with partners that share and can support our Green Nickel™ vision.



Governance

Operating ethically and establishing good governance is key to realising our vision and successfully delivering our Green Nickel™ strategy. The values of agility, unity, transparency, and integrity drive us to be open and responsive around the risks, successes, and challenges to our business.

Responsible operations are the product of not only the right values, but also the right governance structures and accountabilities. As we continue to progress the Ta Khoa Project with the Green Nickel™ strategy at its core, we are committed to ensuring our approach to governance is fit-for-purpose and supports our regulatory, legal, and ethical responsibilities and values.

FY23 at a glance

- Zero incidents of bribery or corruption
- Formed an ESG working group
- Appointed Non-Executive Director Dan Lougher
- Implemented and trained employees on our anonymous speak-up culture platform, Whispli
- Revised our ESG linked remuneration framework for corporate level employees
- Established our board-level technical committee.

FY24 focus areas

- Increase frequency of Audit, Risk & ESG Committee meetings to quarterly
- Produce our inaugural modern slavery statement
- Implementing a quarterly enterprise risk review.

Our governance framework





Hamish Halliday

Years Tenure: Six

Role: Non-Executive Chairman

Qualifications: B.Sc (Geology), MAusIMM



Alison Gaines

Years Tenure: Two

Role: Independent Non-Executive Director

Qualifications: Honorary Doctorate, MA (Public Policy), Grad Dip Legal Practice, B. Laws, B. Arts (Politics Hons.), FAICD, IDP-C INSEAD



Dr Frank Bierlein

Years Tenure: Two

Role: Independent Non-Executive Director
Qualifications: PhD (Geology), University of Melbourne, Fellow of the Australian Institute of Geoscientists (AIG), Member of the Society of Economic Geologists (SEG) and the Society of Geology Applied to Mineral Deposits



Scott Williamson

Years Tenure: Five

Role: Managing Director

Qualifications: B.Eng. (Mining), B.Com, MAusIMM



Dan Lougher

Years Tenure: One

Role: Independent Non-Executive Director

Qualifications: B. Sc (Honours) Mining Geology, Grad Dip Engineering (Mining) and a M.Sc. Sci (Engineering)

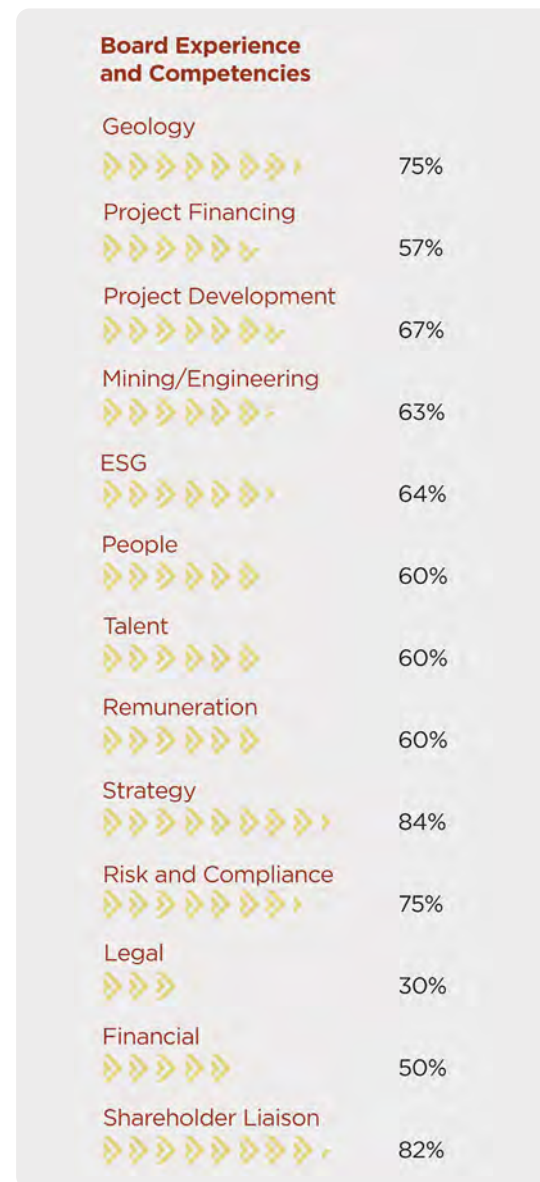
Board Skills Matrix

	SW	HH	FB	AG	DL
Geology	75%	100%	100%	0%	75%
Project Financing	75%	75%	60%	0%	75%
Project Development	75%	75%	85%	0%	100%
Mining/Engineering	100%	40%	75%	0%	100%
ESG	75%	50%	65%	80%	50%
People	50%	50%	50%	100%	50%
Talent	50%	50%	50%	100%	50%
Remuneration	50%	50%	50%	100%	50%
Strategy	90%	90%	80%	80%	80%
Risk and Compliance	75%	75%	75%	75%	75%
Legal	25%	25%	25%	50%	25%
Financial	50%	50%	50%	50%	50%
Shareholder Liaison	95%	95%	80%	50%	90%

Extremely Experienced

Moderately Experienced

Little Experience



Our committees

Committees at Blackstone provide a platform for the board to deal with topics that require specialised areas of expertise and dedicated focus. These are reviewed by the board on an annual basis in collaboration with key external stakeholders. In FY23 we identified the opportunity for a technical committee through engagement with shareholders and proxy advisors. This has since been established. Leveraging the expertise of our board, our committees work across risk management, audit, remuneration, technical, people and diversity and ESG. The objectives, authority and processes of each committee are outlined in their respective committee charter.



Audit Risk & Environment, Social & Governance Committee

This committee monitors our key operational, safety and financial risks. In addition, it assists the board to understand and manage our ESG performance and compliance to ensure best-practice standards in environmental, social and corporate governance performance are consistently implemented across corporate and operations functions. The committee monitors the effectiveness of the audit process and makes recommendations to the board on improvement. Charter: **AU VN**

Nomination Committee

This committee provides assurance that the board has the appropriate composition, size and experience to be an effective decision-making body. The committee conducts searches, monitors board memberships, and structures and develops a process for evaluating the performance of the board to ensure directors discharge their duties with regard to the law and the highest corporate governance standards. It supervises board and executive succession and MD performance management and ensures there is a performance system for executives in place. Charter: **AU VN**

People, Remuneration, Culture & Diversity Committee

This committee monitors and fairly rewards the performance of the executive in line with market remuneration expectations, to attract and retain talent amongst our employees. The committee monitors our record in developing a workforce culture that achieves corporate goals and maintains an ethos of continuous improvement. The committee also monitors our performance in valuing a diverse and highly skilled workforce that champions inclusive practices and behaviours and provides equal and fair employment and career development opportunities for all staff. Charter: **AU VN**

Technical Committee

This committee guides technical and operational matters which include technical risk management across exploration, geological, mining, metallurgical and other issues of significant concern. The committee reviews assumptions and methodology underpinning our mineral reserve and mineral resource estimates, projected budget expenditure against programmes, project development options including technical and commercial merits for both existing projects and any potential new projects or acquisitions. Charter: **AU VN**



Policies	Governance	Social	Environment
Corporate governance statement	✓	✓	✓
Anti-bribery and anti-corruption	✓	✓	
Audit, Risk and ESG Committee charter	✓	✓	✓
Board charter	✓	✓	✓
Climate change policy	✓		✓
Code of conduct	✓	✓	✓
Community relations policy	✓	✓	
Diversity and inclusion policy	✓	✓	
Environment policy	✓		✓
Health and safety policy	✓	✓	
Human rights policy	✓	✓	
Nomination committee policy	✓		
People, remuneration, culture & diversity committee charter	✓	✓	
Performance evaluation policy	✓	✓	
Selection, appointment & rotation of external auditors policy	✓		
Risk management policy	✓	✓	✓
Shareholder communications policy	✓		
Social media policy	✓	✓	
Statement of values	✓	✓	✓
Sustainability policy	✓	✓	✓
Security trading policy	✓		
Whistleblower policy	✓	✓	✓
Technical committee charter	✓	✓	✓
Continuous disclosure policy	✓		

Material Topics

Our Policies

Our policies and charters are developed in accordance with the fourth edition of the ASX Corporate Governance Principles and Recommendations. A summary of these in relation to underpinning ESG at Blackstone are listed here. We also acknowledge that many of our most important stakeholders are Vietnamese native speakers, and as such, translated versions of these documents are available on our website.



Ethics and Integrity

Our Values in action

A strong commitment to our values and ensuring our actions reflect the policies and processes we have developed underpin our business aspirations.

AGILITY	UNITY	TRANSPARENCY	INTEGRITY
We move nimbly to address challenges and to explore new possibilities	We are united, joined and act as a whole	We are open, upfront and share information for the greater good	We uphold ethical standards and do the right thing even when no one else is watching

In our inaugural 2020 sustainability report, we identified the need to continually encourage employees and suppliers to understand and absorb our company culture and values. We have continued this journey for the past three years, making strides in subtle as well as tangible ways.

- Our recruitment process is values driven with a focus on values alignment, personality traits such as cooperation, openness, and willingness to learn with technical and professional skills
- We now start townhalls and lunch & learns with a value share
- Many lunch & learn sessions address how we transform values into action. As an example, we recently shared our human rights journey across the company
- We value a speak up culture and believe that all employees should feel comfortable to raise any work-related concerns they may have. This is supported by our Whispli platform and other internal processes
- We value and encourage employee feedback and learning, we conduct employee engagement surveys to establish what is working well and identify any areas for improvement.

The success of this approach can be measured through feedback we have received from our Vietnam team. The team have generally welcomed learning about human rights, an unfamiliar subject for many, and asked for more information. The interest shown in this subject, and the confidence of employees to raise questions on this and other aspects of the business are positive signs our efforts to create a safe and supportive culture is paying dividends.



Living our values is important for us. Speaking honestly and acting in ways that are consistent with our words builds the trust that underpins our relationships. Speaking honestly is about being truthful about who we are and what we do and to be upfront with people about the good, the bad and the ugly. Speaking is one thing, but the words must be backed by tangible actions that reflect a shared interest in minimising impacts on land, environment, health and culture, the fair distribution of economic benefits and behaviour that is ethical and respectful. I am convinced that if we get these basics right that we will set ourselves up for long-term success.

Robin Budden, Social Performance Lead



FY23 Lunch & Learn Topics

- Can't offset slavery (external presenter)
- Values into action - respect for human rights
- Piloting - what it is and what does it do for Blackstone
- Values into action - consistency and trust
- Vietnam government structure
- MS Teams basics.



The lunch & learn showed how human rights matter to Blackstone and how employees have rights to stand up for themselves.

Session attendee



Our Code of Conduct

Our Code of Conduct clarifies our mission, values and principles, and links these with the expected standards of professional conduct at Blackstone.

Our Code of Conduct: **AU VN**

UN Global Compact Business & Human Rights Accelerator

To support ongoing best-practice of our approach to human rights, in FY23, three members of our ESG working group have participated in the **UN Global Compact Business & Human Rights Accelerator Program**, a six-month programme helping companies establish an ongoing human rights due diligence process.

Whispli

With future operations that will span global value chains and multiple languages, Blackstone has focused on implementing a fit-for-purpose speak-up process supported by the right technology. The reporting of any issues relating to ethics, compliance and integrity is facilitated by **Whispli**, the leading platform to engage anonymously with employees.

Additionally, all Blackstone employees are aware that reporting of issues related to ethics, compliance and integrity is treated with the highest levels of confidentiality and can be done without fear or repercussions. Further detail is available in our **Whistleblower Policy**.

Transparency and Disclosure

In line with ASX Listing Rule 4.7.3, Blackstone lodges an annual report and corporate governance statement with the ASX. Blackstone's **Shareholder Communication Policy** recognises the importance to communicate and report back to our shareholders. For both shareholders and other stakeholders, all announcements, notices of meetings, reports, results, and other investor presentations are uploaded to the website in accordance with the policy.

Blackstone has been a signatory of the **UN Global Compact** since 2021. The compact is a non-binding United Nations network for businesses worldwide to implement sustainable and socially responsible policies and report annually on progress.

Global Reporting Initiative

This report has been developed with reference to the **Global Reporting Initiative Standards 2021**. Used by more than 10,000 organisations in over 100 countries, these standards advance sustainability reporting by enabling organisations and their stakeholders to take action that supports the development of economic, environmental, and social benefits. As confirmed by 2022 research from KPMG⁸, the standards remain the most widely used sustainability reporting standards globally.

At this stage, the Audit, Risk & ESG Committee believe that reporting with reference to the standards is sufficient given Blackstone's size, stage, and resources. Opportunities to further enhance transparency and disclosure by reporting in accordance with the standards will be reviewed annually.



⁸ KPMG: Big shifts, small steps. Survey of Sustainability Reporting 2022

Provenance and traceability

Once developed, the Ta Khoa Project will produce nickel for use in technologies around the world. We embrace both the responsibility and opportunity to ensure future products are responsibly produced and thereafter, responsibly used. In 2021, we announced a partnership with Circular Ltd, the UK-headquartered industry leader in supply chain traceability to establish a full nickel and cathode precursor traceability system, with dynamic CO₂-e and ESG performance tracking.

Globally, there is increasing awareness about the impacts associated with nickel production, as well as other critical raw materials sourced for the Lithium-ion battery industry and electric vehicle sector, with end users now demanding a level of traceability for all products. Blackstone's partnership with Circular will enable us to demonstrate compliance with sustainability metrics from mining through to refined product.



Photo: Nickel Sulfate



Digbee

To ensure a robust and continuous improvement approach to sustainability risk and disclosures, Blackstone has for the past two years engaged leading global mining sustainability platform Digbee ESG™ to conduct a third-party review of our business and operations. Digbee ESG™ is a leading dedicated mining ESG and data platform which helps mining companies successfully measure, manage, and disclose their ESG ratings. In addition, it provides investors and other stakeholders independence and transparency in evaluating our ESG performance.

This comprehensive assessment covers both corporate and project level criteria and provides an important, data-driven, impartial score based on mining sector specific ESG risks.



Blackstone is submitting our ESG assessment annually so Digbee can provide recommendations and give a more forward-looking view of our projects than the algorithms used by major ESG rating agencies.

Tessa Kutscher, Executive



Blackstone was pleased to receive confirmation of improved performance through an improved rating from BB in our 2021 Digbee ESG™ submission to BBB⁹.

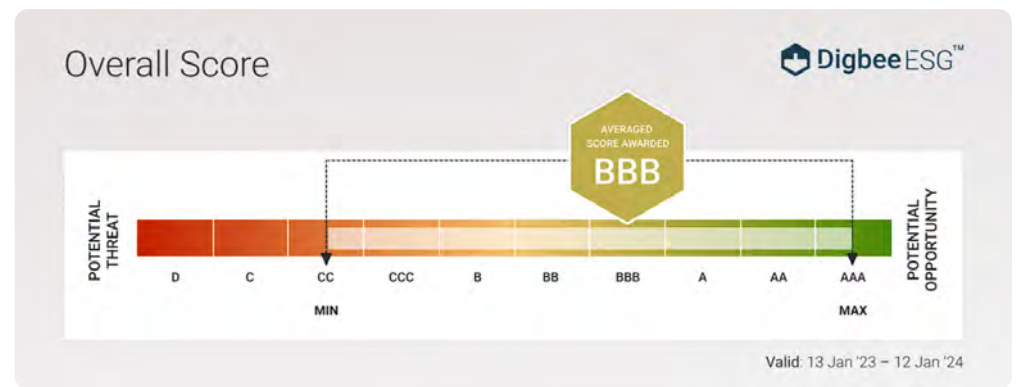


Fig 10: Digbee ESG™ overall score

⁹ ASX Announcement 9 March 2023: Digbee Assessment confirms Blackstone's ESG Credentials



Appendices

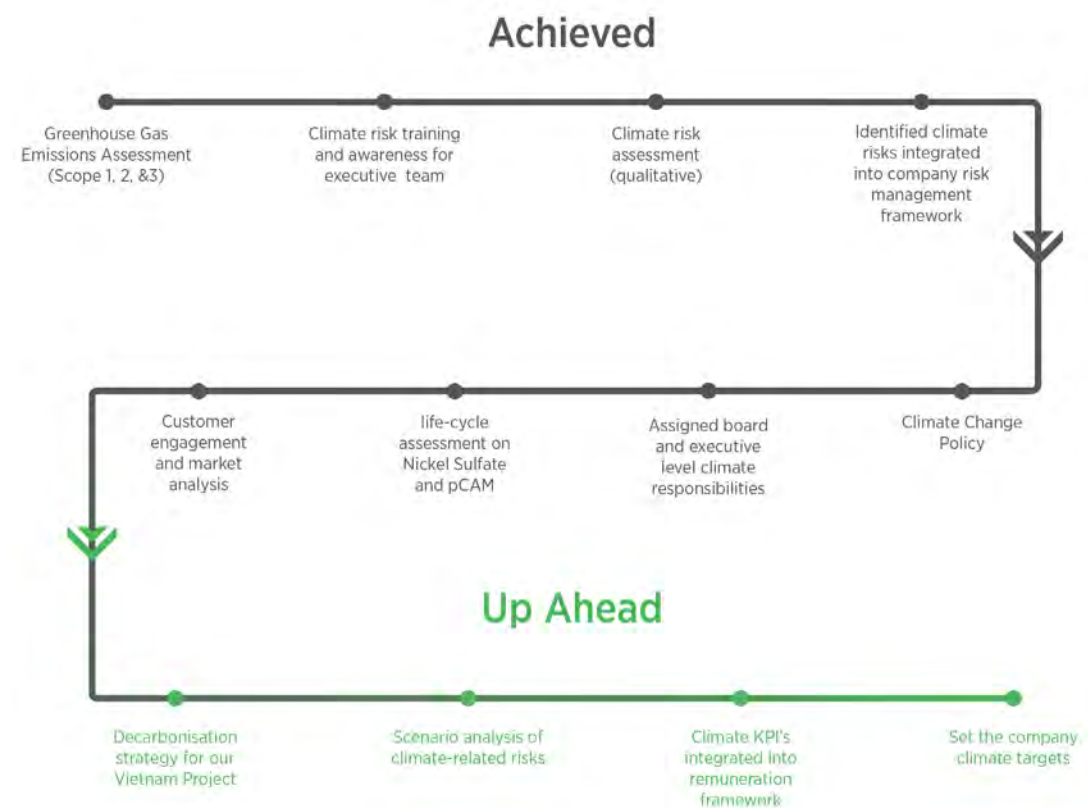
Taskforce for Climate-related Financial Disclosures

Blackstone supports the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations and is pleased to formally commence TCFD reporting as part of our sustainability report for FY23.

Climate impacts are shaping corporate and investor activity, and Blackstone is committed to providing our stakeholders with clear, comparable, and consistent information on the climate risks and opportunities relating to our business.

Our TCFD journey began in FY22 when we engaged an independent consultant to conduct a review of our approach to managing climate risk in line with the TCFD framework. This provided Blackstone's board and executive team with a clear understanding of our current state, as well as a strategic pathway to improve our approach.

Our climate journey to date (in date sequence from FY22, with achieved running to end of FY23 and up ahead flowing into FY24 & FY25)





Governance

Describe the organisation’s governance around climate-related risks and opportunities

Responsibility for climate-related risks and opportunities at Blackstone has been delegated by the board to the Audit, Risk & ESG Committee. This committee oversees the delivery of our climate initiatives, climate change resilience strategy and climate disclosures. The committee is chaired by an independent director who does not also hold the position of chair of the board, consists of no less than three members, and includes relevant members of the executive team. The committee meets on a quarterly basis.

The inclusion of executive team members supports a clear link between strategy, accountability and implementation. Ultimate management responsibility for assessing and managing climate-related risks and opportunities sits with the Managing Director. Our executive team participated in a workshop to identify climate risk in March 2023, which included an overview of the latest climate science. Further details can be found in the [Climate](#) section. The executive team have also completed the TCFD introduction to climate related disclosures training.

To further support effective management of climate-related risks and opportunities, an ESG working group has been formed which consists of both Australian and Vietnamese based corporate and operational staff. The ESG working group meets regularly and reports to the Audit, Risk & ESG Committee.

Strategy and Risk

The actual and potential impacts of climate-related risks and opportunities for the organisation’s projects, strategy and financial planning. The processes used by the organisation to identify, assess and manage climate-related risks.

Climate-related risks and opportunities are identified and assessed through a climate specific risk review. Blackstone is committed to conducting this on an annual basis. Broader ESG risks, including climate-related risks, are also incorporated into our incumbent enterprise risk management framework which requires quarterly risk assessments to be conducted.

Climate-related risks were reviewed in line with Taskforce for Climate-related Financial Disclosure guidance and defined as either physical or transition risks, and then defined as threats or opportunities.

Blackstone’s strategic response to climate risks and opportunities is defined as a pillar of our Green Nickel™ strategy.

- Roadmap to net-zero
- Validated low carbon nickel
- Hydrometallurgical processing technology
- Powered with renewable energy
- Electrified mining

Developing and implementing an operational decarbonisation strategy is a priority and is set to begin in FY24. The project will focus on identifying the opportunities, plans, pathways and costs required to achieve our low carbon nickel goal.

Metrics

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.

An annual Greenhouse Gas Emissions Assessment of our Scope 1, 2 & 3 emissions is conducted by a third-party climate consultant with FY23 being our third year of reporting. These metrics provide feedback on total operational emissions. To view this year’s assessment, please refer to the [Climate Change and Resilience](#) Chapter.

At a product level, we have from an early stage (in conjunction with the pre-feasibility study) conducted studies to provide estimates of the carbon intensity of our nickel. Further detail on our approach to this and results can be found in the [Producing low-carbon nickel](#) section.

Our impending decarbonisation strategy will use these metrics as baselines, enabling us to measure and report on performance.



Identified Climate Risks FY23

No.	Type	Risk	Description	Mitigation(s)/activations(s)	Trend
1	Threat	Renewable energy reliability	Reliability of hydropower	Factor into engineering design/contingencies	➤
2		Cost escalation	Increased cost of renewable power/carbon credits	Incorporate into financial modelling	⬆
3		Inefficient design	Energy and carbon use at refinery	Factor into engineering design	➤
4		Technology	Time and cost impacts associated with new technology use (electric mine technology)	Government incentives, pilot trials of new technology	⬇
5		Feedstock supply	Access to low-carbon, high-quality 3rd party feed stock	Diversify sources, supplier diligence	➤
6		Carbon price	In-country/ border adjustment carbon tax	Incorporate into financial modelling	⬆
7		Reputation	Authenticity of Green Nickel™	Review and validate Green Nickel™	⬆
8		Typhoon, flooding, landslide	Disruption, damage to property and/or people	Resilience assessment, policies review, insurance	⬆
1	Opportunities	Green premium for nickel products	Higher price for sustainably produced nickel	Customer engagement and benchmarking	⬆
2		Secure feedstock supply with the right carbon profile	Exclusive feedstock supply partnerships	Supplier assessment and engagement program	➤
3		Climate resilience	Support community climate resilience and adaptation	In-country engagement with government and NGO's	⬆



Global Reporting Initiative Content Table

Statement of Use	Blackstone Minerals has reported the information cited in this Global Reporting Initiative (GRI) content index for the period (FY23) with reference to the GRI Standards and the company’s approach to the management of its most material ESG topics
GRI 1	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosure 2021	2-1 Organizational details	(a) - (d) FY23 Sustainability Report: Introducing Blackstone
	2-2 Entities included in the organization’s sustainability reporting	(a) - (c) FY23 Sustainability Report: Introducing Blackstone
	2-3 Reporting period, frequency and contact point	(a) - (d) FY23 Sustainability Report: Introducing Blackstone
	2-9 Governance structure and composition	(a) - (c) FY23 Sustainability Report: Governance
	2-13 Delegation of responsibility for managing impacts	(a) - (b) FY23 Sustainability Report: Our Leadership
	2-14 Role of the highest governance body in sustainability reporting	(a) - (b) FY23 Sustainability Report: Introducing Blackstone
	2-16 Communication of critical concerns	(a) - (b) FY23 Sustainability Report: Ethics and Integrity
	2-17 Collective knowledge of the highest governance body	(a) FY23 Sustainability Report: Board Skills Matrix
	2-22 Statement on sustainable development strategy	(a) FY23 Sustainability Report: From the Managing Director
	2-23 Policy commitments	(a) - (f) FY23 Sustainability Report: Governance
	2-26 Mechanisms for seeking advice and raising concerns	(a) FY23 Sustainability Report: Ethics and Integrity
	2-28 Membership associations	(a) FY23 Sustainability Report: Our ESG Journey to date
2-29 Approach to stakeholder engagement	(a) FY23 Sustainability Report: Stakeholder Engagement	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	(a) - (b) FY23 Sustainability Report: Stakeholder Engagement
	3-2 List of material topics	(a) - (b) FY23 Sustainability Report: Stakeholder Engagement
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	(a) FY23 Sustainability Report: Taskforce for Climate-related Financial Disclosure
	201-4 Financial assistance received from government	(a) - (c) ASX Announcement: 18th July 2023



GRI STANDARD	DISCLOSURE	LOCATION
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	(a) - (d) FY23 Sustainability Report: Investing in Community
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	(a) - (c) FY23 Sustainability Report: Investing in Community
	203-2 Significant indirect economic impacts	(a) - (b) FY23 Sustainability Report: Investing in Community
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	(a) - (c) FY23 Sustainability Report: Investing in Community
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	(a) - (e) FY23 Sustainability Report: Governance and Investing in Community
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	(a) - (g) FY23 Sustainability Report: Climate Change and Resilience
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	(a) - (g) FY23 Sustainability Report: Climate Change and Resilience
	305-3 Other indirect (Scope 3) greenhouse gas emissions	(a) - (g) FY23 Sustainability Report: Climate Change and Resilience
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	(a) - (c) FY23 Sustainability Report: Environment and Land Management
	306-3 Waste generated	(a) - (b) FY23 Sustainability Report: Environment and Land Management
	306-4 Waste diverted from disposal	(a) - (e) FY23 Sustainability Report: Environment and Land Management
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	(a) FY23 Sustainability Report: Managing Impacts on Local Communities
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	(a) - (b) FY23 Sustainability Report: Investing in Community
	404-3 Percentage of employees receiving regular performance and career development reviews	(a) FY23 Sustainability Report: Investing in Community
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	(a) - (c) FY23 Sustainability Report: UN Global Compact
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	(a) FY23 Sustainability Report: Managing Impacts on Local Communities



Registered Office: Level 5, 600 Murray Street, West Perth, WA 6005

P: +61 8 9425 5217 **F:** +61 8 6500 9982 **E:** admin@blackstoneminerals.com.au

Postal Address: PO Box 1175, West Perth, WA, 6872

blackstoneminerals.com.au