

PENSANA Plc



The

Pensana Blueprint for Sustainable Rare Earths

The ESG strategy for the development of the world's first independent and sustainable rare earth supply chain

2022



The Rt Hon. the Baroness Northover

Member of the House of Lords

ESG Committee Chairperson's Introduction

The world is waking up to the climate crisis, which is one of the biggest challenges facing society today, with the need to address it now more pressing than ever.

Renewable energy will form a key part of the solution, and ramping up its production and use will require the most significant energy transition in history. Pensana sits right at the centre of this transition and exists to meet this challenge.

Sourcing and processing rare earths and other critical minerals are increasingly recognised as vital for decarbonisation, particularly as key components for the magnets used in electric vehicles and wind turbines.

The importance of these critical minerals has long been understood by China, which controls the majority of their sourcing and processing. However, there has been enormous environmental damage during such production processes and China itself will have huge demands on rare earth resources for its own energy transition needs.

Consequently, security of supply and environmental concerns are now firmly on the agenda for Western countries, with recognition that a new model is not only desirable, but imperative.

Pensana is committed to being part of this new model. From the start the company has sought to do things differently, operating with the highest environmental, social and governance standards. Pensana understands that ESG concerns are now rightly and increasingly important for governments, regulators, investors and consumers, and the risks of poor ESG standards are clear.

In line with this, ESG is embedded in every decision the company takes, at every stage of its operations. Whether protecting and enhancing the environment, assessing emissions, using renewable energy to produce the lowest carbon product or fostering a circular economy, Pensana is acutely focused on doing the right thing.

Pensana also knows that it has not reached the end goal and is always looking to improve. This is why the company uses independent experts to evaluate the business, in line with leading international standards, allowing it to review and enhance its ESG systems and processes.

The purpose of this ESG blueprint is to demonstrate our transparency and reassure stakeholders that Pensana puts the highest of ESG standards at the heart of its operations. I am proud of Pensana's commitment to ESG and that it is at the forefront in this field.

The Rt Hon. the Baroness Lindsay Northover



CEO's Introduction

Tim George - Chief Executive Officer

Pensana has developed strategic partnerships with world-class projects to tackle climate change including Polestar's climate neutral car ambition and Equinor's Hydrogen to Humber project.

Rare earths are essential for the decarbonisation of our planet.

Rare earths are essential for the decarbonisation of our planet. They are a key component in many everyday products but are critical for permanent magnets to address the growing demand for offshore wind turbines and electric vehicles.

With the International Energy Agency (IEA) suggesting the world will need to increase the supply of rare earths by over 700% to meet renewable technology demand by 2040, Pensana is positioned to help meet this global demand growth.

Pensana is not only aiming to supply the rare earth product but will develop the lowest embedded carbon rare earth magnet feedstock on the market, having already taken significant steps to achieve this.

We have signed agreements for low carbon power for both our sites, incorporated reagent recycling into our plant design, electrified carbon intensive mine and processing plant infrastructure, and located our sites near existing infrastructure thus removing the need for diesel intensive road transport/logistics.

Pensana has developed strategic partnerships with world-class projects to tackle climate change to ensure that it is at the cutting edge of best practice in addressing the climate crisis. This includes partnering with Polestar on its' climate-neutral car ambition and Equinor on its Hydrogen to Humber project. This is in addition to our plans to develop a rare earth recycling hub.

The rare earth sector has traditionally been challenged on its sustainability credentials, but Pensana aims to do things differently, adhering to the highest international standards. Our sustainability ambitions have been developed after careful thought and consideration to ensure we are acting in the best interests of the planet as well as our stakeholders.

This blueprint outlines our ESG strategy, which is driven by our ambitions to develop the lowest carbon rare earth products on the market and in turn to achieve deep and meaningful carbon reduction and to reach net zero by no later than 2040.

The net zero ambition, which will be aligned to the Science Based Targets Initiative (SBTi) Net Zero standard, will strengthen Pensana's place among the leading companies addressing climate change.

I look forward to building on the great work our dedicated team has already done and continuing to develop Pensana's position as the sustainable option for rare earth magnet metals.

“We have signed agreements for low carbon power for both our sites, incorporated reagent recycling into our plant design, electrified carbon intensive mine and processing plant infrastructure and located our sites near existing infrastructure thus removing the need for diesel intensive road travel.”



Pensana's Deep and Meaningful Low Carbon Value Chain

Pensana has integrated low carbon projects into the design



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Introduction to Pensana

The electrification of motive power is the most important part of the necessary energy transition if we are to tackle climate change, and one of the biggest energy transitions in history. Magnet metals are central to that transition and critical to high value manufacturing applications such as the manufacture of efficient electric vehicles and offshore wind turbines.

Pensana plans to establish Saltend as an independent, sustainable supplier of the key magnet metal oxides to a market which is currently dominated by China.

The US\$195 million Saltend facility is being designed to produce circa 12,500 tonnes per annum of rare earth products, of which 4,500 tonnes will be neodymium and praseodymium oxide (NdPrO), representing over 5% of the world market in 2025.

Pensana's plug-and-play facility is located within the world-class Saltend Chemicals Park, a cluster of leading chemicals and renewable energy businesses in the Humber Freeport and will create over 500 jobs during construction and over 125 direct jobs once in production. It will be the first major separation facility to be established in over a decade and will become one of the few major producers located outside China.

Feedstock will be shipped as a clean, high purity mixed rare earth sulphate (MRES) from the Company's Longonjo low impact mine in Angola.

The mine's state-of-the-art concentrator and proprietary MRES processing plant are being designed by Wood to the highest international standards.

The operations will be powered by renewable energy from hydro-electric power and connected to the Port of Lobito by the recently upgraded Benguela railway line.

Pensana is of the view that provenance of critical rare earth materials supply, life cycle analysis and GHG Scope 1, 2 and 3 emissions will all become significant factors in supply chains for major customers.

The Company intends to offer customers an independently and sustainably sourced supply of the metal oxides and carbonates of increasing importance to a range of applications central to addressing the climate crisis and the energy transition.

Pensana is aiming to establish Saltend as an attractive alternative to mining houses who may otherwise be limited to selling their products to China, having designed the facility to be easily adapted to cater for a range of rare earth feedstocks.



Environment, Social and Governance (ESG) at Pensana

Pensana is committed to the highest ESG standards at every level of the company and in every area of its operations. Strong and effective governance is vital, with social responsibility in the DNA of what we do. The very purpose of Pensana is to address the needs of a world in which climate change is a crisis urgently to be addressed, and that the means to address this must not make the problem worse.

To deliver this we operate on a principle of integration. We ensure that ESG is integral to day-to-day business activity. For example, our risk assessment processes include ESG as standard, our project engineering considers climate adaptation alongside financial cost and our mining teams in Angola always engage local communities in their decision-making processes.

Throughout its operations Pensana will utilise best practice international standards, wherever they are based geographically. This will include

Greenhouse Gas Protocol, TCFD and UN Global Compact. This is a rapidly evolving space and we will ensure that we continue to review best practice and where relevant update our reporting and targets through a commitment to continual improvement and a regular review process.

To demonstrate our commitment to the highest ESG standards we are committed to using external assurance throughout our programme. This will be used to assess our ESG data and to provide confidence to investors and customers that our claims are reliable and meet the most rigorous standards required by stakeholders.





External Accreditation

One of the ways we have demonstrated our commitment to date has been to sign up to and follow **external guidelines and accreditations**. This provides robust, externally recognised frameworks against which Pensana can measure and demonstrate commitment to **leading sustainability practice**.

External Commitment	About
International Finance Corporation (IFC) performance standards	The IFC Environmental and Social Performance Standards set a standard by which projects can be delivered. Pensana has committed to delivering all of our projects and operations against these eight documents.
Equator principles	<p>"The Equator Principles (EP) are intended to serve as a common baseline and risk management framework for financial institutions to identify, assess and manage environmental and social risks when financing Projects."¹</p> <p>Pensana has adopted the Equator Principles in our work to provide assurance to potential investors that our projects are aligned to externally recognisable standards.</p>
European Union (EU) taxonomy	<p>The EU taxonomy is a widely used set of guidelines and criteria for what can be considered sustainable investment across the European Union.</p> <p>Rare earth metal supply chains which meet the taxonomy's requirements on mitigation, water, circular economy, pollution and ecosystems, are eligible under the EU taxonomy under section 3.1 (manufacture of low carbon technologies).</p> <p>Pensana's commitment to associated veracity, traceability and commitment to an ultra low carbon emission supply chain, provides the opportunity to support the electric vehicle market in complying with the taxonomy post-2030, when life cycle and well-to-wheel carbon emissions thresholds are recommended for application.</p>
UN Global Compact	<p>The UN Global Compact provides "a call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals".²</p> <p>Pensana has become a signatory to the UN Global Compact demonstrating its commitment to improve sustainable development in the areas of human rights, labour, environment and anti-corruption.</p>
Taskforce on Climate-related Financial Disclosure (TCFD)	<p>The TCFD provides a framework against which a business should report its awareness of and response to "climate risk and opportunity".³</p> <p>Pensana has voluntarily signed up as a partner to the TCFD and, to demonstrate our transparency towards our response to climate change, will apply the criteria in our corporate reporting structures.</p>

¹ <https://equator-principles.com/about-the-equator-principles/>

² <https://www.unglobalcompact.org/what-is-gc>

³ <https://www.fsb-tcf.org/recommendations/>

External Commitment	About
<p>Global Industry Standard on Tailings Management</p>	<p>This standard provides a set of criteria which were developed to ensure tailings sites can be designed and maintained to the best known standards.</p> <p>The Standard was developed by the Global Tailings Review, co-convened by UN Environment Programme, ICMC and PRI. The Church of England Pensions Board and Swedish Council on Ethics represented the PRI as co-convenors.</p>
<p>Oh Yes! Net Zero</p>	<p>Oh Yes! Net Zero is a community of private and public sector organisations who are committed to supporting the Humber region to reach net zero carbon emissions.</p> <p>This relationship is helping facilitate Pensana to work in partnership with likeminded local potential suppliers and partners for the Saltend plant to work together to develop and implement climate solutions.</p>



Secretary of State for Business Kwasi Kwarteng (right) launches UK Critical Minerals Strategy at Pensana's Ground Breaking Ceremony at Saltend with Mr Paul Atherley, Chairman of Pensana Plc (left).



Centrality of ESG

We are wholly committed to **ensuring that high ESG standards** are central to Pensana's business and **embedded throughout all our operations**.

ESG is discussed and led at Board level and Pensana has an ESG sub committee of the Board, chaired by an independent non-executive director Baroness Lindsay Northover.

This committee ensures the Board is kept fully informed of the business' ESG performance. Where relevant, issues are referred to other sub-committees of the Board, for example the Audit and Risk Committee.

To ensure that Pensana has focused on its material risks and is aware of the impacts of its activities a risk materiality exercise has been carried out. To ensure this remains relevant this will be a dynamic exercise and will be reviewed and updated regularly, especially as the business changes through its early stages.

As part of the screening completed in 2021 Pensana used information from colleagues; research from stakeholders and from reviews by external standards including the CDP, Sustainability Accounting Standards Board (SASB) Materiality Matrix and the Initiative for Responsible Mining Assurance (IRMA).

Once this information was collated twenty-one material issues were identified across our four main themes (Table 1). Of these, eleven were

identified as highly material. Pensana believes all the issues identified are material to the business to some extent and labels all issues as material. Those issues which were identified as highly material were labelled as such.

Highly material ESG areas will be prioritised for mitigation and management and progress against these will be reported on through Pensana's Annual Report. Other material issues will continue to be monitored and reported and acted upon as required.

We additionally noted the challenges presented by post mining in the Longonjo project but believe that the challenges presented by this are covered across the suite of issues.



Material ESG Risks and Opportunities



The climate crisis

- Our direct GHG emissions *
- GHG emissions from our value chain *
- Societal decarbonisation *
- Climate adaptation in our value chain
- Contributing to global climate mitigation

Protecting the natural environment

- Adherence to environment policy *
- Nature, wildlife and biodiversity *
- Circular economy and waste management *
- Consumption and use of water *
- Energy consumption

Our colleagues, their safety and the communities in which they live

- Health and safety of our colleagues *
- Health and safety across our value chain
- Our colleagues' quality of life (wellbeing)
- Building thriving communities *
- Colleague and community engagement
- Diversity and inclusivity (including gender and STEM)

Operating an ethical business with strong corporate governance

- Corporate governance codes and principles compliance *
- Financial and business ethics
- Human rights *
- Stakeholder engagement
- Right of colleague to raise issues with no reprisal

The * indicates the eleven issues identified as highly material.

Table 1 - Pensana's twenty-one material issues.



Talking About Our Three Phases of Impact

To ensure that we can deliver our blueprint, our strategy will be focussed across **three different time horizons**. Through knowing the **changing dynamics** in these areas over time it will allow Pensana to seek to **deliver maximum impact** and risk mitigations on the most effective timescale.

Phase 1

Impact assessment and construction less than 3 years

Phase 2

Operations between three and ten years

Phase 3

Established operations and the next phase more than ten years into the future



Whilst these time horizons will be used across the suite of ESG strategy, they also align to best practice as recommended by the TCFD and CDP for climate risk and opportunity assessment.⁴

⁴ <https://www.fsb-tcfd.org/recommendations/>



Our Ambitions and Commitments

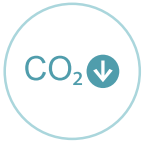
In order to demonstrate our commitment to a sustainable future we have set ourselves eleven specific ambitions which we aim to deliver. These have been developed through consideration of the areas identified as highly material in our risk screening. As a result we have eleven ESG ambitions designed to challenge ourselves and deliver meaningful and positive change from our business operations. We will report our progress against each of these, alongside our annual sustainability reporting through our Annual Reporting process.

We have provided details on our approach over our three time phases within later sections of the document:

The climate crisis



Provide a reliable and sustainable source of separated rare earth metals and compounds, essential to global decarbonisation products.



Produce the rare earth products with the lowest embedded carbon on the market.



Promote deep and meaningful carbon reduction across our entire value chain, to be net zero no later than 2040.

Protecting the natural environment



Send zero waste to landfill by 2035.



Implement a world-class rare earth recycling scheme displacing some of the need for mining and reducing landfilling.



Integrate leading practice across our business to protect and enhance the natural environment in and around our operations.

Our colleagues, their safety and the communities in which they live



Develop infrastructure and skills so that communities local to our sites see a direct, long term, economic benefit from our presence.



Implement a zero harm approach to health and safety.

Operating an ethical business with strong corporate governance



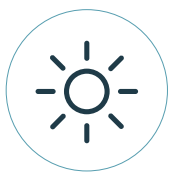
Integrate leading practice across our business to embed strong corporate governance in everything we do.



Implement a world-class sustainable supply chain backed by strong digital evidence of sourcing.



Integrate leading practice across our business to protect the human rights of our colleagues and partners.



Our Sustainability Areas by Workstream

We care about the climate crisis

Pensana takes the **climate crisis** very seriously. This includes **considering climate** when developing business strategy and ensuring climate risk assessment is **integrated throughout our business activity**.

As we have identified three highly material risks and opportunities around the climate crisis, namely our direct greenhouse gas emissions; greenhouse gas emissions from our value chain and societal decarbonisation, we have committed to promoting deep and meaningful carbon reduction across our entire value chain to be net zero no later than 2040.

The no later than 2040 ambition will be aligned to the science-based best practice of net zero target setting as defined by the SBTi's Net Zero Standard.

Pensana will seek external validation of its net zero ambition against the SBTi's Net Zero Standard and will develop interim reduction targets required towards net zero, aligned to a 1.5C pathway.

Baseline data to support Pensana on our journey have been derived from a screening completed by independent GHG screening experts Route2, aligned the GHG Protocol's "Product Life Cycle Accounting and Reporting Standard".

Our core strategy is to produce products which are required for societal decarbonisation.

Demand for rare earths is expected to increase by more than sevenfold by 2040⁵ and Pensana aims to be a key part of helping to meet the global demand.

We have identified providing rare earth products, specifically our NdPr offtake, as a strategic opportunity to Pensana. We aim to develop our products to be the lowest embedded carbon source of rare earth feedstocks for the magnet manufacturing and other equivalent processes.

As part of demonstrating Pensana's commitment to embedding climate related issues across the business we have, ahead of the statutory requirement to do so, become a partner of the Task force on Climate-related Financial Disclosures (TCFD) and will embed the criteria of the taskforce.

⁵ IEA (2021), The Role of Critical Minerals in Clean Energy Transitions, IEA, Paris
<https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions>

CASE STUDY 1**Assessing the Future Impacts of Climate Change on our Business**

As part of Pensana's commitment to embedding climate at the heart of our operations we have voluntarily signed up to the Taskforce for Climate-related Financial Disclosure (TCFD).

Using internal and external expertise Pensana has undertaken a thorough review of the climate risks and opportunities the business is exposed to. This has included a full assessment of transitional risks and opportunities as well as applying local climate models and physical climate risk assessments to both our site in Longonjo and our site in Saltend. Completing risk assessments over three time horizons has allowed the business to make targeted and focussed investments in controls and research and the appropriate timescales over which to do so.

**CASE STUDY 2****Renewable Energy Innovation**

Both the mining and metal processing elements of our operations can, if not managed appropriately, be energy intensive. However, in order to address the climate impact from that Pensana has ensured that access to reliable and affordable renewable energy was part of the early planning.

This has resulted in the construction of a connection into the Angolan power grid to facilitate the use of hydropower at the Longonjo mine site. Similarly at our Saltend site we have signed a letter of intent securing private wire connection to battery storage operated by Yorkshire Energy Park under which we will have access to 4 MW (rising to 10 MW) of low carbon electricity for 10 years.

CASE STUDY 3**Polestar Partnership**


Pensana has become part of Polestar's market leading campaign to produce a truly climate-neutral car by 2030. Polestar's aim is to develop a car-free of any emissions from the supply chain all the way through the life of the car to end-of-life.

Pensana has agreed to work with Polestar's innovation team to supply the rare earth required for the construction of their vehicles. The partnership will allow the two organisations to collaborate on opportunities to reduce emissions across the value chain and support, not only Polestar's ambition but also Pensana's net zero ambition.



Our ambition

Provide a reliable and sustainable source of separated rare earth metals and compounds, essential to global decarbonisation products.




Phase 1	Explore sourcing opportunities and develop contracts with virgin and recycled feedstock suppliers ensuring ESG is considered in the structure of contracts, both upstream and downstream of our operations.
Phase 2	Ensure we have a regular and reliable supply of sustainable products for the market. Explore wider feedstock opportunities including those from recycled material.
Phase 3	Continue to supply rare earth products and further consider innovation in future rare earth product opportunities to mitigate global climate change.

Phase 1	Ensure we embed a culture of low carbon infrastructure into decision making. Develop strategic partnerships with potential customers to explore integrated research projects.
Phase 2	Disclose verified emissions for our rare earth products and commission independent assessments on our performance in relation to peers. Work with stakeholders across our value chain to identify and deliver carbon savings through the full product lifecycle based on external standards.
Phase 3	Continue development of our products to maintain their status as the lowest carbon rare earth products on the market. Work towards a net zero rare earth product lifecycle.


Our ambition

Produce the rare earth products with the lowest embedded carbon on the market.



Our ambition

Promote deep and meaningful carbon reduction across our entire value chain, to be net zero no later than 2040.



Phase 1	Develop methods for collecting accurate and repeatable data, including robust baselines relevant to our product lifecycles. Ensure we embed low carbon opportunities into project plans. Disclose verified scope 1, 2 and 3 emissions.
Phase 2	Develop an SBTi accredited net zero ambition including interim targets and begin to deliver. Work with stakeholders across our value chain to identify and deliver carbon savings through the full product lifecycle based on external standards.
Phase 3	Work towards and achieve our net zero ambition. We will ensure all non hard to abate emissions are eliminated and will align to the SBTi guidance on the neutralisation process.



We care about protecting the natural environment

As the business operates practices which carry environmental risk we view **protecting the natural environment** and **taking responsibility** for our environmental impact as material to our business.

There are a number of environmental aspects our business has the potential to have. This includes biodiversity, energy, radiation, management and storage of chemicals, water consumption, emissions to air and water, leaks and spills and noise and visual impact to name but a few.

We expect all our operations to meet statutory requirements in the jurisdictions in which we operate and, on a regular basis, review and integrate opportunities to enhance the natural environment around where we operate.

As part of our operations at our Longonjo we are planning to construct a tailings storage facility at our Longonjo mine

facility which will be compliant with the Global Industry Standard on Tailings Management.

We have identified our role in the circular economy and waste management as highly material to the business. We have therefore set ambitions for the business to have zero waste to landfill by 2035 (excluding tailings) and reiterated our ambition to deliver and operate a world-class rare earth recycling scheme at our Saltend plant.



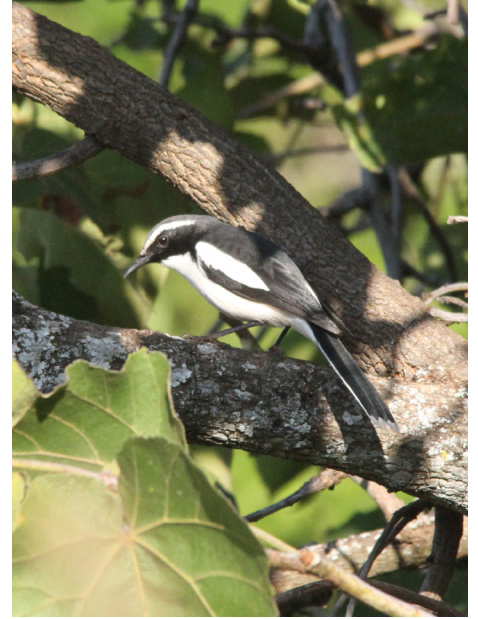
CASE STUDY 4

Protecting Angolan Biodiversity

During biodiversity assessments it was discovered that located within the Longonjo mine boundary there is an area supporting a unique and essential avifaunal assemblage.

This area, a rocky outcrop including a number of caves, is home to large and well established populations of bats and breeding birds, including the Angolan Cave Chat (*Xenocopsychus ansorgei*), endemic to Angola and part of Northern Namibia, regions where its natural habitat is rare.

In order to cause no damage to this highly sensitive habitat Pensana has designed the mining plan so the habitat will not be disturbed. Comprehensive further monitoring will take place to ensure that the activity has no indirect impact on the wildlife of the outcrop.



CASE STUDY 5

Creating a Plan to Operate Saltend alongside Biodiversity

In order to operate the Saltend processing facility with minimal impact on the natural environment, through the planning consent process Pensana ensured that the site is on no land classifications and has completed ecological surveys aligned to legal requirements.

Pensana has also voluntarily committed to a habitat enhancement programme where it will invest in planting to bolster areas of the site not required for development.

Our ambition

Send zero waste to landfill by 2035.



Phase 1

Identify all potential waste streams and review commercial opportunities for major wastes and by-products. Ensure integration of waste hierarchy to all waste streams across the business' direct operations.

Phase 2

Develop further commercial contracts and consider capital investment and/or innovative solutions for remaining landfill waste streams, considering community initiatives and technological innovation.

Phase 3

Continue to identify additional waste streams and source non land fill disposal routes for any outstanding waste streams.

Phase 1

Focus on development of the Saltend processing plant and establishment of a rare earth processing hub.
Explore early stage agreements to explore opportunities for rare earth recycling.

Phase 2

Build, begin and establish recycling operations at Saltend.

Phase 3

Continue to increase proportion of recycled feedstock to ensure optimal positive impact on the climate and environment.

Our ambition

Implement a world-class rare earth recycling scheme displacing some of the need for mining and reducing landfilling.



Our ambition

Integrate leading practice across our business to protect and enhance the natural environment in and around our operations.



Phase 1

Develop policies and procedures to ensure that we embed environmental management throughout what we do including procurement, HR and operations.
Achieve ISO14001 certification.

Phase 2

Ensure we continually develop our environmental management system. This will include developing our system to reflect external policy and best practice developments.
Use our role as a corporate organisation to influence others, especially our value chain partners, to improve environmental management where we have the influence to do so.

Phase 3

Ensure we continually develop our environmental management system. This will include developing our system to reflect external policy and best practice developments.



We care about our colleagues, their safety and the communities in which they live

As part of our role as a **responsible business** we believe we have an obligation to care for our **colleagues, their safety and the communities** in which they live.

This includes ensuring our workplaces are safe for all and our colleagues are offered all the necessary requirements to attend work safely and in good health. We will aim to deliver a world-class health and safety scheme across all our operations which will be externally accredited to ISO45001.

Our responsibility includes ensuring that we actively engage with our local communities in opportunities for collaboration and partnership. This will include recruitment, where we will aim to offer employment opportunities to those local to our operations; and skills development, where we will aim not only to upskill our own workforce to develop their careers but also to provide training opportunities to those in the wider communities to benefit from our presence.

Training opportunities for the wider community may, for example, include entrepreneurial training to allow locals to compete in tenders and offer professional services to our operations and supporting local training institutions (such as colleges and universities) in their delivery of knowledge and skills required in the green economy.

Our site in Longonjo creates specific challenges through the need to deliver an IFC Performance Standard aligned resettlement action plan (RAP) and a livelihood restoration plan (LRP). Whilst the mining design means we do not need to relocate any housing we will undertake economic displacement.

In phase one we will deliver a livelihoods restoration plan (LRP) to ensure no one is adversely affected by our presence. This will include a community-agreed compensation and eligibility matrix which will develop the framework against which we deliver our land for land replacement programme.

Furthermore we will take steps to actively promote diversity and inclusivity within the business and within our wider communities. We will also ensure we take an active stand against any form of discrimination both within our business and across our value chain.

CASE STUDY 6

Geraldine - An Angolan Success Story

At first glance, diversity and inclusion can be a big challenge for a company, but it also generates many benefits for both the company and the employees. Angolan Geraldine Tchimbali is one of the successful examples of this practice.

Geraldine is a geologist by training and joined the company as a junior geologist. She started as a new graduate, excited to enter the workforce, but also concerned because she was not sure about the career path she wanted to follow.

Pensana has offered Geraldine opportunities to be involved in various roles and projects, and to collaborate with colleagues from different areas and departments. Through the business' commitment to personal development, she has progressed through the ranks and is now the Site Services Manager for our Longonjo site.



CASE STUDY 7

Developing Demonstration Plots for Development of Agriculture in the Area

In order to develop and explore the opportunities to develop the economy of the Longonjo area surrounding our mine Pensana will develop a series of agricultural demonstration plots.

These will allow the trial of new fertilisers, farming techniques and work in collaboration with the local farming community to explore options that can assist in optimising the land production in the area.

The demonstration plots will align to Pensana's commitment to leave a lasting economic benefit for the area.

Our ambition

Develop infrastructure and skills so that communities local to our sites see a direct, long term economic benefit from our presence.



Phase 1

Recruit to ensure all roles are filled to enable safe operations at Longonjo and Saltend, with a focus on providing local employment where it is safe and appropriate to do so.

Ensure that in Angola we deliver an IFC Performance Standards aligned resettlement action plan (RAP) and livelihoods restoration plan (LRP) ensuring no adverse impact on local populations and deliver a livelihoods restoration plan to facilitate optimal use of land and development of the skills of families affected.

Phase 2

Offer professional development opportunities to all staff to develop not only through the business's direct career paths but to obtain wider skills of value to society.

Focus on providing skills to communities to facilitate them to provide services to the business and the community.

Explore potential partnerships within local communities where Pensana can partner in infrastructure or community projects that can support long term economic stability including reviewing opportunities for agricultural enhancement.

Phase 3

Develop skills to ensure further professional development of colleagues.

Where operations may begin to move towards closure ensure that colleagues and communities are upskilled to retain their economic position including sustainable food and energy security.

Enhance partnerships within local communities where Pensana partners in infrastructure or community projects that can support long term economic stability even in a post-Pensana environment.

Phase 1

Develop policies and procedures to ensure that we embed health and safety throughout what we do including procurement, HR and operations.

Achieve ISO45001 certification.

Develop transparent and traceable metrics and measurements to demonstrate Pensana's health and safety performance.

Phase 2

Ensure we continually develop our health and safety management system. This will include developing our system to reflect external policy and best practice developments.

Use our role as a corporate organisation to influence others to improve health and safety where we have the influence to do so, including our value chain partners.

Phase 3

Ensure we continually develop our health and safety management system. This will include developing our system to reflect external policy and best practice developments.

Our ambition

Zero harm approach to health and safety.





We care about operating an ethical business with strong corporate governance

The implementation of **strong corporate governance** in every aspect of our business is of paramount importance and is embedded within our working and **operating culture**.

We strive to ensure that our policies, practices and procedures are aligned to our strong governance culture. We ensure all our colleagues are engaged with the governance process and understand the value of strong corporate governance.

As part of our commitment to ensuring we operate our business ethically we protect the human rights of not just those who work for us but also of those who work within our supply chain. We will actively seek to prevent or mitigate adverse human rights impacts and where required we will take remedial action, regardless of whether or not we have directly contributed to the adverse impacts.

We will also ensure that we address other material issues, including whistleblowing and stakeholder engagement within our corporate governance and develop codes of conduct for our directors, colleagues, contractors and suppliers to ensure that everyone involved with Pensana aligns to our standards.

Pensana takes a zero tolerance approach to corruption and bribery and the business has developed strong mitigation systems to protect our financial and business ethics.

Across all of our ESG workstreams it is imperative that we can ensure that we deliver on our strategic aim of a world-class sustainable supply chain. We will work to ensure that all of the feedstock material being processed at Pensana is from sustainable sources and that we offer our customers a robust method of tracing the material they are purchasing.

To ensure we meet these criteria we will engage with a transparent third party external assurance programme to provide reassurance to our stakeholders.



CASE STUDY 8

Signatory to the UN Global Compact

In order to demonstrate sustainability leadership and commitment to the highest standards, Pensana has voluntarily signed up to the UN Global Compact.

This commits the business to contribute to development of human rights, labour, environment and anti-corruption. The business as part of this will transparently report its progress in a specialist report published each year.



CASE STUDY 9

Evolution of Sustainable Procurement

Pensana's sustainability aims extend through out our value chain and as part of that the business is required to take an oversight over its supply chain.

To that end the business has developed a Principles of Sustainable Procurement which sets out a clear minimum standard we expect all our suppliers to reach.

This includes making our expectations clear across all four of our work areas, i.e. climate and carbon; environment and ecology, colleagues and community and ethical business.

Our ambition

Integrate leading practice across our business to embed strong corporate governance in everything we do.



Phase 1

Develop policies and procedures to ensure that we embed corporate governance throughout what we do.

Phase 2

Ensure we continually develop our policies and procedures to promote effective corporate governance. This will include developing our systems to reflect external policy and best practice developments.

Phase 3

Ensure we continually develop our policies and procedures to promote effective corporate governance. This will include developing our systems to reflect external policy and best practice developments.

Our ambition

Implement a world-class sustainable supply chain backed by strong digital evidence of sourcing.



Phase 1

Engage with stakeholders including suppliers, customers and service providers to understand best practice, requirements and likely future developments.
 Develop and trial audit criteria which focus on formation ESG principles and the UN Principles for Sustainable Development.
 Develop and test digital record keeping for feedstock ESG credentials.

Phase 2

Embed agreed audit criteria and work with suppliers to further enhance their ESG performance towards UN Sustainable Development Goals and Pensana's Blueprint for sustainable rare earths.
 Strengthen minimum sourcing standards to ensure they remain on an upward trajectory.

Phase 3

Ensure the principle of continual improvement remains in place and that criteria continually evolve in line with scientific knowledge, sectoral best practice and requirements of stakeholders.

Our ambition

Integrate leading practice across our business to protect the human rights of our colleagues and partners.



Phase 1

Develop policies and procedures to ensure that we embed human rights throughout what we do including procurement, HR and operations.

Phase 2

Ensure we continually develop our management system to protect human rights. This will include developing our system to reflect external policy and best practice developments.
 Use our role as a corporate organisation to influence others to improve human rights where we have the influence to do so, including our value chain partners.

Phase 3

Ensure we continually develop our management system to protect human rights. This will include developing our system to reflect external policy and best practice developments.



Conclusion

Thank you for taking the time to read Pensana's Blueprint for Sustainable Rare Earths.

The business has established this to demonstrate our aim to do things differently.

The eleven ambitions and the focus on best practice will push Pensana to the forefront of ESG, not only in the rare earth sector but across the wider business community.

Whilst this document is set to provide a long term strategy it is not exhaustive and will continually evolve over time, as both the business and external practices develop to ensure Pensana retains its place as a sustainable business and is seen as the go-to choice for sustainable rare earths.



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