



2024

Sustainability Report

NOVONIX™

About This Report

NOVONIX™ is pleased to present our 2024 Sustainability Report (the “Sustainability Report” or the “Report”) as the annual publication of the environmental, social, and governance (“ESG”) initiatives of NOVONIX Limited (together with its subsidiaries, “NOVONIX,” the “Company,” “our” or “we”). This Report articulates our commitment to operating a profitable, ethical, and sustainable business and highlights the efforts and initiatives we have undertaken to establish a robust and adaptive ESG program since the inception of the program in 2023 and outlines future plans that align with our commitment to sustainability. As we further develop our ESG program, we will continue to emphasize transparency regarding our performance, progress, and engagement with various stakeholders.

Scope of Report

This Report is intended to present our efforts, initiatives, and qualitative and quantitative Company information across a set of priority ESG topics for the fiscal year ended December 31, 2024 (“FY 2024” or “2024”), unless otherwise noted. The Report also identifies our aspirations and plans for further progress of our ESG program, which will be driven by our consideration of key stakeholders including shareholders, customers, employees, regulators, suppliers, and the communities in which we operate, as well as the known and emerging needs of our business. The entities covered by this Report include NOVONIX Limited, a Queensland, Australia corporation (“NVX”) whose ordinary shares are publicly traded (ASX: NVX) on the Australian Securities Exchange (“ASX”) and whose American Depositary Shares are traded on the Nasdaq Stock Market (NASDAQ: NVX), and its two wholly owned operating subsidiaries – NOVONIX Anode Materials LLC, a Delaware limited liability company (“NAM”), and NOVONIX Battery Technology Solutions Inc., a Canadian corporation (“BTS”). These entities, together with other subsidiaries of the Company, are part of the consolidated group that has audited consolidated financial statements included in its public filings with the ASX and the U.S. Securities and Exchange Commission (“SEC”). Other subsidiaries not identified by name as part of this Report are intermediate holding companies or other non-operating entities. A list of all our subsidiaries may be found at Exhibit 8 to the Company’s Annual Report on Form 20-F for the fiscal year ended December 31, 2024 (the “2024 Annual Report”), filed with the SEC on February 28, 2025.

Background, Methodologies and Frameworks

In 2023, we formally commenced our ESG program by establishing a committee comprised of internal subject matter experts from across the Company (the “ESG Committee”). To guide discussions around relevant sustainability themes, we engaged a third-party ESG advisor (the “Advisor”). With the support of the Advisor, we performed a focused materiality assessment to identify ESG topics that demanded the Company’s initial attention.

That assessment and the efforts that followed, including the preparation of our inaugural 2023 Sustainability Report, considered a range of reporting protocols and frameworks considered relevant to our business, such as the Sustainability Accounting and Standards Board (“SASB”), Global Reporting Initiative (“GRI”), and the UN Development Goals. The ESG Committee looked to a range of protocols and frameworks for the following reasons: our primary focus was to lay the foundation for an ESG program that would begin with a focus on ESG topics we consider most critical to our business and then develop and expand in 2023 and beyond; based on the state of development of our business, we believe it was premature to evaluate and decide on a single or limited number of reporting standards that could be applied across businesses; our two operating subsidiaries – NAM and BTS – while both broadly engaged in the battery industry, have key differentiators between their businesses that required consideration of a broader range of reporting standards that properly accounted for those differences; and our NAM business has not yet achieved full-scale operations with plans to begin commercial scale production in early 2026, which means many of its business activities that relate to key ESG topics are still under development or not yet generating significant or reportable data.

For the foregoing reasons, the 2024 Sustainability Report has been prepared with the same considerations in mind, as outlined below in “Disclosure Index,” with a primary, but not exclusive, focus on applicable GRI and SASB standards.

Reporting Period, Frequency, and Contact Point

This Report covers the period of January 1, 2024, to December 31, 2024, which aligns with the period for our financial reporting, with references when necessary to prior period initiatives, activities, and data.

We intend to publish our Report annually.

You may contact our Investor Relations Department, at ir@novonixgroup.com for further information on this Report.

The publication date for this report is March 31, 2025.

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Cautionary Note Regarding Forward-Looking Statements

This Sustainability Report contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, about the Company and the industry in which it operates. Forward-looking statements can generally be identified by use of words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would,” or the negative of these terms and other similar expressions. Examples of forward-looking statements in this Report include, among others, statements we make regarding the future growth of the battery industry and demand for electric vehicles and energy storage systems, our anode materials production targets and timing of commercial production at our Riverside facility, the performance of our proprietary Generation 3 continuous induction furnaces and their ability to meet customer specifications on a timely and cost-effective basis and achieve the anticipated environmental benefits, the expected benefits and commercial success of our cathode synthesis technology, our ability to successfully deploy advanced data capabilities, our cost, throughput, and sustainability targets, our expectations for Scope 1 emissions of our Riverside facility, our ability to achieve profitability and sales price targets, the efforts and potential benefits of our working with the U.S. Department of Energy, the timing of our future site expansions, and our plans for the continued development of our ESG program and our ability to achieve our ESG initiatives. We have based these forward-looking statements on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, and financial needs. Such forward-looking statements involve assumptions and are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Factors that could affect our business and results are included in our SEC filings, including the Company’s most recent annual report on Form 20-F. Copies of these filings may be obtained by visiting our website at ir.novonixgroup.com/financial-information/sec-filings or the SEC’s website at www.sec.gov. New risk factors may emerge from time to time, and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements. You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, and operating results. We undertake no obligation to update any forward-looking statements made in this Report to reflect events or circumstances after the date of this Report or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments. In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Report. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.



CEO Message

At NOVONIX, we are committed to advancing battery technology to support a cleaner, more sustainable future. As a leading battery materials and technology company, we provide high-performance materials and innovative solutions that enhance the efficiency and longevity of lithium-ion batteries.

Sustainability remains at the core of our business as we continue to scale our operations. With our first anode production facility set to come online in early 2026, we are taking a critical step toward strengthening the North American battery supply chain with low-emission, high-performance materials. Our proprietary anode and cathode technologies are designed to improve battery performance while reducing environmental impact—supporting the transition to localized, cleaner energy solutions.

As NOVONIX matures, so will our focus on enhancing our ESG program. We recognize the commitment we have to our stakeholders, and we are focused on embedding sustainability into our operations, products, and relationships with our customers, suppliers, employees and communities. With strong market momentum and increasing demand for high-performance battery materials, we are well-positioned to play a leading role in the energy transition.

This report reflects our ongoing commitment to transparency, accountability, and continuous improvement. We look forward to shaping the future of sustainable battery materials while keeping our stakeholders informed as we evolve and grow.

Mr. Robert Long

Interim CEO & CFO, NOVONIX

About NOVONIX



NOVONIX™ ANODE MATERIALS

- Leading domestic supplier of battery-grade synthetic graphite
- First large-scale and sustainable production to advance North American battery supply chain
- Strategically positioned to accelerate clean energy transition through proprietary technology, advanced R&D and partnerships



NOVONIX™ CATHODE MATERIALS

- Commercializing patented cathode synthesis technology
- Proprietary process technology minimizes environmental impact while producing high performance materials
- Pilot line producing cathode samples with total production capacity of up to 10 tpa



NOVONIX™ BATTERY TECHNOLOGY SOLUTIONS

- Provides industry leading Ultra-High Precision Coulometry cell testing equipment
- Offers R&D Services with in-house pilot line, cell testing, and expertise to accelerate customer development programs

NOVONIX is a leading battery technology company developing innovative, sustainable solutions for the lithium-ion battery industry. Our mission is to accelerate the transition to cleaner energy storage by delivering high-performance materials, pioneering battery technologies, and advancing responsible manufacturing practices. Through our focus on **Anode Materials**, **Cathode Materials**, and **Battery Technology Solutions**, we are strengthening North America's battery supply chain, facilitating energy independence, and reducing the environmental footprint of battery production.



Anode Materials – We are driving the onshoring of the graphite supply chain in North America, reducing dependence on foreign sources and enhancing energy security. Our synthetic graphite production leverages cleaner, more efficient processes to scale domestic manufacturing while creating high-quality jobs in the battery industry.

Cathode Materials – Through our patented, all-dry, zero-waste cathode synthesis technology, we are redefining sustainable battery manufacturing. By eliminating waste streams and improving production efficiency, we aim to deliver high-performance cathode materials that reduce emissions and resource intensity, supporting the next generation of batteries.

Battery Technology Solutions – Our Ultra-High Precision Coulometry (“UHPC”) technology and battery testing services help accelerate the development of longer-lasting, more efficient batteries. By providing industry-leading diagnostic tools and expertise, we empower manufacturers to optimize battery performance, reduce waste, and drive sustainability across the battery lifecycle.

At NOVONIX, we are committed to developing innovative solutions that enhance battery performance while prioritizing environmental responsibility, supply chain resilience, and economic growth.

Our Vision & Mission Statement



Our Vision

is to provide revolutionary clean energy solutions to the battery industry



Our Mission

is to develop innovative, sustainable technologies and high-performance materials to service the electric vehicle and energy storage industries

Our Core Values



Curiosity

We are **agile**. We are charting new territory, which requires comfort with ambiguity and the ability to adapt.

We are **creative**. We encourage new ideas, approaches, and insights. We are inquisitive and we challenge assumptions. We are **open-minded** and willing to admit when we are wrong.

We are **resilient problem solvers**. We are self-starters who take on tough challenges.



Collaboration

We are **in this together**. We value diversity of thought. We treat each other with professional courtesy and **respect**.

We **speak up**, look at the issue from multiple angles, debate, and then get behind the decision as one. We offer expertise and suggestions, always putting the interest of the team over our own personal preferences.

We operate in a **fast-paced** environment and hold each other accountable to a high bar of performance.

We demonstrate **trust** through honesty and transparency.



Commitment

We put people first. We don't compromise on **safety**.

We are committed to the **well-being** of our employees and the communities we operate in.

We have a **service mindset**, always looking to create value for our team, customers, and partners.

We take **pride** in what we do and are excited about finding solutions for a more **sustainable** future.

Synthetic Graphite and its Environmental Footprint

As the global electrification trend accelerates, lithium-ion batteries are increasingly prevalent and broadly utilized across the energy storage and electric vehicle sectors. Graphite anode material is the single largest component of lithium-ion batteries. Through our NAM division, we have developed a synthetic graphite that has demonstrably lower carbon emissions compared to the largest producers of synthetic and natural anode grade graphite in the world. Our 404,000 square foot facility in Chattanooga, Tennessee, also referred to as “Riverside,” is poised to become the first large-scale production site dedicated to high-performance synthetic graphite for the battery sector in North America. We also plan to build a new manufacturing facility in the Enterprise South Industrial Park in Chattanooga to further expand our production capacity for synthetic graphite materials for the electric vehicle (“EV”) and energy storage system (“ESS”) markets.

Chinese Synthetic Graphite Supply Chain

1. Needle coke ships to Qingdao from Humber, UK (12,500 miles)
2. Road transport of precursor to grinding site near Shanghai (450 miles)
3. Road transport of ground needle coke to Inner Mongolia (1,050 miles)
4. Graphitization in Inner Mongolia powered by brown coal with no environmental standards or emissions controls
5. Road transport of graphite to southern China (1,500 miles)
6. Processing of graphite into BAM
7. Land transport of BAM to China port (50 miles)
8. BAM ships to US port in CA (7,300 miles)
9. Land transport of BAM to end-user in TN (1,800 miles)

24,650 Total Miles



NOVONIX Supply Chain



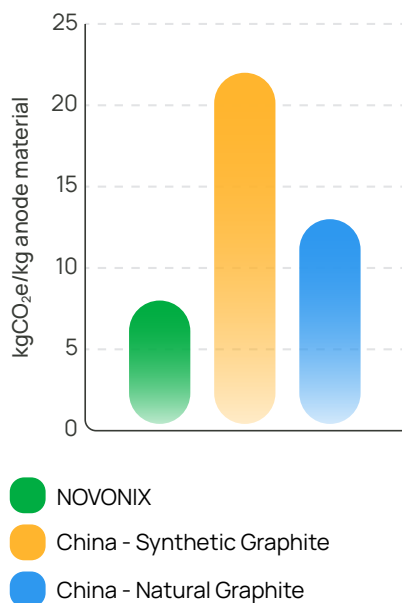
1. Needle coke transported from Lake Charles, LA to Chattanooga, TN (670 miles)
2. All processing of precursor to BAM in Chattanooga under strict environmental standards
3. Delivery of BAM to end-user in Chattanooga, TN (34 miles)
LGES, for illustrative purposes

704 Total Miles

NOVONIX facilitates a cleaner, more secure, supply chain of high-quality synthetic anode material to the North American market vs. Chinese competitors



Global Warming Potential¹



¹NOVONIX Life Cycle Assessment Study, May 10, 2022, Minviro Ltd.

In 2022, we commissioned a Life Cycle Assessment (“LCA”) conducted by Minviro Ltd – a U.K.-based and globally recognized sustainability and life cycle assessment consultancy – to support NOVONIX’s position at the forefront of sustainable battery research and production. The LCA quantifies the environmental impact of our GX-23 synthetic graphite and illustrates how NOVONIX is in a unique position to reduce the climate change impact of anode production. The graphitization process associated with this LCA is directly comparable with the process utilized at our Riverside facility and will be used in future greenfield projects, including our planned new Enterprise South facility. For a detailed description of the tests performed and information collected in conducting the LCA, see “Environmental - Synthetic Graphite and its Environmental Footprint” in our inaugural 2023 Sustainability Report.

Typically, graphitization is carried out at atmospheric conditions, producing significant direct CO₂ and CO emissions, as the super-heated carbon reacts with oxygen in the air. Additionally, this process produces Sulfur Oxide (SO_x) and Nitrogen Oxide (NO_x) emissions from the impurities in the carbon. NAM's high-temperature processes, which are fully inert, eliminates most oxide gas generation.

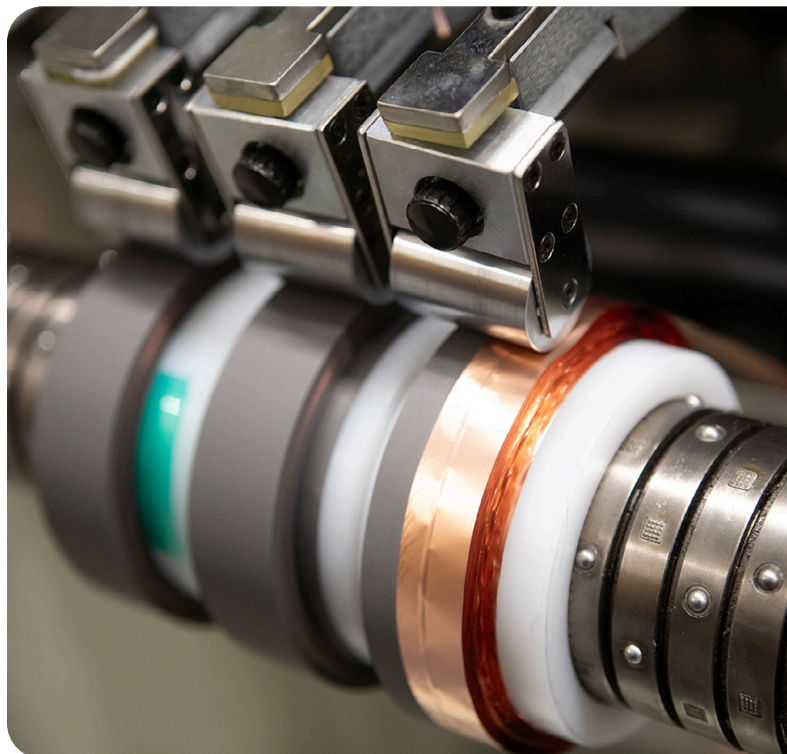
Our GX-23 synthetic graphite anode material has an approximately 60% lower global warming potential (GWP) relative to the conventional anode grade synthetic graphite produced from Inner Mongolia, China and an approximate 30% lower GWP when compared to the anode grade natural graphite in Heilongjiang Province, China.

Through further process optimization and increased utilization of CO₂-free electricity, we expect our overall carbon emissions (measured as kg CO₂e/kg of product) to decrease in the future. Our production equipment will be individually monitored for energy use and certain gas emissions. Combining real-time monitoring with periodic emissions testing, we can timely identify and act upon opportunities for efficiency improvement as we commence commercial scale operations in our Riverside facility.

Besides our less energy-intensive graphitization technology, the available power grid makes a significant difference in how we control our emissions. Our Riverside facility is on the Tennessee Valley Authority ("TVA") grid, which is approximately 60% fossil fuels-free and primarily powered from nuclear and hydro generation. This is in comparison to power generation in China, which is generating greater than 60% of its electricity from coal and other fossil fuel products¹. This leads to additional emissions, as China powers their existing energy intensive synthetic graphite technology.

Advanced Battery Technology

Lithium-ion batteries are an essential piece of technology in our transition away from more carbon-intensive sources of energy. NOVONIX's services and equipment are designed to enable faster adoption of cleaner technologies in the energy storage ecosystem. Our UHPC technology system provides industry-leading low noise and high-accuracy electronics to make precise measurements of battery performance reliable and repeatable in a shorter amount of time. Our R&D services can help with cell design and prototyping, cell performance testing, and analysis services for customers developing battery chemistries in various forms. NOVONIX's testing technology, and the services it provides to the industry, support the adoption and commercialization of advanced battery technology.



Environmental Mitigation Efforts

NOVONIX's mission focuses on producing high-performance battery materials and improving the processes to make their manufacturing cleaner and more sustainable. NAM's proprietary Generation 3 continuous induction furnaces ("Generation 3 Furnaces") are approximately three times more energy efficient than traditional graphitization technology and allow for complete capture and scrubbing of hazardous air pollutants, making them what we believe are the most environmentally friendly and efficient graphitization furnaces in the world. As a result of NAM's controlled atmosphere thermal processing, almost all of the operations process emissions can be effectively captured and treated. This allows for the re-utilization of inert gases in a recycle loop, eliminating them from the emissions stream.

NAM has taken a holistic review of available feedstocks, searching for those with the best performance while relying upon a U.S.-based supply chain where possible. We work with various suppliers of different feedstock materials to ensure we develop resiliency in our supply chain and promote our supply chain partners working towards more sustainable

materials. For example, we signed a Technology Development Agreement with our strategic partner and largest shareholder, Phillips 66, to focus on the development of new petroleum coke products with lower carbon intensity and with high performance.

In working with tier one automotive and cell manufacturers, NAM's proprietary graphitization process has also been adaptable to meet the different product specifications required by our customers. NAM's produced graphite samples have built confidence around our full process technology and our ability to produce materials meeting the specification requirements of our existing and potential customers serving the EV and ESS industries.

Advancing our process technology has been instrumental in securing offtake agreements such as those with Panasonic Energy, Stellantis and PowerCo, which shows our designed process can make a commercially viable drop-in synthetic graphite solution. This has been important to customers when working to design and support their initiatives.

Our Commitment to Sustainability

Sustainability at NOVONIX is embedded in how we operate and innovate. As we grow and scale our operations, our ESG priorities will evolve to meet industry needs and stakeholder expectations. With an initial materiality assessment and guidance from third-party advisors, we are refining our policies, data collection, and key performance indicators to strengthen our sustainability strategy.

We are committed to transparency and continuous improvement, reporting on our ESG progress annually. As part of this continuous improvement, we plan to expand our materiality assessment to capture a broader range of stakeholder perspectives, ensuring our focus aligns with both our business objectives and the evolving ESG landscape.

Environmental Stewardship Is Core to Our Business Strategy

We believe that an increasing emphasis on environmentally conscious battery technologies is key to a sustainable future with prolific adoption of electric vehicles and grid energy storage systems. Many current manufacturing methods for key battery materials are energy intensive, wasteful, or hazardous to the environment. End-users and original equipment manufacturers are focused on sourcing materials from cleaner technologies. We are focused on the development of technologies that support key ESG criteria in the field of battery materials and technologies.



Longer Life Batteries. We believe the use of NOVONIX's synthetic graphite leads to longer service life batteries that generate less overall waste in recycling or disposal.



Higher-Energy Efficiency. Improvements in process technology demonstrated by NAM as well as through NOVONIX's all-dry, zero-waste cathode synthesis technology could reduce the amount of energy required to produce key battery materials. NOVONIX's Generation 3 Furnaces technology was developed with the objective of being the highest efficiency graphitization technology.



Reduced Chemical Usage. NAM uses no chemical purification reducing risks of harmful chemical leaks, spills, or exposure as well as eliminating the cost of compliance with chemical waste disposal requirements. Additionally, the NOVONIX all-dry, zero-waste cathode synthesis technology does not use chemicals and reagents that would typically be used and require reclamation and treatment after processing.



Reduced Waste Generation. NOVONIX is focused on high yield technologies to produce key battery materials. Although some product is lost during raw material mechanical processing, NAM's graphitization process has maintained what we believe to be industry leading yields of nearly 100% yield through our Generation 3 Furnaces. The NOVONIX all-dry, zero-waste cathode synthesis technology can allow for the manufacturing of cathode materials requiring essentially no reagents, reduced water consumption, no sodium sulphate byproduct generation, and other reductions in waste streams.



Cleaner Power Inputs. NOVONIX is focused on sourcing power for its manufacturing from clean sources of energy generation. As such, our current power provider, TVA, has an electrical grid make-up which is approximately 60% non-carbon producing sources of energy including nuclear, hydro, wind, and solar.

As discussed in greater detail below in our ESG initiatives, our near-term objectives are centered around:

- ✓ deploying the equipment, technology and processes that effectively align with our business strategy and facilitate transparency and accountability to our stakeholders as it relates to identifying, measuring, reporting and meeting measurable sustainability goals and key performance indicators as we commence full-scale commercial operations;
- ✓ identifying, prioritizing and mitigating identified and anticipated ESG related risks involving our key customers and suppliers and implementing a framework guiding our stakeholder engagement;
- ✓ adopting a supplier code of conduct and entering into and strengthening relationships with supply chain partners who share in the commitment to sustainability;
- ✓ conducting an updated life cycle assessment to update and validate the environmental impact of our synthetic graphite; and
- ✓ updating our assessment of the ESG topics that are material to our business based on our commencement of commercial operations at our Riverside facility.



Materiality Assessment

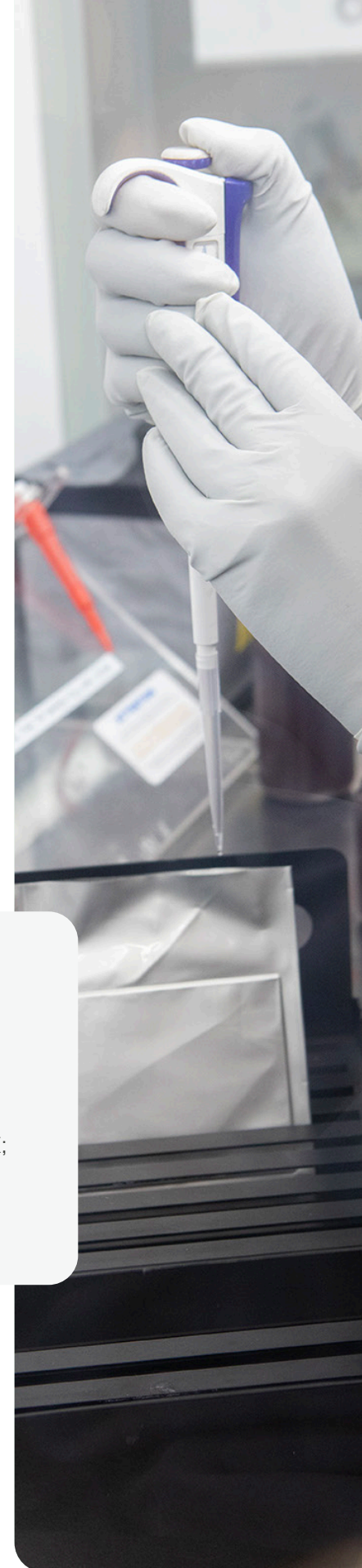
We began developing our ESG program in 2022 and view it as critical to the alignment of our practices, policies, and general operations with our core purpose of providing revolutionary solutions to the battery industry. Paramount to embarking on this journey was our consideration of environmental, social, and governance issues that are relevant to our industry and business and take into consideration the interests and expectations of our key internal and external stakeholders.

Our ESG Committee is comprised of leaders within our organization representing a range of functions and subject matter expertise. The ESG Committee with the assistance of our third-party ESG advisor, assessed the Company's operations and its existing policies, procedures, and practices, and, together with the factors listed below, identified a range of potential ESG topics that align with our business and would serve as the initial drivers of our sustainability efforts. Based on an internal materiality survey among members of the ESG Committee, our senior executives, and other key employees to prioritize the potential ESG topics, in order of relevance to the Company. ESG topics included in the survey were informed by:

- standards and frameworks such as SASB and GRI;
- peers and industry best practices;
- customers' ESG expectations and requirements;
- current and targeted investors' ESG expectations and requirements;
- current and proposed regulatory guidelines within jurisdictions relevant to NOVONIX;
- ESG ratings and data providers and their ratings reports on NOVONIX; and
- NOVONIX senior executive and ESG Committee considerations.

The top 10 ranked ESG topics are identified and described in the Appendix to this report.

As we approach commercial scale production at our Riverside facility, we intend to update our materiality assessment by surveying a broader base of employees and, as and when appropriate, external stakeholders such as customers, investors, suppliers and the communities where we operate.



Our Environmental Initiatives

While we know that our battery materials and technology are key to enabling an electrified future, we recognize the need to reduce the impact of our operations, products, and corporate activities on the environment. Throughout our offices and facilities, we've made a commitment to sustainability. As we further develop our ESG program, we will announce additional environmental initiatives as they are implemented.



Energy Management

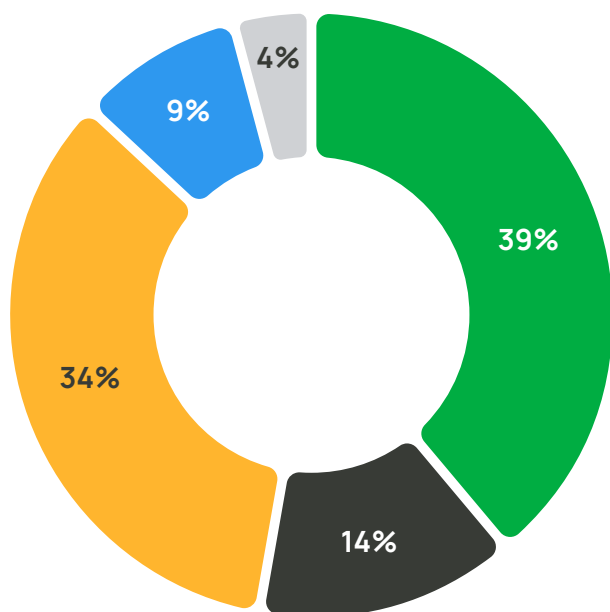
NAM has two facilities located in Chattanooga, Tennessee dedicated to our anode materials business. The Company's Riverside facility is 404,000 sq. ft. and will serve as its first mass production facility, targeting a production rate of 20,000 tonnes per annum of synthetic graphite when fully operational. The Company also has a 120,000 sq. ft. pilot plant including R&D facilities and an industrial pilot line that can produce up to one tonne of anode material samples. Through our construction and equipment installation period at Riverside, the Company has taken steps to minimize power usage and made building improvements that follow current building codes and are taken with a consideration towards energy efficiency. Starting in 2022, NOVONIX began monitoring our daily consumption of electricity and regularly performs the equivalent of an American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) level one energy audit. While not required or compensated, we have contributed voluntarily to the region's electric grid stability releasing power availability to residential customers during extreme weather events.

NOVONIX's Tennessee facilities are supplied by power from the TVA, which has an approximately 60% carbon-free power generation base with plans to increase this level to approximately 80%. TVA's 2024 Annual Report notes that their power generation in 2024 was comprised of a power composition by source of: 34% natural gas, 14% coal, 0.001% diesel, 9% hydroelectric, 39% nuclear, and 4% renewables. NOVONIX participated in TVA's Green Flex program in 2024 and has again been admitted for 2025. Under the program, NOVONIX will receive the bulk of its power from clean energy resources. Participation in the program requires an annual application to and acceptance by TVA, although the Company expects that it would be accepted in future years so long as there is no break in the Company's annual participation. The Green Flex program enables businesses with high energy consumption to quickly meet their sustainability goals at a lower cost through the purchase of renewable energy certificates to reduce the impact of electricity consumption, support renewable energy and become a leader in sustainability.

¹<https://www.tva.com/energy/our-power-system>

²<https://www.tva.com/environment/environmental-stewardship/integrated-resource-plan>

³<https://www.tva.com/annual-report-fy24>



Generation Mix (TVA)

- Nuclear
- Coal
- Natural Gas
- Hydro
- Wind & Solar

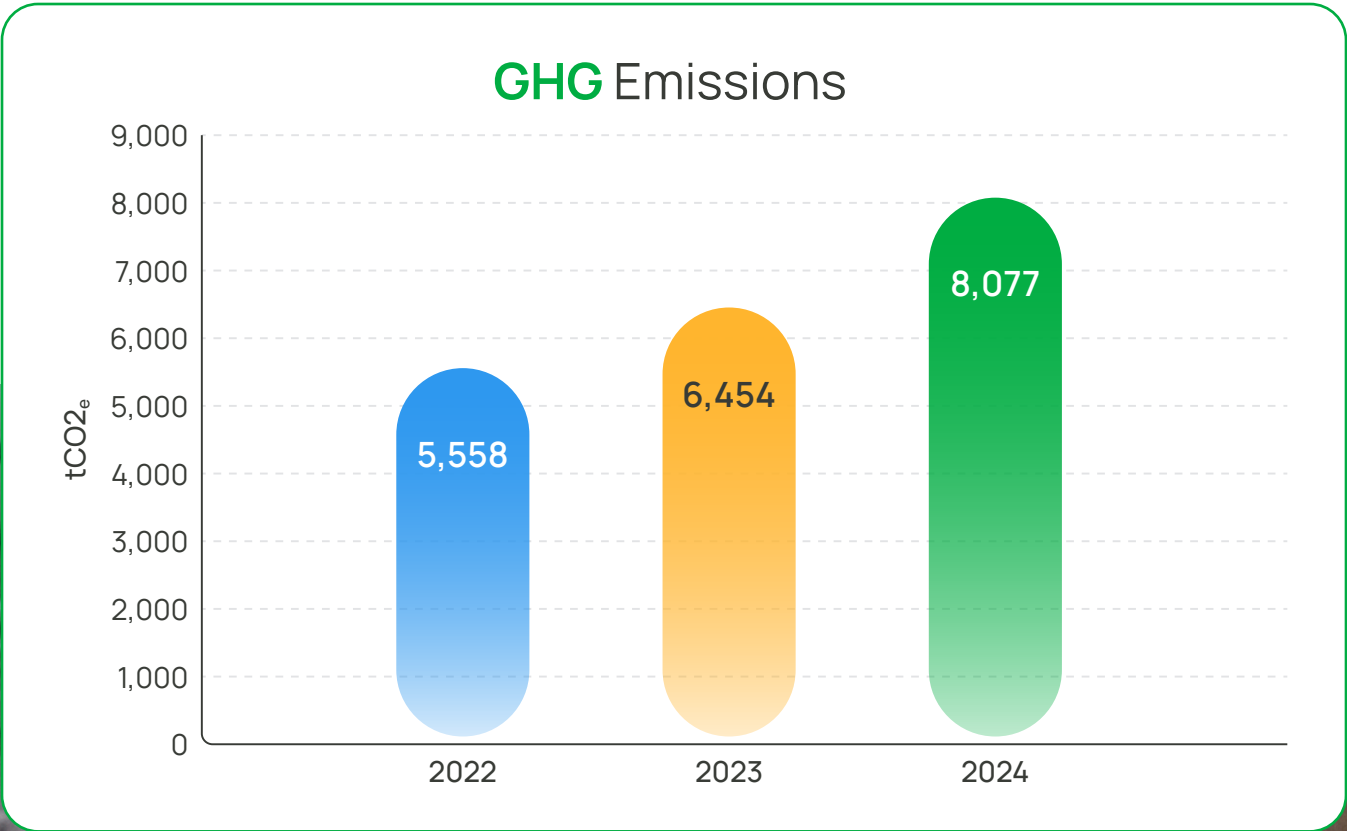
As the Company scales its operations and output, we look to develop a baseline level of energy usage per tonne of output and will strive to improve through process and equipment efficiencies as we add new production lines and facilities. BTS has two facilities in the Halifax, Nova Scotia area that total approximately 57,000 sq. ft. The Cathode Materials Team ensures energy is managed appropriately by operating their pilot facilities intermittently to both conserve power usage as well as costs. Smaller scale equipment is utilized outside of pilot campaigns. In the future, the Cathode Materials division will be installing discrete power monitoring equipment in order to quickly quantify the on-demand usage. With this data, an analysis and strategy will be constructed with the aim of further cost reductions.



Greenhouse Gas Emissions

We are committed to identifying, measuring and reducing greenhouse gas emissions from our operations. Even as NOVONIX constructs more efficient facilities with maximum renewable energy utilization, there will undoubtedly be incremental emissions from our new facilities as we execute our strategic growth plan to localize cleaner process technology for the battery industry to aid in the decarbonization of the battery supply chain.

Utilizing EPA's Annual GHG Inventory Summary and Goal Tracking Form for our power and natural gas usage for our U.S. operations and similar calculations specific to our Canadian operations, NOVONIX calculated that it had 69 tonnes CO_{2e} of Scope 1 emissions and 8,008 tonnes of CO_{2e} of Scope 2 emissions for 2024.



NAM's proprietary continuous graphitization technology, fully continuous process flow, and high-purity feedstocks – all powered by a significant portion of clean energy provided by TVA – are producing what we believe to be some of the lowest GHG emission synthetic graphite in the world. Localized production further reduces emissions associated with transportation of feedstocks from suppliers and finished materials to customers. Additionally, localized raw material sourcing will enable battery makers to enter the market with decreased logistical risk in their supply chain. This will further drive adoption of local battery manufacturing and continue to electrify North America.

TVA's 2023 system carbon-emission rate of 624.94 CO₂ lbs/MWh is 33% percent below the EPA eGRID regional average of 931.59 CO₂ lbs/MWh and 23% below the EPA e-GRID national average of 852.3 lbs/MWh.⁴ Our Riverside facility's 2023 CO₂ emission rate associated with Electric Power Board of Chattanooga electricity purchases was 603.5 CO₂ lbs/MWh. This rate includes only CO₂ emissions along with the 2023 renewable energy credit adjustment that has resulted in an additional 2.8% Scope 2 CO₂ lbs/MWh reduction.

In 2024, total indirect emissions from power consumption at NAM was 6,134 tonnes CO_{2e}. This is an increase of 27.6% over 2023 values (4,806 tonnes CO_{2e}). This increase was primarily due to an increase in business operations requiring additional electricity consumption from our production campaigns at our Riverside facility.

As discussed earlier in the report, NAM's synthetic graphite process has been shown to have 60% lower lifecycle GHG emissions potential when compared to the predominant Chinese alternative. NAM's product significantly outperforms other

commercially available anode materials in cycle life (the number of times a battery can be fully charged and discharged), resulting in longer battery life and reduced waste.

Currently, over 90% of synthetic graphite for lithium-ion batteries is provided from China. In Asia, a 100+ year old process technology for graphitization, known as the Acheson process, is employed almost exclusively for battery-grade synthetic graphite production. This process utilizes two to four times the energy per kilogram of product to graphitize compared with NAM's advanced continuous process. Additionally, because the Acheson method of graphitization is not operated under an inert atmosphere, significant amounts of SO_x, NO_x and CO are produced. These emissions historically have been released directly into the atmosphere or moved through caustic scrubbing systems, which are significant differentiators compared to NAM's process technology.



Byproducts are also created in the Acheson process, requiring significantly more petroleum coke raw material (and increased energy cost in producing this coke), as well as requiring disposal of the byproducts. Through the deployment of our anode material manufacturing process, NAM provides an alternative to this traditional process, enabling American competitiveness with a critical mineral produced in a significantly more advanced, efficient and environmentally friendly manner.

Based on emissions testing conducted at existing NAM facilities, our anode materials projects reduce the production of regulated criteria pollutants such as SO_x, NO_x, and CO due to the graphitization process being conducted under inert atmosphere. Since there is no actual combustion taking place, direct CO₂ emissions are also minimal and mostly limited to the calcining process of petroleum coke and not graphitization. Direct continuous emissions monitoring devices will be installed on some equipment combined with periodic third-party emissions testing to verify emission levels and identify areas of efficiency improvement as we prepare for commercial scale production.

The NAM graphitization process utilizes no natural gas combustion in processing, resulting in very low Scope 1 direct emissions from the process. Stack testing was performed on the first commercial grade Generation 3 furnace. The results have been extrapolated to the full project run rate. Based on this calculation, Scope 1 emissions of our Riverside facility are expected to be 2,086 tonnes of CO₂ annually when operating at 20,000 tpa of output capacity.

NAM is also engineering inert gas exhaust recycling systems that will aim to capture more than 90% of inert gas for reuse. Not only will this reduce potential direct emissions, but it will also reduce emissions associated with inert gas production, which has been determined in the LCA to account for 2.4 kg CO₂e per kg of anode produced.

NAM investigated Scope 2 emissions from electricity as well as part of the LCA process. In that investigation, based on the energy mix at NAM, 5.8 kg CO₂e/kg of product, or an estimated 116,000 tonnes of CO₂e, was found to be related to electricity production annually for the Riverside facility full operating output.

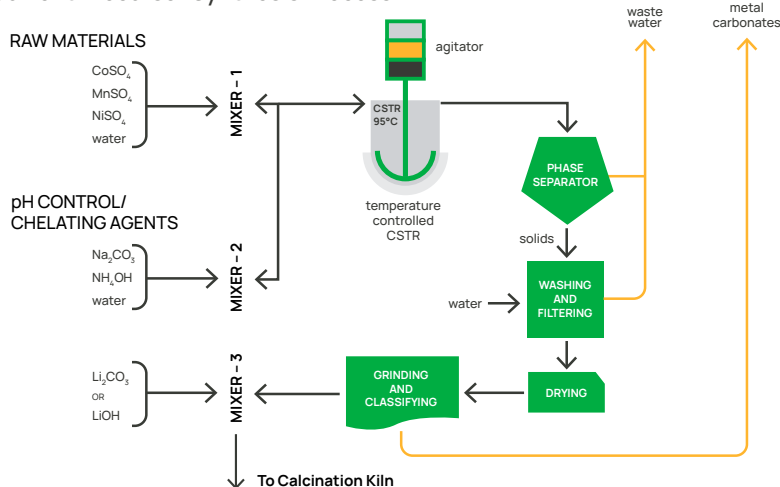


At our BTS division, our equipment, R&D services, and cathode lines of business work on a significantly smaller scale relative to NAM. Because the scope of our work at BTS is done at the pilot or smaller scale, GHG emissions are low. In 2024, total indirect emissions from power consumption at BTS was 1874 t CO_{2e}. This is an increase of 18.5% over 2023 values (1581 t CO_{2e}). This increase was primarily due to an increase in business operations requiring additional electricity consumption from our R&D services and cathode divisions. Similarly, the large increase in indirect emissions from 2022 to 2023 was due to high energy-draw furnace equipment from the cathode division's all-dry, zero-waste cathode pilot line. Direct emissions for BTS are estimated to be 0.6 t CO_{2e} for 2024 based on mass balance calculations. This is double the values estimated in 2023 (ca. 0.3 t CO_{2e} due to operation of the cathode division's pilot

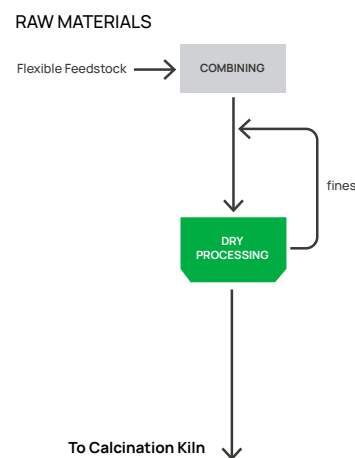
facility for the full year. NOVONIX's all-dry, zero-waste cathode synthesis technology was adopted as a transformational improvement upon current state synthesis of nickel-based, single-crystal cathode materials. Conventional cathode manufacturing is energy, reagent, and water intensive. The NOVONIX process simplifies the process flow by producing a cathode active material (CAM) in an all-dry state, bypassing a significant portion of the conventional cathode upstream processes, including the co-precipitation steps required to generate a precursor CAM (pCAM) prior to calcination. It is the pCAM synthesis process that generates the largest quantities of waste. The process comparison image below illustrates the contrast between a typical process flow for both the conventional cathode synthesis method and the NOVONIX all-dry, zero-waste process.

A Closer Look at NOVONIX All-Dry, Zero-Waste Cathode Synthesis Process

Current Precursor Synthesis Process



NOVONIX Process



Calcination to Complete CAM





The significant advantage of the NOVONIX process over the conventional process is through the simplification of the flow process by reducing the unit operations required prior to calcination. With a simplified flowsheet, fewer unit operations are required, which inherently reduces the overall energy and direct CO_{2e} footprint of the process. We commissioned Hatch, a global engineering firm, to conduct a commercial-scale scoping capital and operating cost comparison study in addition to a high-level evaluation of plant emissions and impacts to natural resources between the NOVONIX process and the conventional process of producing cathode materials. In this report, energy savings, and hence direct CO_{2e} emissions, are estimated to be reduced by up to approximately 26% by using all-dry processing.

Additionally, there are significant improvements to the amount of wastewater generated (~65%), elimination of sodium sulphate waste streams, and elimination of possibly harmful reagents such as ammonium by using the all-dry, zero-waste process to generate cathode material. Water will be needed only at the facility level for the all-dry process and used for cooling processing equipment rather than mediating or participating within the reactions required to produce CAM powders.

Moving forward, with our 10 tpa cathode pilot facility, we have built processes to monitor the energy consumption of our largest energy use equipment. From logged energy use, we will monitor the CO_{2e} emissions utilized to energize our equipment. Ancillary CO_{2e} emissions, such as off gassing during the calcination of our cathode products, will be minimal based on our material feedstock and the scale of the pilot line. We are able to calculate the CO_{2e} emissions during the calcination process by performing mass balance calculations with known input materials, the reaction product, and theoretical estimates of emissions. NOVONIX is committed to tracking the quantity of material that is passed through our equipment to improve the accuracy of this calculation.

Other areas of the BTS business (equipment and R&D services) generate GHG emissions through the direct use of consumed energy to run equipment. Direct power draw is reported by the local utility and this historical data will be utilized along with the average gram CO_{2e}/kWh values generated for our region (Nova Scotia) to expound upon our total direct CO_{2e} emissions.



Air Quality

NOVONIX has worked closely with the Chattanooga-Hamilton County Air Pollution Control Bureau (“CHCAPCB”) to assure proper emission controls and obtain the necessary air permits to commence equipment operations at NAM facilities. Air emissions permit applications for 50% of the Riverside buildout have been submitted for CHCAPCB review. Emissions of concern currently noted in the applications include Hydrogen Sulfide (H_2S), Hydrogen Cyanide (HCN), CO, and Particulate Matter (PM) with controls in place to stay within permitted allowances. Emissions of SOx, NOx, or CO are minimized because the process for synthesizing graphite is conducted under inert atmosphere (Argon, Nitrogen) and generates limited oxides. Third party emissions testing has been conducted to confirm compliance emission levels on the current equipment and will be utilized as new equipment is installed to verify compliance with permit limits.

As production increases, NOVONIX will continue to work closely with CHCAPCB to assure continued compliance at each new step in the manufacturing process.





Waste and Hazardous Waste Management

Our anode production creates minimal waste, which is collected, recycled, and disposed of as necessary. The mechanical processing creates a co-product of high purity, ultra-fine carbon. This material can be recycled back into the anode material production process as anode products, service other battery material needs, pressed into high temperature carbon parts, or utilized as carbon raiser in steel production. The high efficiency graphitization process creates negligible SO_x and NO_x emissions due to the inert nature of the process. Minor constituent impurities are removed during this purification process and are captured before release. Additionally, inert gas recycling systems are being engineered to utilize this cleaned gas with over 90% recovery in the recycling process. These systems will be utilized early in mass production scaleup.

Our quality control lab has programs to store and dispose of liquid and solid waste. Within the laboratory capabilities at NAM, elemental analysis for materials uses a method that bypasses the needs for harsh reagents for sample preparation and collects any spent materials in proper containers. The coin cell testing lab has programs in place to dispose of coin cells, lithium metal, and electrolyte. All hazardous waste is tracked and recorded monthly, and waste management contractors have been engaged to handle waste disposal. It is projected that the Riverside facility will remain a “Small Quantity Generator” of hazardous waste even after full production.

NAM has developed a training program to educate all relevant employees on the importance of proper hazardous waste management. Employees are educated on the proper storage of hazardous

reagents, coin cells, lithium metal, electrolytes, and batteries. A program is in place to address the storage, handling, and disposal requirements of all new chemical additions before a purchase is made. NAM's projects are specifically designed to reduce the likelihood of adverse effects on the surrounding environment. These projects adhere to all relevant local, state, and federal regulations governing environmental protection.

BTS continues to evaluate, improve, and document waste management processes through our waste management plan. Every effort possible is taken to reduce, reuse and recycle. All reusable materials are collected for recycling and work with outside contractors to have them returned to recycling depots for cleaning and, where applicable, reuse. Specifically, our R&D labs subscribe to various recycling programs, including latex and nitrile glove recycling programs, lithium-ion battery cell recycling programs, and we follow strict adherence to collection of any solid or liquid waste streams. In our R&D services function, we collect copper and aluminum foils and send these materials to recyclers. In our cathode operations, any solid chemical waste, such as waste cathode powders, acids, or other reagents from the laboratory, are safely stored according to standard lab practices and are sent to an approved waste disposal facility on a triannual basis. Our cathode washing (from cleaning research vessels and reactors after experimentation) is done in a closed system such that any possible residues, including heavy metals, are collected and stored in appropriate waste storage totes. We send these totes to an approved waste disposal facility.



Environmental Impact on the Supply Chain

As we look to install equipment and construct anode material production facilities over the coming years, our approach to permitting is in line with our dedication to environmental stewardship and responsible project execution. Our projects are designed to adhere to all relevant local, state, provincial, and federal regulations. NOVONIX is committed to complying with all applicable laws, including obtaining the necessary permits at local, state, provincial and federal levels. Our process requires a proactive approach for obtaining necessary permits. We evaluate the unique requirements for each level of permitting, establish and maintain open lines of communication with relevant authority agencies and facilitate a clear exchange of information throughout the permitting process.

We approach risk management and supply chain management by first identifying schedule risks and opportunities, and then proactively managing the risks. Our goal is to identify these risks and opportunities as early as possible to ensure sufficient time is built into the schedule to mitigate each risk and to consider each opportunity.

We assess and rate all program risks and opportunities on their negative and positive impact to technical performance, cost, schedule, environmental impact, safety, and quality. Based on the potential impact of each risk/opportunity, resources are assigned to mitigate the risk or exploit the opportunity and add the mitigation/exploitation actions to the program master schedule.

Based on strategic risks associated with supply chain security, NOVONIX's anode materials facilities utilize equipment manufactured within North America whenever possible. As we prepare for commercial scale operations at our Riverside facility, we will also be further developing our supply chain strategy, organization and policies across the entire Company, including NAM and BTS. Critical to that exercise will be the policies that apply across all lines of business and align with our sustainability commitment and objectives discussed in this report.

Our Social Initiatives

The health, safety, and wellbeing of our employees and the communities where we operate are essential to NOVONIX's success and growth. We are committed to the development of meaningful policies and measurable targets in the areas of health and safety, and workplace culture and inclusion. Fostering a culture of safety and inclusion across our organization requires long-term commitment, and we are shaping our organization in a way that embraces these values.



Workforce Health and Safety



CULTURE

At NOVONIX, we are committed to fostering a positive health and safety culture through the implementation of robust safety programs, active employee engagement, and comprehensive health and safety training programs. Our approach is preventive and proactive, with safety initiatives grounded in the identification of site-specific hazards and risks. These initiatives include programs such as machine guarding, lockout/tagout procedures, hazard and near-miss reporting, and routine inspections and are designed to encourage employee participation, engagement, and accountability in reporting and eliminating safety hazards, unsafe conditions, and unsafe behaviors, ultimately creating a safer working environment.



TRAINING AND EDUCATION

We invest significantly in health and safety training for all employees. Our comprehensive training curriculum ensures that every team member, from front-line staff to leadership, understands their role and responsibility in maintaining a safe environment. This includes regular drills, training modules, and safety updates to reinforce best practices.

New employees receive safety orientation that covers the basics of regulatory compliance, our Safety Program details, chemical safety, fire safety, bloodborne pathogens, emergency response, personal protective equipment, and other area and process-specific safety programs. We communicate safety topics regularly to maintain a focus on safety. We conduct frequent health and safety training focused on various topics to reinforce and refresh employees' safety awareness. In 2024, our companywide safety training participation rate reached 96%. Also, our commitment to health and safety extends to visitors and contractors, whose safety is also a core component of our program.



PERFORMANCE MONITORING

Effective monitoring and measurement of our health and safety performance is crucial in ensuring that our goals are met and that we remain responsive to emerging challenges. Through a combination of proactive data collection, real-time monitoring, and detailed analysis, we strive to continuously improve our health and safety systems. This comprehensive approach allows us to make data-driven decisions, prevent incidents before they occur, and drive a culture of safety across all levels of the organization. We continuously track and monitor our safety performance through key metrics such as injury rates, lost time incidents, and near misses.



REGULATORY COMPLIANCE

We adhere to all relevant local, national and industry-specific health and safety regulations and exceed industry standards where possible. Our commitment to compliance ensures that we maintain the highest level of safety in every operation we conduct, prevent incidents, and build trust with stakeholders. Maintaining compliance protects our employees, customers, communities, and the environment. Our proactive approach to compliance – from training and monitoring, to auditing and adapting – ensure that we create and sustain a safe, responsible, and legally compliant working environment.



COMMUNICATION

NOVONIX is dedicated to building an accessible and effective health and safety communication platform. We have a dedicated page on the Safety Section of our company intranet reflecting our commitment to promoting EHS culture. This comprehensive section streamlines access to our EHS programs and resources, including Safety Committee members, the EHS Metrics Dashboard, Monthly Safety Team Member of the Month, and the Safety Concerns and Notification (SCAN) Report. By offering easy access to these vital resources, we aim to continually enhance employee awareness and engagement in EHS initiatives.

Furthermore, NOVONIX has established a health and safety section in its monthly employee newsletter, where we regularly update health and safety metrics, share program developments, and recognize employee contributions to safety.

We understand that health and safety are ongoing responsibilities, and we are committed to continuous improvement. Our health and safety strategies are reviewed regularly to ensure they adapt to evolving risks, technologies, and best practises.





Health and Safety Metrics

	2022		2023		2024	
Metric	BTS	NAM	BTS	NAM	BTS	NAM
TRIR ¹	0	0	2.4	1.2	0	0
LTIR ²	0	0	2.4	0	0	0
Fatalities	0	0	0	0	0	0
Avg Hours of Health and Safety Training Per Person	9.5	10	10.5	12	13.53	12

¹Total Recordable Incident Rate

²Lost Time Incident Rate. Together with TRIR, metrics determined using the methodology specified by the U.S. Occupational Safety and Health Administration ("OSHA").



Employee Engagement

As of March 31, 2025, we employ 173 people, with 98 located in the United States and 75 in Canada. Approximately 7.5% of our workforce works remotely.

We offer our employees competitive compensation packages and maintain a dynamic work environment. We have been able to attract and retain qualified employees and expect that additional experienced and talented employees across a wide range of functions, including research and development, production, finance, and marketing will be essential to grow our business.

Our employee engagement and development strategy remain focused on promoting open communication, actively seeking feedback, and strengthening connections among employees, which we consider essential to higher performing, more resilient organizations. We define employee engagement as the level of enthusiasm and connection employees have with their organization. It's a measure of employee motivation to go above and beyond in their roles and a sign of their commitment to growing with us.

Fundamental to engaging with our employees is regular and effective communication. We host quarterly town hall meetings where our senior leaders, and many additional members of their respective teams, share highlights of our latest financial results and key developments for the Company along with significant accomplishments by individual employees and their respective teams. By keeping employees informed and engaged in our vision, we strengthen trust and reinforce how everyone contributes to our collective success.

Another key pillar of our engagement strategy is our annual employee engagement survey. In 2024, we saw an 81% participation rate — an increase from the previous year — which reflects our team's commitment to improving our workplace. This survey is a valuable tool that allows employees to voice their thoughts and provide meaningful feedback. With leadership support, we ensure that results are analyzed, shared, and acted upon, leading to real changes that make a difference.

In response to employee feedback over the last year, we've implemented several improvements designed to increase workplace satisfaction. From updating policies to refining administrative processes to introducing new financial benefits to adding wellness rooms (at our BTS locations), we are taking measurable steps to create a more rewarding and supportive work environment. These changes demonstrate our ongoing commitment to listening to our employees and our willingness to evolve to meet their needs.

We recognize that strong leadership is essential to employee engagement, which is why we've developed a Manager SharePoint toolkit – a centralized hub for resources, templates, and training materials. This toolkit equips managers with the tools they need to confidently navigate employee situations, answer questions, and support their teams effectively.

Regular feedback and career development are key components of engagement, and we are committed to recognizing employee contributions in meaningful ways. Annual performance evaluations ensure that organization, department, and individual goals are aligned, providing employees with a clear understanding of their direct impact. Additionally, we have introduced mid-year touchpoints to ensure performance discussions happen more than once a year, fostering continuous growth and development.

For our hourly employees, we introduced a new pay-for-performance review model. This will allow individuals to be recognized and rewarded based on their performance and achievements versus solely being evaluated for a pay increase every six months as part of our previous pay progression program. This new model promotes motivation, accountability, and clear growth—essential elements of a thriving workplace.

As a technology company with significant research and development, materials testing, and ultimately manufacturing personnel and assets, ongoing training is critical. In 2025, we are shifting our focus to professional growth by expanding cross-training opportunities – allowing employees to broaden their skill sets, collaborate across teams, and stay ahead in an evolving industry. By investing in cross training, we empower our workforce to be in the driver's seat of both company innovations and their own professional success.

We recognize that flexibility is an important factor in overall job satisfaction. While many roles in our manufacturing and R&D environments require a physical on-site presence, we offer hybrid or remote work options where feasible. Beyond flexible work arrangements, we are committed to building a work culture that prioritizes work-life balance, well-being, and job satisfaction for all employees. We continue to explore new ways to create a positive, supportive workplace where every team member feels valued.



Product Safety

Our BTS division designs, assembles, and sells our highly advanced UHPC battery testing equipment. The UHPC equipment business has product safety built into every step of the design and assembly process, including comprehensive testing of the design of circuit boards, the channel modules into which they are built, the final assembled hardware and the firmware and software needed to operate the hardware and analyze the data it produces.

The UHPC equipment business has had no incidents of non-compliance, product recall, or product safety or liability litigation since the company began operations in 2013.

For a detailed description of the design, assembly and testing steps and associated standards, processes, and inspections that contribute to the overall safety of our battery testing equipment, see “Social - Product Safety” in our inaugural 2023 Sustainability Report.

As the largest single user of our UHPC equipment, BTS’ R&D Services department acts as an expert user that tests new software features and performance solutions. R&D Services also serves as an important source of feedback on the overall performance and safety of our UHPC equipment being operated long term in real world conditions.

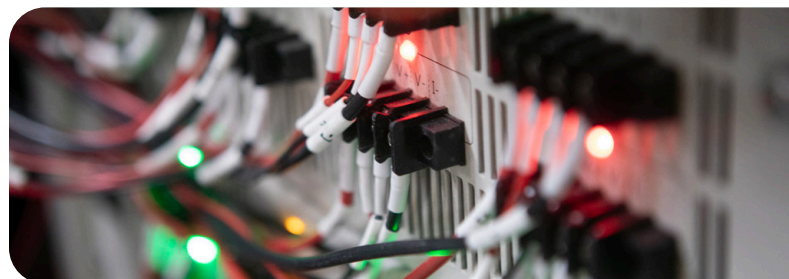
We regularly connect with customers to ensure they download the latest software when major releases are pushed to our website. We also reach out to customers periodically to gather feedback on how our products are operating and areas for improvement. Customer feedback is actioned quickly to improve the performance and safety of our systems.



Cybersecurity

We believe an effective cybersecurity program is essential to guard the confidentiality, integrity, and availability of our information systems and data residing in those systems. We have built and continue to evolve processes for assessing, identifying, and managing material risks from cybersecurity threats. We focus on fortifying technology resiliency and establishing and maintaining a strong security culture. We have embedded the oversight and management of cybersecurity risk within our enterprise risk management framework to help drive a company-wide culture of cybersecurity risk management, and we have established policies and procedures as well as a reporting line of governance that guide our cybersecurity risk management program.

Supplemented by 24/7 internal and external security monitoring services, we track, log, and follow up on cybersecurity incidents. To date there have been no material cyber incidents that have impacted systems availability or integrity or have led to data breach. We have not received any substantiated complaints concerning breaches of customer privacy from outside parties or complaints from regulatory bodies and have not had any identified leaks, thefts, or losses of customer data.





Workplace Culture and Inclusiveness

We recognize, respect, and embrace a more diverse and inclusive workforce, which we consider essential, as a technology company, to accomplish our mission to develop innovative, sustainable technologies and high-performance materials for the electric vehicle and energy storage battery industries. We have benefitted and expect to continue to benefit from a wide range of perspectives for decision-making, developing a deeper understanding of customer and stakeholder needs, and expanding our research and development capabilities.

We promote equal opportunity and empower our people to foster a culture that is built on mutual respect and inclusiveness. Our goal is to attract, develop, promote, and retain the best people from all cultures and segments of the population, based on ability. We maintain a policy of zero tolerance for discrimination or harassment of any kind. We have implemented policies regarding the reporting and investigation of discrimination, harassment, sexual harassment, retaliation, and abusive behavior.

Our Diversity Policy includes a requirement for the Board to set and annually review measurable objectives for achieving diversity, and for the Nominating and Corporate Governance Committee to annually assess the Company's progress in achieving them. The Board and management are reevaluating the scope of the Diversity Policy with a view to identifying a broader range of targets and other objectives for 2025.

The Diversity Policy is available on our corporate website on our Governance Documents page.



TARGETS

- At least 30% representatives of each gender on the Board of Directors
- 50% of the total employee population are female
- 30% of managerial roles are female
- Top quartile engagement score on company-wide employee survey



OBJECTIVE

- Ensure diverse representation at each level of the organization
- Create a culture of inclusion and belonging



PROGRESS

- Established and maintained a compensation framework to ensure an objective salary grade structure.
- Implemented new HRIS to track diversity metrics.
- Progressed cadence of annual surveys to measure employee engagement across a broad range of issues.
- Latest survey results show Diverse values are respected with close to 80% favorable responses across divisions; and an average of 72% favorable responses across divisions for feeling a sense of belonging.

The respective proportions of women and men on the Board, in senior executive positions, and across NOVONIX are set out in the table below.

	31 December 2022		31 December 2023		31 December 2024	
	Men	Women	Men	Women	Men	Women
Number of Employees	133	57	147	63	151	59
Percentage of Total Employees	70%	30%	70%	30%	72%	28%
Number of Senior Executives*	2	1	2	1	3**	1
Percentage of Senior Executives*	67%	33%	67%	33%	75%	25%
Number of Board Members	4	2	6	1	5	2
Percentage of Board Members	67%	33%	86%	14%	71%	29%

* Senior Executives are considered those individuals included as Key Management Personnel in the 2024 Annual Report.

** Includes Chris Burns, the Company's former Chief Executive Officer, who stepped down as CEO effective January 24, 2025.

The Board continues to review and monitor the Company's diversity profile with a view to setting meaningful targets for the advancement of diversity within the Company, as well as defining "diversity" when considering our employees are located in the U.S., Canada, and Australia and the differences in how diversity is viewed in those jurisdictions.



Corporate Social Responsibility

We are committed to fostering the health, safety, and well-being of the communities where we operate. By focusing on education, workforce development, community engagement, and industry leadership, we aim to drive meaningful impact. These values are integral to our success and are shared throughout our organization.

COMMUNITY ENGAGEMENT AND WORKFORCE DEVELOPMENT

At NOVONIX, we invest in initiatives that support workforce development and strengthen our local communities. A prime example is our partnership with Hamilton County Schools, where we helped create the NOVONIX Institute of Advanced Battery Technology (NIABT) in Chattanooga, Tennessee. This partnership illustrates our long-term commitment to providing advanced education and training in cutting-edge industries. In addition, we focus on actively recruiting displaced workers from the fossil fuel and manufacturing sectors and offering career advancement opportunities. Some of our key community engagement efforts in Chattanooga include:

- Partnering with the American Job Center to recruit U.S. military veterans, individuals from disadvantaged communities, and justice-involved individuals
- Hosting job fairs targeting disadvantaged communities
- Collaborating with Project Return, a local non-profit, to hire formerly incarcerated individuals
- Awarding the Empower Scholarship to high school seniors pursuing STEM careers



LOCAL AND GLOBAL PHILANTHROPY

We are also committed to supporting local non-profit organizations, including the Orange Grove Center and Chattanooga Room in The Inn, through financial contributions and donation drives. Our philanthropic efforts extend beyond the U.S. to Nova Scotia, where we annually sponsor the Discovery Awards. This event honors individuals whose achievements in science and technology have contributed to Nova Scotia's global innovation leadership.

INCLUSIVENESS IN EDUCATION

At NOVONIX, we recognize the importance of inclusiveness and representation in the sciences. In line with this commitment, we have developed educational resources to enhance access to STEM fields for diverse populations. In 2023, we pledged \$25,000 to establish the NOVONIX Diversity in Chemistry Fund at Dalhousie University in Halifax, Nova Scotia. This fund provides full-time employment opportunities for high school students from underrepresented communities, supporting lab-based summer research. These funds were pledged in 2023 (\$15,000) and continued into 2024 and 2025 (\$5,000 each year).

STRENGTHENING THE BATTERY ECOSYSTEM

As part of our commitment to innovation and sustainable development, NOVONIX has joined several key organizations such as Accelerate, Canada's Zero-Emission Vehicle (ZEV) Supply Chain Alliance, ZETA (Zero Emission Transportation Association), the Battery Materials & Technology Coalition (BTMC), North American Graphite Alliance, American Active Anode Material Producers, Chattanooga Chamber of Commerce, Halifax Chamber of Commerce, and Volta Foundation. These coalitions are working to strengthen the global battery ecosystem. NOVONIX's focus will be to ensure that midstream testing and processing, including our all-dry, zero-waste cathode synthesis process, is incorporated into smart public policies that will support the industry's growth.

FUTURE COMMITMENT

As we continue to develop our ESG program, we are committed to sharing more information on our companywide initiatives, policies, and processes that support both our employees and the communities in which we operate.



Our Governance Initiatives

As a company incorporated in Australia, we are subject to the Corporations Act 2001 (Cth), and are regulated by both the Australian Securities and Investments Commission and the Australian Securities Exchange. As a dual-listed entity, we must also comply with certain Securities and Exchange Commission regulations and Nasdaq listing standards.

Our commitment to the principles of sustainability and our ability to execute our ESG strategy are founded upon a corporate governance structure and principles designed to establish, support, and facilitate effective oversight of our key internal controls, policies and procedures, and risk management, and rely on all levels of the organization, beginning with the tone at the top.



Governance and Oversight Structure

The Board of Directors of NOVONIX Limited is ultimately responsible for establishing and overseeing our adherence to corporate governance principles. The Board of Directors is responsible for overseeing the organization's approach to sustainability, including with respect to the material ESG topics outlined in this report. To assist with the effective discharge of its duties, the Board of Directors has established a Nominating and Corporate Governance Committee, an Audit and Risk Management Committee, and a Remuneration Committee. Each of these committees operates under a charter approved by our Board of Directors that sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership, committee structure and operations, and committee reporting to the Board of Directors.





Nominating and Corporate Governance Committee

The role of the Nominating and Corporate Governance Committee is to review and consider the structure and balance of the Board (and its committees), to make recommendations regarding the Company's director nominations process, and develop and maintain the Company's corporate governance policies, having regard to the applicable law and corporate governance standards. Among other specific duties set forth in the committee charter, the Nominating and Corporate Governance Committee is responsible for overseeing the Company's ESG strategy and initiatives, including:

- considering current and emerging ESG trends that may affect the Company's business, operations, performance, or reputation;
- periodically reviewing reports from management regarding the Company's ESG strategy, initiatives, objectives, and performance metrics, and the associated risks and opportunities with respect to ESG matters;
- developing and recommending to the Board for approval policies and procedures relating to the Company's ESG strategy and initiatives;
- monitoring ongoing execution of the Company's ESG strategy and initiatives, and performance against key ESG metrics;
- reviewing ESG disclosures issued by the Company; and
- at least annually, assessing the overall effectiveness of the Company's ESG programs and, as and when appropriate, addressing with the Audit and Risk Management Committee issues that arise with respect to environmental and social sustainability risks.

All members of the Nominating and Corporate Governance Committee are independent, as defined in our Corporate Governance Charter.





Audit and Risk Management Committee

The role of the Audit and Risk Management Committee is to advise our Board of Directors on the establishment and maintenance of a framework of internal controls for the Company's management and assist our Board of Directors with policy on the quality and reliability of financial information prepared for use by the Board. Among its other specific duties in its charter, this Committee is responsible for assessing corporate risk, including economic, environmental, social, sustainability and cybersecurity risks, and compliance with internal controls.

All members of the Audit and Risk Management Committee are independent.



Remuneration Committee

The role of the Remuneration Committee is to advise our Board of Directors on remuneration and issues relevant to remuneration policies and practices, including for our senior executives and our non-executive directors.

Specific responsibilities of our Remuneration Committee include reviewing and making recommendations to our Board of Directors on remuneration by gender and other diversity criteria, reporting to our Board of Directors as necessary to facilitate compliance with our Diversity Policy, and administering and making determinations under and recommendations to the Board with respect to our Clawback Policy.

Three of the four members of our Remuneration Committee are independent.



Board Composition and Skills

The Company currently has a seven-member Board of Directors, all of whom are non-executive Directors and four of whom, including the Board Chair, are independent, as defined by our Corporate Governance Charter.



Admiral Robert J. Natter
Chairman of the Board



Tony Bellas
Deputy Chairman



Shannon Burrow AC



Ron Edmonds



Nick Liveris



Jean Oelwang



Suresh Vaidyanathan

Audit & Risk
Management Committee

Nominating & Corporate
Governance Committee

Remuneration
Committee

Tony Bellas			
Sharan Burrow AC			
Ron Edmonds			
Nick Liveris			
Admiral Robert J. Natter			
Jean Oelwang			
Suresh Vaidyanathan			

= Chairperson = Member

Our Board has a broad range of experience, expertise, skills, qualifications, and contacts relevant to the Company and its business. The skills, knowledge, and experience of our Directors set out in the table below have been identified as those required for the Board to discharge its obligations effectively and to add value to the Company. The skills and attributes were determined by what is considered important for the management of a publicly listed company and specific to our industry. Further details regarding the skills and experience of each Director are included in the 2024 Annual Report. The Board reviews its skills matrix annually to ensure the identified skills and attributes properly address the Company's existing and emerging business and governance requirements, priorities, and practices.

Competency	Representation of Skills Held by Directors as of December 31, 2024
Strategy Development and Execution Oversight Track record of developing and implementing a successful strategy and risk management.	7 Directors
Going Global Senior executive or equivalent experience to enter into global markets/jurisdictions.	7 Directors
R&D/Technology Experience in research and development and fielding technology.	3 Directors
Financial Acumen Senior executive or equivalent experience in financial accounting and reporting, corporate finance, risk management, and internal financial controls, including an ability to probe the adequacies of financial and risk controls.	5 Directors
Corporate Governance / Other Board Experience Strong corporate governance experience with an understanding of publicly listed company obligations.	5 Directors
Capital Markets/Mergers and Acquisitions Experience in capital markets and/or experience in identifying, implementing, or executing mergers and acquisitions.	5 Directors
Stakeholder Relations Experience in using external communications to influence other business leaders, industry peak bodies, government, and financial market and investor stakeholders.	6 Directors
Senior Executive Management Experience in evaluating performance of senior management and overseeing strategic human capital planning. Experience in organizational change and management programs.	7 Directors

We have seven Directors, two of whom are female and five are male, none is an underrepresented individual in our home country jurisdiction, and none identifies as LGBTQ+.



Executive Management

Our Board of Directors has delegated responsibility for the strategic and operational management of our businesses to the CEO but remains responsible for overseeing the performance of management. Our executive leadership team – our Chief Executive Officer, Chief Financial Officer, Chief Legal and Administrative Officer – is accountable for the execution of our overall business strategy and day-to-day business operations and assists the Board with identifying strategic priorities and emerging risks and opportunities. The leadership team supports the efforts of the ESG Committee and recognizes the value of good corporate governance and the need to adopt best practices in terms of environmental and social responsibility.



ESG Committee

Our executive leadership team formed our ESG Committee in early 2023 and tasked the committee to develop and advance our ESG program. The ESG Committee is comprised of leaders from across our business divisions and corporate functions, including operations, supply chain, sales, marketing and communications, human resources, EHS, legal, investor relations, accounting, and information technology. The ESG Committee meets at least quarterly and coordinates with our various business leaders on business processes, planned initiatives, and policy developments that have direct impacts on our ESG objectives and reporting. The ESG Committee keeps our executive leadership and Directors informed on progress.



ESG-Aligned Executive Compensation

As it did for fiscal 2023 as part of the establishment of our ESG program, the Board of Directors has again included an ESG component within the annual bonus plan for executives and other eligible employees for fiscal 2024, which focused on the continued development of the Company's ESG program, including the publication of our 2024 Sustainability Report and the identification of initial key performance indicators consistent with our sustainability commitment. As we continue to progress our ESG program, we expect the Board, the Remuneration Committee, and management to further align executive compensation with the establishment and achievement of measurable, short- and long-term sustainability goals, and key metrics consistent with our ESG strategy.





Business Ethics & Policies

VALUES

NOVONIX is committed to conducting all of our business activities fairly, honestly, with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management, and employees are dedicated to high ethical standards and recognize and support the Company's commitment to compliance with these standards.

CODE OF CONDUCT

The Company has a Code of Conduct, which applies to officers, employees, consultants, contractors and associates, and outlines how NOVONIX expects each person who represents NOVONIX to behave and conduct business. The key values underpinning the Code of Conduct are that:

- a) our actions must be governed by the highest standards of integrity and fairness;
- b) our decisions must be made in accordance with the spirit and letter of the applicable law; and
- c) our business must be conducted honestly and ethically, with our best skills and judgment, and for the benefit of shareholders, customers, employees, regulators, suppliers, the communities in which we operate and NOVONIX alike.

The Code of Conduct sets forth expectations and guiding principles involving, among others:

- compliance with laws and regulations with mandatory attendance at Company-provided training;
- fair dealing with shareholders, customers, employees, regulators, suppliers, and the community;
- avoidance and reporting of actual and potential conflicts of interest;
- proper use of Company assets, including confidential information;
- equal opportunity, anti-discrimination and diversity;
- workplace health and safety;
- good corporate citizenship; and
- environmental stewardship.

We require all our employees to acknowledge their review and understanding of the Code of Conduct on an annual basis. For the year ended December 31, 2024, 100% of our active employees acknowledged their review and understanding of the Code of Conduct.

Our Corporate Governance Charter also contains a code of conduct for our Directors, which provides guidance on how best to perform their duties, meet their obligations, and understand the Company's corporate governance practices.

The Code of Conduct and Corporate Governance Charter are both available on our corporate website on our Governance Documents page.



WHISTLEBLOWER POLICY

Consistent with the Company's core values and the Code of Conduct prohibition of retaliation against anyone who makes a good faith report of a Code violation, the Company maintains a Whistleblower Policy. This policy is designed to encourage the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving the NOVONIX business and to provide protections and measures so that those persons who make a report may do so confidentially and without fear of intimidation, disadvantage, or reprisal.

The Whistleblower Policy is available on our corporate website on our Governance Documents page.



SECURITIES TRADING POLICY

Our Securities Trading Policy applies to all employees and our Directors and prohibits transactions in our Company's securities and securities of other companies while in possession of material, nonpublic information about the Company or such other companies. This policy also prohibits trading in Company securities for short-term or speculative gain, short selling, and dealing in Company securities pursuant to margin lending arrangements and imposes significant limitations on hedging of any Company securities.

The Securities Trading Policy may be found as an exhibit to the 2024 Annual Report and is also available on our corporate website on our Governance Documents page.



CLAWBACK POLICY

The Board has also approved our Clawback Policy, which provides for the recovery of erroneously awarded incentive-based compensation from executive officers. Specifically, this policy requires recovery:

- in the event of a material noncompliance of the Company with any financial reporting requirement under applicable securities laws, whether or not the officers were at fault and
- of compensation granted, earned, or vested based on the attainment of any financial reporting measure that exceeds what otherwise would have been received based on restated financial statements and received during the three completed fiscal years prior to the restatement date.

The Clawback Policy may be found as an exhibit to the 2023 Annual Report and is also available on our corporate website on our Governance Documents page.





ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

To give further effect to the Company's zero-tolerance approach to bribery and corruption and its commitment to acting professionally, fairly, and with integrity in all business dealings, on December 19, 2023, the Board adopted the Company's Anti-Bribery and Anti-Corruption Policy. This policy was developed based on the UK Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act and contains guidance intended to reduce the risk of bribery and corruption for all Company personnel in each jurisdiction in which the Company operates or to which it is subject, regardless of the location of the Company personnel's office or residence. Since its adoption, the Company has not incurred any monetary losses as a result of legal proceedings associated with bribery or corruption.

The Anti-Bribery and Anti-Corruption Policy is available on our corporate website on our Governance Documents page.



HUMAN RIGHTS POLICY

Consistent with the Company's fundamental value of respect for human rights, in August 2024, we adopted our Human Rights Policy, which strictly prohibits the use of all forms of forced labor in our supply chain and other business relationships. We consider "forced labor" to include prison labor, indentured labor, bonded labor, military labor, modern forms of slavery and any form of human trafficking, as well as child labor (the employment of individuals who are under 18 years of age for positions in which hazardous work is required).



SUPPLIER CODE OF CONDUCT

Consistent with the adoption of our Human Rights Policy and the associated due diligence of suppliers and other partners in our value chain required under the policy, we plan to adopt a supplier code of conduct as we further develop our supply chain organization in advance of our commencing commercial operations in our NAM business in early 2026.



REPORTING AND INVESTIGATING POLICY VIOLATIONS

Our Whistleblower Policy provides guidance on various alternatives for reporting violations of our Code of Conduct and policies, among other types of reportable conduct. These include reporting to a direct manager, an officer (including the CEO, CFO, and Chief Legal & Administrative Officer), internal or external auditors, and, in cases where confidentiality is desired, to designated “Protected Disclosure Officers” or through our Ethics and Compliance Hotline, which is hosted by a third-party provider and accessible online or by phone as designated in the Whistleblower Policy. This confidential hotline allows for anonymous reporting of policy violations and other reportable conduct. We expect our customers, suppliers, and other business partners to establish and maintain channels through which their employees and other stakeholders can report concerns or suspected violations of policies or laws by our employees.

We also have detailed standard operating procedures relating to the Company’s receipt, investigation, escalation, resolution, and retention of reports of actual or reasonably suspected violations of applicable laws, the Code of Conduct, and our policies and procedures, and other conduct reportable under the Whistleblower Policy, including any alleged retaliation against employees and other persons who make such reports in good faith. These procedures provide clear guidance on the specific roles and responsibilities of the Chief Legal and Administrative Officer and the Audit and Risk Management Committee, the head of the Company’s internal audit function and the head of the Company’s human resources function in reviewing, investigating, documenting, and communicating the conclusions of any investigations.



Disclosure Index

Disclosure		
General Disclosure	Reference*	Explanation / Locations
Organizational Details	GRI 2-1	Refer to the About NOVONIX section
Entities included in the organization's sustainability reporting	GRI 2-2	Refer to the About this Report section
Reporting period, frequency, and contact point	GRI 2-3	Refer to the About this Report section
Role of the highest governance body in sustainability reporting	GRI 2-14	Refer to the Governance and Oversight Structure section
Environmental		
Environmental Emissions	GRI 305, SASB RT-CH-110a.1	Refer to the Greenhouse Gas Emissions section
Waste and Hazardous Waste Management	RT-CH-150a.10 & RR-FC-410b.3	Refer to the Waste and Hazardous Waste Management section
Social		
Workforce Health and Safety	GRI 403-9, RR-FC-320a.1 & RT-CH-320a.1	Refer to the Workforce Health and Safety section
Employees	GRI 2-7	Refer to the Employee Engagement section
Employee Engagement	GRI 404-1 & GRI 401-2	Refer to Employee Engagement section
Diversity	GRI 405-1	Refer to the Diversity section
Governance		
Governance structure and composition	GRI 2-9	Refer to the Board Composition section
Business Ethics	SASB RT-EE-510a.1, RT-EE-510a.2, & RT-EE-510a.3	Refer to the Business Ethics section

* aligning to key GRI & SASB reporting protocols

Disclaimers

The information contained in this Report has been prepared by NOVONIX solely for information purposes and the Company is solely responsible for its contents. It is intended to be a summary of certain information relating to the Company as at the date of the Sustainability Report and does not purport to be a complete description of NOVONIX. Accordingly, this Sustainability Report is not intended to, and should not, form the basis for any investment, divestment or other financial decision with respect to the Company.

Company, Industry and Market Data

Throughout this Report, materiality refers to the list of sustainability topics about which NOVONIX may communicate to its stakeholders. Information identified as material in this Report may not be considered material for ASX or SEC reporting purposes or for financial reporting or other regulatory purposes. In the context of this Report, the term “material” is distinct from, and should not be confused with, such term as defined for such other purposes. Website references and hyperlinks throughout this Report are provided for convenience only, and the content on the referenced websites is not incorporated by reference into this Report, nor does it constitute a part of this Report.

This Sustainability Report contains estimates, projections and other information concerning our business and the industries in which we operate, including estimated market size and projected growth rates of the markets for our products and services. We obtained industry data from market research, publicly available information and independent industry publications and third-party reports that we believe to be reliable sources. We have not independently verified the accuracy or completeness of this third-party data.

Estimates, projections and other information presented in this Report may involve a number of assumptions and limitations. Information that is based on projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, which could cause results to differ materially from those expressed in these publications and reports. See “Cautionary Note Regarding Forward- Looking Statements,” above.

Hatch disclaims any and all liability arising out of, or in connection with, any third party's use of, or reliance upon, information contained in this report and the use of this information by any third party is at the risk of that party. The following items were excluded from the project scope of the Hatch project: offsite infrastructure and services; utility connections including water, gas and power; all services are assumed to be available at the site boundary; storage facility for effluent or solid residue are assumed to be discharged to environment or stored by a third party; costs of environmental and ecology related studies; no allowance for study costs (concept, prefeasibility and/or feasibility studies prior to detailed engineering/execution); land acquisitions and associated work land; schedule acceleration costs; schedule delays and associated costs, such as those caused by force majeure; permit applications; forward escalation beyond the estimate base date; government levies and taxes; sustaining capital costs; detailed owner's costs; and tailings or effluent.

Trademarks, Service Marks and Trade Names

Throughout this Sustainability Report, there are references to various trademarks, service marks and trade names that are used in the Company's business. “NOVONIX,” the NOVONIX logo and other trademarks or service marks of NOVONIX appearing in this Report are the property of NOVONIX or its subsidiaries. Solely for convenience, the trademarks, service marks and trade names referred to in this Report are listed without the ® or ™ symbol, as applicable, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their right thereto. All other trademarks, trade names and service marks appearing in this Sustainability Report are the property of their respective owners.

2023 NOVONIX Materiality Assessment

TOPIC	TOPIC DESCRIPTION
1 Workforce Health & Safety	Manufacturing workers may be exposed to hazardous substances or workplace accidents that can have chronic or acute health impacts. Companies could also face litigation due to injuries or chronic health impacts to employees. Companies that develop and implement strong safety processes and internal controls, including providing health and safety training, protective gear, improved ventilation, and regular monitoring, can improve workforce health and safety performance and mitigate regulatory and litigation risks.
2 Business Ethics	Companies involved in manufacturing activities may be vulnerable to regulatory scrutiny of business ethics because of their operations in regions with actual or perceived weakness in government enforcement of business ethics laws. Companies can also be found in violation of anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, as well as anti-competitive behavior. Unethical practices may jeopardize future revenue growth due to reputational risks and can result in significant legal costs and a higher risk profile. As such, strong governance practices can mitigate the risk of violations of business ethics laws and resulting regulatory penalties or brand-value impacts.
3 Energy Management	Companies may use significant amounts of energy, especially those involved in manufacturing activities. Purchased electricity represents the largest share of energy expenditure for many companies. The type of energy used, magnitude of consumption, and energy management strategies depend on a company's business activities. A company's energy mix, including the use of electricity generated on-site, grid-sourced electricity, and the use of alternative energy, can play an important role in lowering the cost and increasing the reliability of energy supply, and ultimately affect the company's cost structure and exposure to regulatory shifts.

TOPIC	TOPIC DESCRIPTION
<p>4 Greenhouse Gas Emissions</p>	<p>The category addresses direct GHG emissions that a company generates through its operations. The extent and type of GHG emissions can vary depending on the company's operations. Regulatory efforts to reduce GHG emissions in response to the risks posed by climate change may result in additional regulatory compliance costs and risks for companies due to climate change mitigation policies. Cost-effective reduction of GHG emissions can be achieved through operational efficiencies. Such efficiencies can mitigate the potential financial impact of increased fuel costs from regulations that seek to limit—or put a price on—GHG emissions.</p>
<p>5 Product Safety</p>	<p>The proper and safe functioning of products is an important issue because of potential risks to customers. In the event of a product safety incident, companies could be exposed to product liability claims, revenue loss due to damaged reputation, redesign costs, recalls, litigation, or fines. Proper safety procedures, tests, and protocols for products can help companies reduce the risk of such adverse impacts and strengthen a company's brand.</p>
<p>6 Employee Engagement</p>	<p>This category addresses how companies foster enthusiasm and dedication in their employees. Employee engagement can be critical to a company's success, given its links to job satisfaction and employee morale. By doing things like offering comprehensive employee benefits, implementing leading diversity, equity, and inclusion practices, supporting training, education, and career development opportunities, and encouraging community engagement initiatives, companies can contribute to a positive employee experience. In addition, providing a safe work environment (see topic number 1) also improves workforce morale, longevity, and productivity.</p>
<p>7 Air Quality</p>	<p>Non-GHG air emissions may include hazardous air pollutants, criteria air pollutants, and Volatile Organic Compounds ("VOCs") which can have significant, localized human health and environmental impacts. Financial impacts resulting from air emissions will vary depending on the specific location of operations and the applicable air emissions regulations. Active management of the issue—through technological and process improvements—could allow companies to limit the impacts to operations from increasingly stringent air quality regulations globally. Companies could also benefit from operational efficiencies that could lead to a lower cost structure over time.</p>

TOPIC	TOPIC DESCRIPTION
<p>8 Waste and Hazardous Waste Management</p>	<p>Companies involved in the manufacturing of products may generate hazardous waste, including but not limited to heavy metals and wastewater treatment sludge. Companies face regulatory and operational challenges in managing waste, which may be subject to regulations pertaining to their transport, treatment, storage, and disposal. Waste management strategies include reduced generation, effective treatment and disposal, and recycling and recovery, where possible. Such activities, while requiring initial investment or operating costs, can lower a companies' long-term cost structure and mitigate the risk of remediation liabilities or regulatory penalties.</p>
<p>9 Environmental Impact in the Supply Chain</p>	<p>An organization may be involved in negative environmental impacts either through its own activities or as a result of its business relationships with other parties. Due diligence is expected of an organization in order to prevent, mitigate, and address actual and potential negative environmental impacts in the supply chain. These include negative impacts the organization either causes or contributes to, or that are directly linked to its operations, products, or services by its relationship with a supplier.</p>
<p>10 Cybersecurity/ Data Protection</p>	<p>This category addresses management of risks related to collection, retention, and use of sensitive, confidential, and/or proprietary customer or user data. It includes social issues that may arise from incidents such as data breaches in which personally identifiable information (PII) and other user or customer data may be exposed. It addresses a company's strategy, policies, and practices related to IT infrastructure, staff training, record keeping, cooperation with law enforcement, and other mechanisms used to ensure the security of customer or user data.</p>

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