



# COMPANY POLICY

## Risk Appetite Statement - External LIT-POL-010

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*Controlled Document Approved for Distribution*

| <i>Revision Code</i> | <i>Revision Date</i> | <i>Name</i> | <i>Position</i> | <i>Signature</i> | <i>Next Review Date</i> |
|----------------------|----------------------|-------------|-----------------|------------------|-------------------------|
| Rev 0                | 10-Nov-23            | Board       | Board           | Board            | 10-Nov-24               |

## 1. POLICY

*This risk appetite statement provides guidance for decision-making, risk-taking, and risk management within the context of battery recycling, cathode powder commercialisation and research and development (R&D) supporting activities. It ensures that risks are assessed, controlled, and aligned with the Livium (LIT) strategic objectives while upholding its commitment to environmental sustainability, health and safety, compliance, and technological advancement.*

## 2. PURPOSE

*The Company is committed to proactive risk management, taking calculated risks to drive innovation and growth while endeavouring to manage the interests of its stakeholders.*

*The Company's risk management approach focuses on identifying, assessing, mitigating, and monitoring risks associated with its battery recycling, R&D activities including lithium chemicals and upcoming commercialisation activities.*

## 3. HEALTH AND SAFETY

*The well-being of the Company's employees and stakeholders is of paramount importance.*

*The Company has a zero tolerance for deliberate actions which could result in a life changing event for persons within its operations. The Company has a low tolerance for risks that may compromise the safety and well-being of individuals involved in its operations, R&D, and facility construction. Adherence to occupational health and safety regulations, employee training, hazard identification, and incident prevention measures are integral parts of its risk management framework.*

## 4. ENVIRONMENTAL

*The Company is committed to minimising the environmental impact of its battery recycling operations and in the development of its technologies and strives for compliance with all applicable environmental regulations and standards.*

*The Company has a low tolerance for risks that may result in environmental incidents, pollution, or non-compliance with environmental laws. Robust environmental risk management measures are in place, including waste management controls, emissions monitoring, and environmental impact assessments. It proactively aims for continuous improvement in its environmental performance.*

## 5. HUMAN RIGHTS

*The Company recognizes the fundamental importance of protecting and promoting human rights in all aspects of its operations, supply chains, and relationships.*

*The Company maintains a zero-tolerance approach towards any human rights violations, including discrimination, forced labour, child labour, modern slavery, and any other forms of human rights abuses.*

*The Company maintains a low tolerance for risks that could lead to or contribute to human rights violations or damage our reputation, brand, and stakeholder trust.*

## 6. REPUTATIONAL

*The Company understands the importance of maintaining a strong reputation and building trust with its stakeholders, including customers, investors, employees, and the broader community.*

*The Company has a low tolerance for risks that could harm its reputation, such as non-compliance with regulations, unethical practices, environmental incidents, or inadequate product quality. Mitigating these risks is a top priority, as is ensuring its organisational culture is aligned to its risk appetite statement and developing organisational resilience that includes a robust crisis and emergency management capability, including transparency with its operations.*

## 7. COMPLIANCE

*The Company maintains a strict commitment to compliance with all relevant laws, regulations, permits, and licenses governing its battery recycling and R&D activities.*

*There is zero tolerance for any actions that may result in non-compliance, regulatory penalties, or reputational damage.*

## 8. MARKET AND TECHNOLOGICAL

*R&D activities inherently involve market and technological uncertainties.*

*The Company accepts calculated high risks associated with research outcomes, market trends, competitive pressures, and intellectual property protection.*

## 9. FINANCIAL

*The Company recognises the importance of financial stability and prudent management of financial resources.*

*It maintains a low tolerance for risks that could have a significant adverse impact on its financial position, such as cost overruns in facility construction, market volatility, inadequate funding for commercialisation, or failure to meet revenue targets.*

*It employs comprehensive financial risk management strategies, including financial planning, budgeting, cash flow management, and scenario analysis, to mitigate financial risks.*

## 10. PARTNER ORGANISATIONS

*The Company recognises the critical role of partner organizations, including suppliers, in operations and the value chain and is committed to conducting business with partner organisations that share the same values and adhere to the same ethical, social, and environmental standards.*

*The Company has a low tolerance for risks associated with partner organisations that may lead to or contribute to unethical behaviour, human rights violations, environmental harm, or reputational damage, including bribery, corruption, conflicts of interest, legal, regulatory, and policy violations.*

## 11. INFORMATION TECHNOLOGY

*The Company acknowledges the importance of IT in supporting its core activities and protecting knowledge and know how developed by its innovative R&D.*

*The Company has a moderate risk tolerance that balances the need for agility, efficiency, and security. It aims to adopt industry accepted IT systems and infrastructure, ensuring data integrity, protection against cyber threats, and compliance with relevant regulations.*