

Kalbar commitment to Carbon Reduction at the Fingerboards Project

Approach

Kalbar is committed to reducing net scope 1 and 2 greenhouse gas emissions from the Fingerboards Mineral Sands Project (Project) to achieve a reduction in net greenhouse gas emissions of 26-28% below the Project baseline levels by 2030 in line with Australian government policy, with subsequent emission targets to be set in line with government policy at the time. This will be achieved through a combination of:

1. **Establishing a Project baseline:** A scope 1 and 2 emissions baseline for 'business as usual' operations based on the estimates in the EES;
2. **Best practice and benchmarking:** Adopting best practice design and technology options to avoid or reduce scope 1 greenhouse gas emissions from the commencement of the Project. This will include selecting suppliers of equipment and services that have committed to reducing or eliminating their own emissions. Kalbar will benchmark its approach to industry best practice;
3. **Continuous improvement:** Reviewing and adopting technology solutions and alternative energy suppliers through the life of the Project, where feasible, to reduce scope 1 and 2 emissions. These reviews will be undertaken every 5 years, and assess whether the Project has achieved or is on-track to achieving the Project's emission reduction target;
4. **Offsetting emissions:** Because there is no certainty that the introduction and use of new technology and processes will achieve the Project's emission reduction target, Kalbar commits to the development, and implementation, of an off-setting strategy. The strategy would be designed so that it can be scaled over time to ensure the Project emission reduction target is achieved; and
5. **Monitoring:** Kalbar will implement an energy efficiency and scope 1 emissions monitoring and reporting system to track relevant performance metrics over the life of the Project, and to inform decisions on opportunities to implement practicable measures to improve energy efficiency and emissions reduction. Scope 1 emissions will be measured or estimated and reported in accordance with the NGER Act.

How Kalbar proposes to meet these Targets?

The Project will meet the emission reduction targets through a series of measures including, amongst other initiatives:

- Combining the purchase of electricity from the grid with additional commercial arrangements such as entering into Renewable Power Purchase Agreements (PPA) with renewable electricity generators;
- Investing in emission reduction technologies, where reasonably practicable, through technological advancements (eg. electrifying any mobile plant / vehicles, and/or using hydrogen powered equipment); and
- In circumstances here the emissions reduction targets cannot be achieved through measures such as those listed above, make up the shortfall through acquiring offsets (such as Australian carbon credit units, certified emission reduction units under the Clean Development Mechanism, or offsets available on the voluntary carbon offsets market).