

## SUSTAINABILITY POLICY

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### PURPOSE AND SCOPE OF POLICY

This Sustainability Policy, which outlines the commitments of Rainbow Rare Earths Limited (“Rainbow” or “the Company”) to sustainable and responsible business practices, covers a range of topics including governance and ethics, human rights, health and safety, employment, environmental impacts (including, but not limited to, those related to climate change, emissions, pollution, water stewardship, responsible waste management, biodiversity), communities and our supply chain.

Rainbow is committed to compliance with all applicable laws, rules and regulations in its countries of operation and expects the same of its directors, officers, employees, suppliers, consultants, contractors, and third-party agents.

Rainbow’s Sustainability Policy applies to all officers, employees, consultants, contractors, and third-party agents of the Company and its subsidiaries. It should be read in conjunction with other Rainbow policies which are available on our website here:

[www.rainbowrareearths.com/about/corporate-governance/company-policies/](http://www.rainbowrareearths.com/about/corporate-governance/company-policies/).

### OVERVIEW

By focusing on the production of critical rare earths from secondary sources<sup>1</sup>, integrating environmental considerations into its decision making, taking a responsible approach to business and concentrating on stakeholder value creation, Rainbow is a crucial contributor to a responsible, independent rare earths supply chain that we believe will drive the global green energy transition.

The Company is committed to complying with all applicable legislative and regulatory requirements, to operating in a safe, ethical, sustainable and responsible way, and to managing, measuring and reporting on our sustainability performance. We seek to minimise to the greatest extent possible any potential adverse impacts of our operations, as well as to maximise the Company’s ability to positively affect the economy, environment and society. With a responsible approach to supply chain management, underpinned by our Supplier Code of Conduct, we aim to encourage the companies within our supply chains to also apply the same standards. We recognise the role of business in advancing the United Nations Sustainable Development Goals (“SDGs”) and aim to take proactive steps to contribute to their achievement.

### OUR APPROACH TO SUSTAINABILITY

Rainbow’s purpose is to produce the critical rare earths required to progress the global green technology revolution in an efficient and responsible manner. By integrating sustainable development considerations into corporate strategy and decision-making processes, we believe we can operate in a manner which creates long-term shared value and benefits for our stakeholders and reflects our core values of:

- Zero harm
- Integrity
- Respect
- Accountability
- Transparency
- Courage

Rainbow has established four key pillars upon which our approach to sustainability is founded:

- Responsible business

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<sup>1</sup> Secondary sources such as industrial residues (e.g. phosphogypsum), many of which are currently considered waste, as opposed to mining primary ore.

- Creating value
- Focus on secondary sources
- Environmental integration

In order to develop a responsible supply of critical rare earths, Rainbow has identified the following commitments:

### **Responsible business**

- Rainbow prioritises the safety of our workforce and is committed to implementing and maintaining strong health and safety management systems and standards at our operations. Our objective is to achieve a zero-harm working environment and we are committed to supporting employee health. To achieve this, the Company commits to:
  - Provide a workplace that is safe and healthy, not only to our own staff, but also to wider stakeholders and the communities in which we operate;
  - Identify and take appropriate action to avoid or mitigate workplace incidents, injuries and illnesses;
  - Provide appropriate training on health and safety management to our workforce; and promote a culture of responsibility for keeping ourselves and each other safe from harm.
- We are committed to responsible and fair employment practices wherever we operate and look to provide a working environment in which everyone is treated with respect and dignity. We encourage open and constructive communications with team members and aim to provide training and skills development opportunities, contributing to an effective and engaged workforce.
- Rainbow is an equal opportunity employer and does not tolerate discrimination against, or harassment of, any of our employees on any grounds (including race, ethnicity, national origin, age, religion, gender, sexuality) or retaliation. Any such instances of discrimination are treated as serious misconduct, in line with the Company's Code of Conduct. Rainbow is committed to developing a diverse workforce and to providing a work environment in which everyone is treated fairly and with respect.
- Rainbow is committed to good governance, transparency, accountability, effective risk management and to conducting business in an ethical and responsible manner, guided by the Company's Code of Conduct. The Company operates a Whistleblowing Procedure, providing a communication and reporting system that allows employees and others to raise serious concerns about possible fraud, crime or other serious risk to the Company or its stakeholders.
- Rainbow is aware of its responsibility to respect and protect the internationally recognised human rights of our people, business partners and, where this is within our control the human rights of those within our supply chain and communities. Our approach to human rights is guided by the UN Guiding Principles on Business and Human Rights and the UN Declaration of Human Rights.
- Rainbow's aim is to be part of a responsible and sustainable rare earths supply chain and therefore, we expect our suppliers to conduct business responsibly as outlined in our Supplier Code of Conduct.

### **Creating value**

- We are aware that effective stakeholder engagement is fundamental to our business and maintaining our social licence to operate. As such, we aim to:
  - build mutual trust and respect with our local communities by maintaining open, clear and respectful lines of communication and consultation, with grievance mechanisms in place where required;
  - encourage strong partnerships to create social value; and
  - integrate stakeholder considerations into project development decisions to create long-term value for all our stakeholders.

- Rainbow looks to make a positive contribution to the communities in which we operate through the provision of local employment opportunities, the support of local supply chains, community support and the transparent payment of taxes and royalties.

#### **Focus on secondary sources**

- By focusing on the production of rare earths from secondary sources, Rainbow aims to integrate a circular economy approach into business decisions, where possible, and avoid carbon emissions usually associated with many elements of a traditional mining business model, which are not required when processing secondary source material as opposed to mining primary ore.
- By processing material from historical waste, Rainbow aims to rehabilitate historic environmental degradation to the greatest extent possible.
- Rainbow is committed to the responsible disposal of gypsum on stacks, which are built according to International Finance Corporation (“IFC”) Performance Standards and Equator Principles. Where possible, the Company will seek to identify uses for waste and by-products of its processing activities.

#### **Environmental integration**

- Rainbow is committed to integrating environmental considerations into strategic decision-making and sound environmental management, with a focus on environmental protection and the responsible use of natural resources. The Company aims to achieve continuous improvement in environmental practices and performance and is committed to minimising, or where possible avoiding, negative impacts from its operations on the natural environment, including those relating to climate change, water usage, waste management and biodiversity. Rainbow will also maximise its potential to provide positive impacts through rehabilitation and remediation. To achieve this, the Company commits to:
  - Comply with applicable environmental laws, rules and regulations and with other relevant environmental obligations as a minimum standard;
  - Work co-operatively with relevant national regulators wherever we operate;
  - Ensure the necessary resources are provided to implement and maintain an Environmental Management System to continually improve our operations;
  - Integrate environmental considerations into all activities and promote innovation to achieve sustainable production;
  - Implement acceptable management practices to prevent pollution, reduce emissions and water usage and eliminate, minimise or mitigate environmental impacts;
  - Perform periodic audits and inspections to assess the environmental performance of the Company’s activities as well as the effectiveness of its approach to responsible environmental management; and
  - Raise awareness of responsible environmental practices within our workforce.

This policy is provided to all new joiners of the Company as part of their induction process and Rainbow is committed to actively promoting awareness of this policy as well as to implementing systems to monitor and ensure compliance.

This policy, which is available on Rainbow’s website here: [www.rainbowrareearths.com/about/corporate-governance/company-policies/](http://www.rainbowrareearths.com/about/corporate-governance/company-policies/), is reviewed on an annual basis and was last approved by the Company’s Board of Directors on 27 October 2023.

#### **Adonis Pouroulis**

Chairman of the Board of Directors  
October 2023