NOVONIX™

2023 Sustainability Report

About This Report

NOVONIX™ is pleased to present our 2023 Sustainability Report (the "Sustainability Report" or the "Report") as the inaugural 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 undertook in 2023 to establish a robust, adaptive ESG program and outlines future plans that align with our commitment to sustainability. As we 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, 2023 ("FY 2023" or "2023"), 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. The entities covered by this Report include NOVONIX Limited, a Queensland, Australia corporation ("NVX") whose ordinary shares are publicly traded on the Australian Stock Exchange (ASX: NVX) and whose American Depositary Receipts 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 Australian Stock Exchange ("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, 2023 (the "2023 Annual Report"), filed with the SEC on February 28, 2024.

Methodologies and Frameworks

In 2023, we 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 third-party advisory, 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 this 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:

(1) our primary focus was to lay the foundation for an ESG program that would begin with a focus on key ESG topics and then develop and expand in 2023 and beyond;
(2) we believe it was premature to evaluate and decide on a single or limited number of reporting standards that could be applied across businesses;
(3) 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
(4) our NAM business has not yet achieved full-scale operations with plans to begin production in late 2024, which meant many of its business activities that relate to key ESG topics were still under development or not yet generating significant or reportable data.

As outlined below in "Disclosure Index," we prepared this Report with the above in mind and 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, 2023, to December 31, 2023, which aligns with the reporting 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.

Publication Date

The publication date of this Report is March 8, 2024.

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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, including through the use of artificial intelligence, our cost, throughput, and sustainability targets, 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 https://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.

CHRIS BURNS
CO-FOUNDER & CEO, NOVONIX

"NOVONIX is on a journey to provide revolutionary solutions to the battery industry to advance the adoption of clean energy. As a battery materials and technology company, we have a critical role to play in how our world's energy is used. Our products, services, and experience enable our customers to achieve their goals of making more efficient, longer life lithium-ion batteries for the electric vehicle and energy storage market, all towards a more sustainable future."

CEO Letter

As a leading battery materials and technology company, NOVONIX provides advanced, high-performance materials, equipment, and services for the global lithium-ion battery industry. Our vision is to provide revolutionary clean energy solutions to the battery industry. We are committed to our mission to develop innovative, sustainable technologies and high-performance materials to service the electric vehicle ("EV") and energy storage systems ("ESS") industries.

NOVONIX has focused on developing technology to provide higher-performance battery materials through simpler, cleaner processes. We have made tremendous strides over the last decade and are excited by the opportunities ahead of us as we deploy our technologies and processes to benefit the battery industry and aid in supporting a cleaner planet.

As we see prolific adoption of EVs and ESS, we know that environmentally conscious battery technologies will be key to securing a sustainable future. Our technologies for developing and proving long life, high-performance anode and cathode materials will help fuel the exponential growth of these markets over the next decade and beyond. This growth has significant tailwinds from government emissions targets, corporate EV commitments from virtually every automobile manufacturer, consumer environmentalism, and the drive to electrify our economy.

We are proud to publish this inaugural Sustainability Report which is the result of the efforts of our ESG Committee, and the goal of which is to document, report, and build transparency in the Company's ESG efforts.

Anode Materials Business

At NOVONIX we have been creating the building blocks for a localized battery supply chain for over a decade. Our NAM division is a leader in the development and production of battery-grade synthetic graphite materials in North America. Building a supply chain from the ground up is no easy task and requires significant investment, experience, and effort. One of the most crucial elements is validating new technologies quickly to reach and grow production and sales. The work we are doing at NAM is a key part of that process. Our process technology has the opportunity to reduce our energy usage and emissions in the production of battery-grade graphite and extend the useful cycle life of batteries compared with traditional technology.

All-Dry, Zero-Waste Cathode Synthesis Technology

Through our BTS division, we have developed technology and made investments in nickel-based cathode material synthesis. In 2022, NOVONIX kicked off a pilot program demonstrating the scalability of our proprietary all-dry, zero-waste cathode synthesis technology. The technology demonstrated through this pilot program helps reduce the cost and environmental impact of producing high energy density (nickel-based and cobalt free) cathode materials.

NOVONIX's BTS division was started in 2013 because of the impending need for higher performance batteries to support electrification. Our team understood that the rise of EVs and ESS – and the materials and technology that would be needed to support them – could potentially reshape global markets and accelerate a cleaner future. Ten years into this journey, we see more opportunity than ever before to support electrification with a focus on localization of key battery materials. We look forward to keeping our stakeholders informed as to our progress by continuing to enhance our reporting efforts and keeping you updated as we progress towards our corporate and sustainability goals.

Kind regards,

Chris Burns, PhD
CEO
NOVONIX Limited

NOVONIX's Riverside facility alongside the Tennessee River in Chattanooga, TN.

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.

At NOVONIX, we know that our battery materials and industry-leading, low-emissions technology and processes are key to enabling a cleaner, more sustainable, electrified future. We also recognize the need to reduce the impact of our operations and products on the environment. Throughout our offices and facilities, we've made a commitment to sustainability. We recognize that the health, safety, and wellbeing of our employees and the communities in which we operate are essential to our long-term growth and success.

The Company is committed to reducing greenhouse gas ("GHG") emissions throughout our operations. Many leading battery manufacturers and companies across the electrification sector have announced their goal to achieve net-zero emission by certain target dates, with these initiatives ultimately requiring support from their suppliers. NOVONIX believes its product will allow cell manufacturers to achieve market differentiation by producing high-performance battery materials with a lower GHG impact.

The battery industry has been growing and evolving at a rapid pace with the demand for electrification in response to global decarbonization efforts. Both EVs and grid-scale ESS have become central to this key theme and have witnessed significant demand growth. As society looks more broadly towards reducing our reliance on fossil fuels through the deployment of renewable power generation (i.e., wind and solar), the need for grid-scale ESS continues to grow as the intermittent power generation from renewable sources requires energy storage to support reliable power delivery to customers. With the performance and adoption of EVs and ESS progressing rapidly, the need for advanced materials and technologies that support long-life, high-performance battery applications, along with the need to localize the production of those materials, has become more pronounced.

While battery cell manufacturing to support the automotive transition to EVs has gained momentum in the United States, the North American battery material supply chain is lagging. NOVONIX anticipated the shortage of materials early on and in 2017 founded the NAM division based in Chattanooga, Tennessee. Today, the Company is a leading supplier of high-performing materials and technology with plans to scale significant volumes of synthetic graphite in North America to help meet the demand for this critical material.

Our battery testing equipment and battery research and development services are being used by our partners and customers to support the development of better cell technology for their products across vehicle, energy storage systems, and other applications.

Anode Materials

NAM is a U.S.-based supplier of battery-grade synthetic graphite focused on large scale and sustainable production to advance the North American battery supply chain. We are leading the transition to a fully integrated, domestic battery materials supply chain to facilitate a sustainable future. Utilizing proprietary synthetic graphite process technology, R&D capabilities, and strategic partnerships, NOVONIX is positioned to accelerate the transition to a cleaner energy future.

Synthetic graphite is the predominant anode material used today in lithium-ion batteries and is currently almost exclusively sourced from China. There are legitimate concerns surrounding labor and environmental standards in the sourcing of these materials. As part of its efforts to localize the battery supply chain, the U.S. Department of Energy has identified graphite for use in lithium-ion batteries as a critical material based on its criticality to global clean energy technology supply chains.

NOVONIX is currently scaling commercial production of synthetic graphite to meet the growing demand. Our Riverside facility, located in Chattanooga, Tennessee will produce up to to 20,000 tonnes per annum (tpa) of synthetic graphite when fully operational, and the Company is targeting a total production capacity of 150,000 tpa in North America.

We utilize new graphitization furnace technology developed in collaboration with Harper International Corporation ("Harper"). We have installed proprietary Generation 3 Continuous Induction Graphitization Furnaces ("Generation 3 Furnaces") at our Riverside facility and are continuing the commissioning of those systems to meet our production targets. Recent results in 2023 have shown ongoing production campaigns

that delivered in-spec product at a mass scale reaching our target design throughputs and demonstrate the Company's scaled, profitable production. Process economics for synthetic graphite are defined by three drivers: raw input costs, energy costs and operating costs. Customers require different product specifications that influence each of the above cost drivers. Alongside reaching the specification requirements of the EV and ESS sector, the Generation 3 Furnaces deliver significant reduction in emissions compared to Chinese processing as detailed in the life cycle assessment analysis summarized later in this report.

All-Dry, Zero-Waste Cathode Synthesis Technology

NOVONIX's revolutionary all-dry, zero-waste cathode synthesis process ("NOVONIX's process") has shown potentially significant cost and waste reduction improvements compared to conventional synthesis technology. In 2023, the Company commissioned Hatch Ltd., a global engineering consultancy firm ("Hatch"), to conduct a commercial-scale capital and operating cost comparison study, as well as a high-level evaluation of plant emissions and impacts to natural resources between NOVONIX's patent-pending process and the conventional, wet process ("conventional process").

NOVONIX's all-dry, zero-waste cathode synthesis process was built upon Dry Particle Microgranulation, which requires fewer steps than the conventional process, while producing no sodium sulphate, reducing facility cooling water by an estimated 65%, and eliminating the water needed for core materials processing. The Hatch study found that NOVONIX's process may potentially reduce power consumption by an estimated 25% and practically eliminate waste byproduct generation over the conventional process. These factors contributed to a potential processing cost reduction of an estimated 50% (excluding material feedstock costs) and potentially lower capital costs by an estimated 30%. Based on the scoping study comparing the two processes, NOVONIX's process is estimated to consume fewer natural resources, likely requiring essentially no reagents and generating fewer waste streams, and, as a result, is estimated to be a more environmentally friendly and sustainable process than the conventional process.

NOVONIX announced the commissioning of its 10 tpa cathode pilot line in July 2023 and demonstrated that our cathode material matches the performance of leading cathode materials from existing suppliers in full-cell testing. We plan to use our pilot line to continue to strengthen the Company's intellectual property portfolio and further demonstrate to potential customers the manufacturability of our technology to produce high-performance cathode materials, including high-nickel and cobalt-free materials, along with their performance in industrial format lithium-ion cells.

Battery Technology Solutions - Advanced Battery Testing and R&D Expertise

Our BTS division serves the battery industry in two critical ways: battery testing equipment and battery research and development services that can introduce new levels of efficiency to their projects. NOVONIX designs and assembles what it believes is the industry's most advanced and precise battery testing equipment, our Ultra-High Precision Coulometry ("UHPC") systems. These fully functional battery cyclers allow our customers to test electrochemical processes

within cells rapidly and in various form-factors, with industry leading precision and accuracy. The introduction of NOVONIX's UHPC systems to the market has provided customers with robust data that can improve decision making about their development programs in a way that was previously not possible with other equipment. Our customers, all of whom work in the energy storage sector towards more sustainable batteries and materials, can rely on our highly advanced UHPC equipment and our Research & Development Services team to provide results with the utmost expertise, allowing them to react and make decisions on next steps towards their project goals.

Waste and cost reduction are key focuses for NOVONIX and our BTS division is working to predict the lifespan of lithium-ion batteries. This endeavor will leverage NOVONIX's UHPC technology along with our extensive battery cell prototyping and testing capabilities.

With the rapidly growing demand for lithium-ion batteries required to support the global electrification trend, optimizing battery performance and cycle life on a timely basis has never been more critical to increase sustainability within the industry, to enhance performance and reduce both waste and battery costs. We are focused on developing sustainable technologies that support our customers in the development of new, high-performance batteries and materials. This enhanced data and analytics offering complements NOVONIX's UHPC testing equipment and R&D prototyping and testing services to provide greater efficiencies to the battery industry.

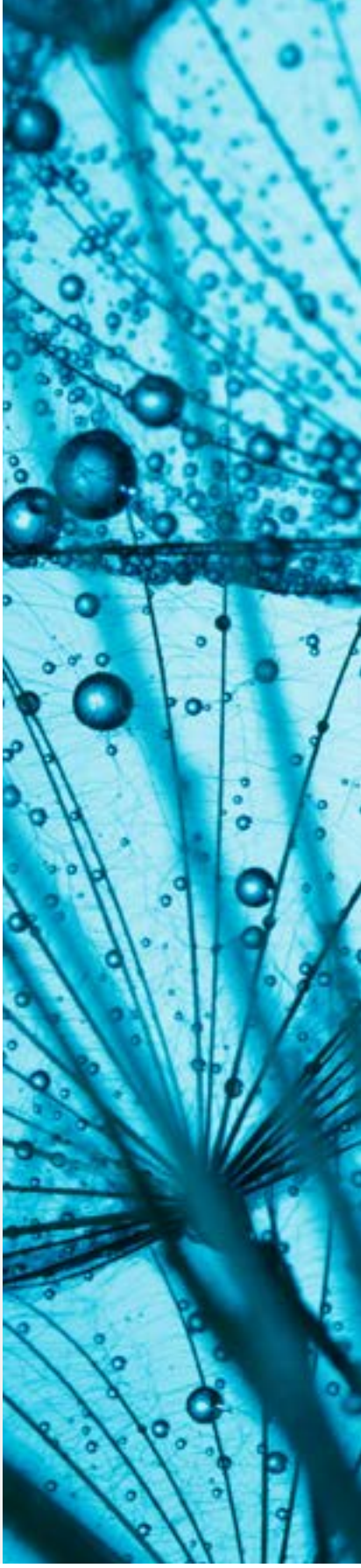
Predicting lithium-ion battery performance and degradation has been an ongoing challenge due to the complexity of the electrochemical system inside a lithium-ion cell, which depends on many factors such as cell chemistry, temperature, cycle rate and operational voltage windows, as well as physical cell design parameters. Presently, the battery industry performs extensive lifetime and performance assessments, which can take years for the necessary analytical results to drive cell and material improvements. Accurately predicting cell life using short-term, high-throughput UHPC testing in combination with advanced machine-learning models can help accelerate product development and innovation for new battery chemistries such as more efficient cells that generate less waste.

Materiality Assessment

We began developing our ESG program in 2022, and view it as a key initiative critical to align 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.

With the support of our Board of Directors, we formed an ESG Committee comprised of leaders within our organization representing a range of functions and subject matter expertise. The ESG Committee was charged with identifying priority ESG topics that would form the initial focus and critical path of our ESG strategy. Our third-party ESG advisor worked directly with the ESG Committee to assess the Company's operations, 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. We then conducted an internal materiality survey among members of the ESG Committee, our senior executive management, 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 executive management and ESG Committee considerations.



The top 10 ranked ESG topics are listed below.

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 through providing health and safety training, protective gear, improved ventilation, and regular health 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 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.
4 Greenhouse Gas Emissions	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.

Topic	Topic Description
5 Product Safety	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.
6 Employee Engagement	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.
7 Air Quality	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.
8 Waste and Hazardous Waste Management	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.

Topic	Topic Description
9 Environmental Impact in the Supply Chain	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.
10 Cybersecurity /Data Protection	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.

The internal stakeholders prioritized the above ESG topics from among a broader range of topics, including diversity, equity and inclusion, social impacts in the supply chain, and community relations, that are also a part of our ESG program initiatives whose relative priority may change as our business and manufacturing operations grow.

The Company has made progress in each of the above topics, several of which are discussed in this Report.

As a company that is in the early stage of its business life cycle, we are still in the process of developing and implementing our ESG program and strategy. We expect that our initial prioritization of ESG topics will evolve as our business is set to grow and scale to meet the needs of the battery industry and as our stakeholders' interests and expectations are further identified and change over time. With our initial materiality assessment and the assistance of third-party advisors, we are developing, further refining, and prioritizing our policies and processes, including data collection and identification of key performance indicators, with a view to enhancing our sustainability policies, processes, and disclosures as our ESG program continues to evolve.

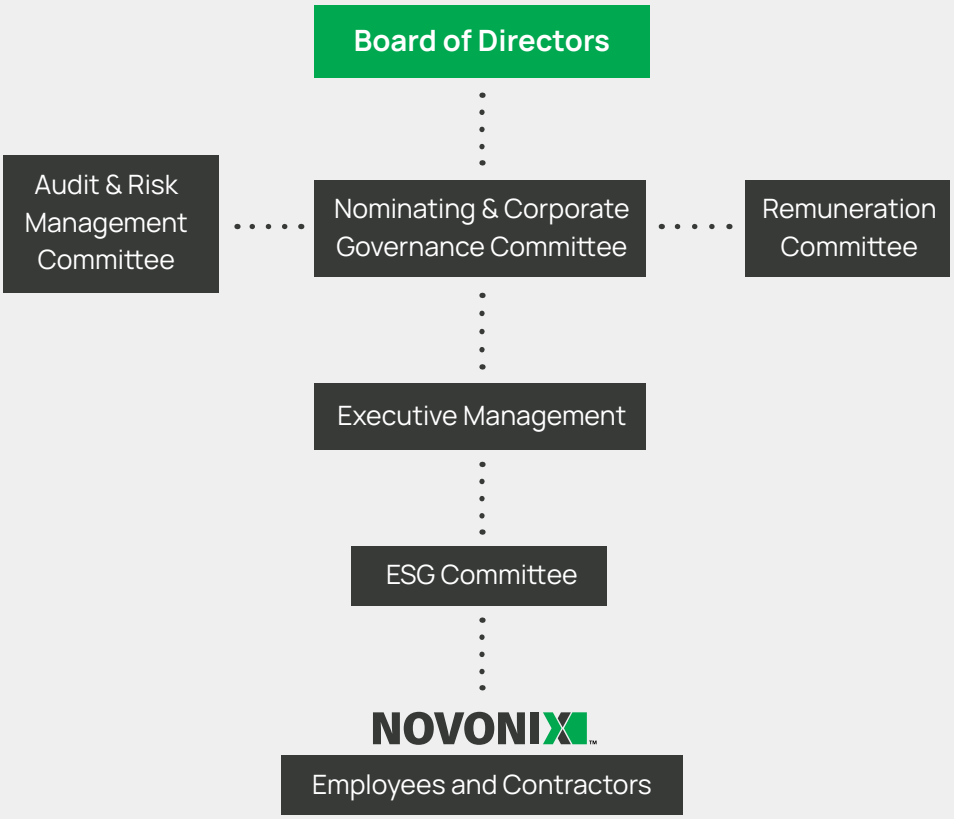
We are committed to assessing and improving our management of ESG risks and opportunities and being transparent about our progress by reporting publicly on our ESG program on an annual basis. We plan to expand our materiality assessment to consider the perspectives of a broader range of employees, investors, and other key stakeholders. We believe that an expanded and refreshed materiality assessment, will not only help us identify and prioritize the issues important to our stakeholders, but also allow us to identify and focus more specifically on the appropriate reporting protocols and standards that best align with our operations and objectives.

GOVERNANCE

Governance

Our corporate governance standards must comply with the following rules and regulations. 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 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 good 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. We note that Admiral Natter (Chairman of the Board of Directors) is not considered independent under Nasdaq listing rules because he served as an Executive Director until November 2021.

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 management and 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

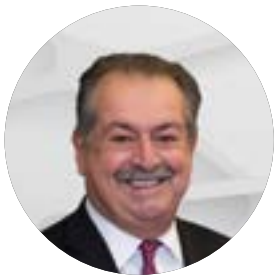
The Company currently has a seven-member Board of Directors, all of whom are non-executive Directors and four of whom, including the Board Chair, are independent, as defined by our Corporate Governance Charter.

Admiral Robert J. Natter
Chairman of the Board

Tony Bellas
Deputy Chairman

Sharan Burrow AC

Ron Edmonds



Andrew N. Liveris AO

Jean Oelwang

Suresh Vaidyanathan

	Audit & Risk Management Committee	Nominating & Corporate Governance Committee	Remuneration Committee
Tony Bellas	♙		👥
Sharan Burrow AC	👥		👥
Ron Edmonds	👥	👥	
Andrew N. Liveris AO			
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 2023 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, 2023
Strategy Development and Execution Oversight Track record of developing and implementing a successful strategy and risk management.	**6 Directors**
Going Global Senior executive or equivalent experience to enter into global markets/jurisdictions.	**6 Directors**
R&D/Technology Experience in research and development and fielding technology.	**4 Directors**

Competency	Representation of Skills Held by Directors as of December 31, 2023
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.	**4 Directors**
Corporate Governance / Other Board Experience Strong corporate governance experience with an understanding of publicly listed company obligations.	**4 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.	**5 Directors**
Senior Executive Management Experience in evaluating performance of senior management and overseeing strategic human capital planning. Experience in organizational change and management programs.	**6 Directors**

Mr. Liveris is not standing for re-election to the Board of Directors at our Annual General Meeting and, effective April 17, 2024, will no longer be a Director of the Company. After giving effect to this change and the re-election of our Directors standing for re-election at our Annual General Meeting, we will have six Directors, two of whom are female and four 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 progress 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, legal, investor relations, accounting, and information technology. The ESG Committee meets at least monthly 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

In 2022, as part of the establishment of our ESG program, the Board of Directors introduced an ESG component within the annual bonus plan for executives and other eligible employees for 2023, that focused on development of the Company's ESG program in recognition of its commitment to sustainability. A key element of this 2023 goal was the identification of the Company's most critical ESG risks and opportunities, and the establishment of a performance-driven ESG strategy, which included the publication of our inaugural Sustainability Report. 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.

Our Governance Initiatives

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

In 2022, the Company adopted 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, 2023, 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, in August 2022, the Board adopted 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 has been filed as an exhibit to the 2023 Annual Report and is also available on our corporate website on our Governance Documents page.

Clawback Policy

In response to recent changes in Nasdaq listing rules, in October 2023 the Board 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 has been filed 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. During 2023, the Company did not incur 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.

Supplier Code of Conduct

As part of the continued development of our supply chain strategy and organization, we intend to adopt a supplier code of conduct.

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.

ENVIRONMENTAL

Environmental

We believe that an increasing emphasis on environmentally conscious battery technologies is key to a sustainable future with prolific adoption of EVs and grid ESS. Many current manufacturing methods for key battery materials are energy intensive, wasteful, or hazardous to the environment. End-users and OEMs 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 disposal requirements. Additionally, NOVONIX's 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. NAM's process development has maintained what we believe to be industry leading yields including nearly 100% yield through our Generation 3 Furnaces. NOVONIX's 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.

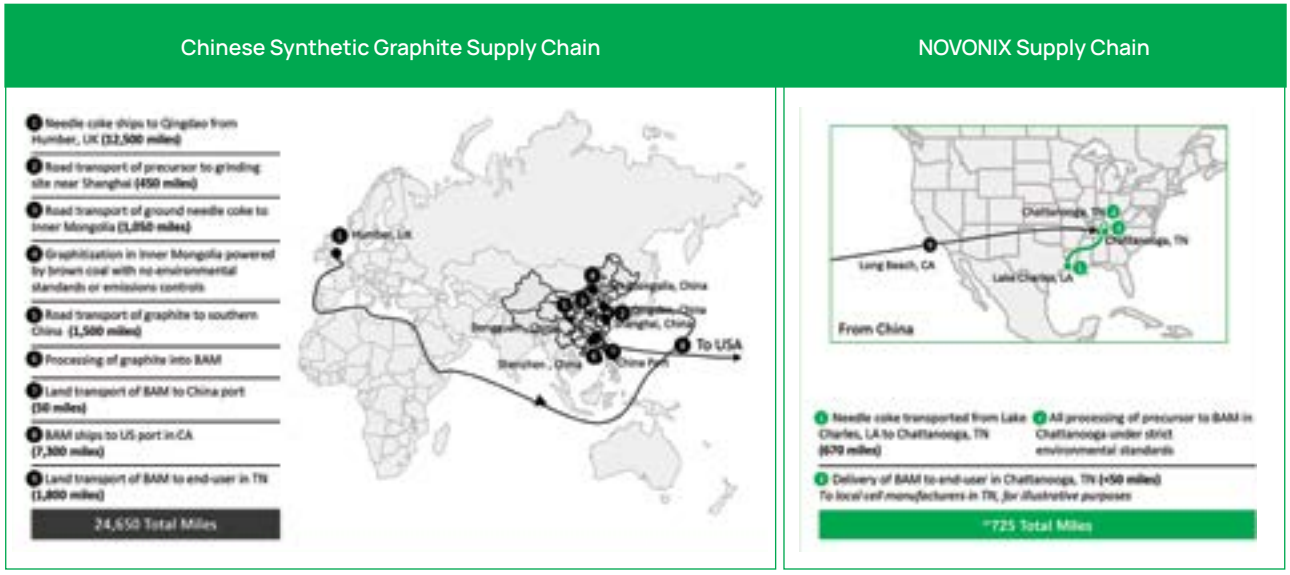
Cleaner Power Inputs

- NOVONIX is focused on sourcing power for its manufacturing from clean sources of energy generation. As such, our current location in the Tennessee Valley Authority has an electrical grid make-up which is approximately 60% non-carbon producing sources of energy including nuclear, hydro, wind, and solar.

Synthetic Graphite and its Environmental Footprint

Lithium-ion batteries are increasingly prevalent and broadly utilized across the energy storage and automotive 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.

NOVONIX Enables the Only Fully Domestic U.S. Supply Chain of EV Battery Anode Material



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

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. This 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 process associated with this LCA is directly comparable with the process utilized at Riverside and will be used in future greenfield projects.

Real operational data at pilot scale was utilized as the basis for electrical and water consumptions. Additionally, direct stack testing was performed on the graphitization process to calculate the direct emissions from the thermal graphitization treatment. Minviro was provided this information, as well as information collected upstream on emissions associated with the petroleum coke and inert gas feedstocks and compiled it into a final emissions calculation.

It was shown that the full NOVONIX process for the GX-23 product class achieved approximately 6 kg CO_2e/kg of product. When taking into account the emissions associated with the production of the raw materials, the overall emissions were approximately 9 kg CO_2e/kg of product. Additionally, water utilization was significantly reduced due to NAM's closed loop cooling systems.

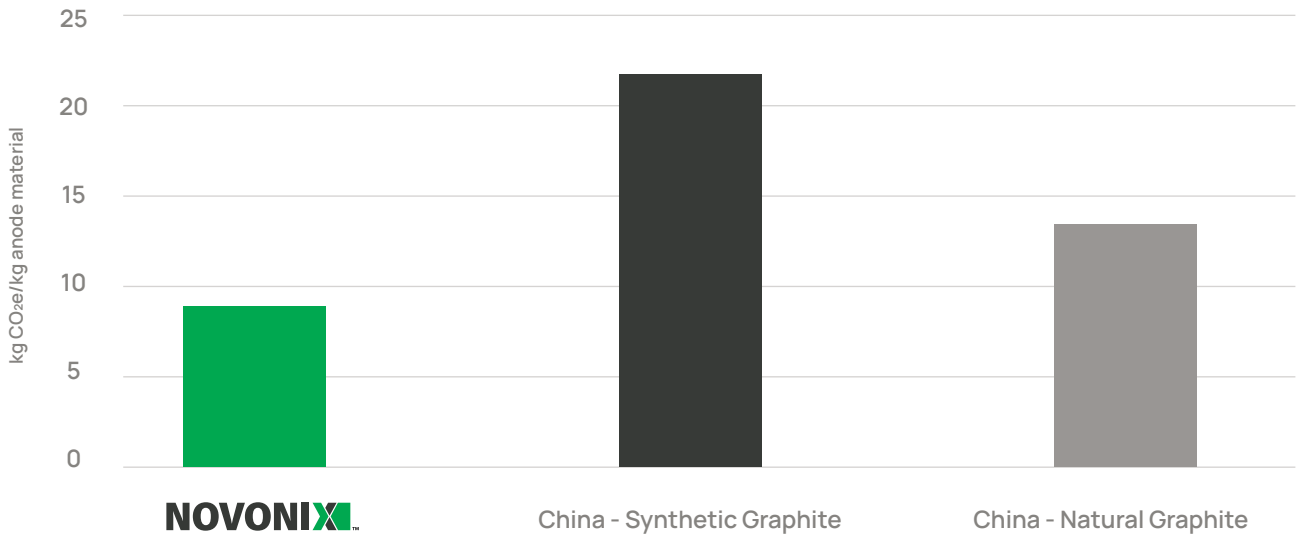
NAM anticipates that through further process optimization and increasing CO_2-free electricity, this value will continue to decrease into the future.

Typically, graphitization is carried out at atmospheric conditions, producing significant direct CO_2 emissions, as the super-heated carbon reacts with oxygen in the air. Additionally, this process produces Sulfur Oxide (SOx) and Nitrogen Oxide (NOx) emissions from the impurities in the carbon. NAM's high-temperature processes, which are fully inert, eliminates significant oxide gas generation.

Our GX-23 synthetic graphite anode material has an approximate 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.

Generation 3 Furnace systems and milling equipment installed in NOVONIX's Riverside facility

Global Warming Potential



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

Besides our graphitization technology that is less energy-intensive, the power grid makes a significant difference. Our Riverside facility is on the Tennessee Valley Authority grid that 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 currently powering existing energy intensive synthetic graphite production. China today is generating greater than 60% of its electricity from coal and other petroleum products[1].

[1] https://www.eia.gov/international/analysis/country/CHN

Advanced Battery Technology

Lithium-ion batteries are an essential piece of technology in our transition away from more carbon-intensive sources of energy. Our 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. NOVONIX's 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.

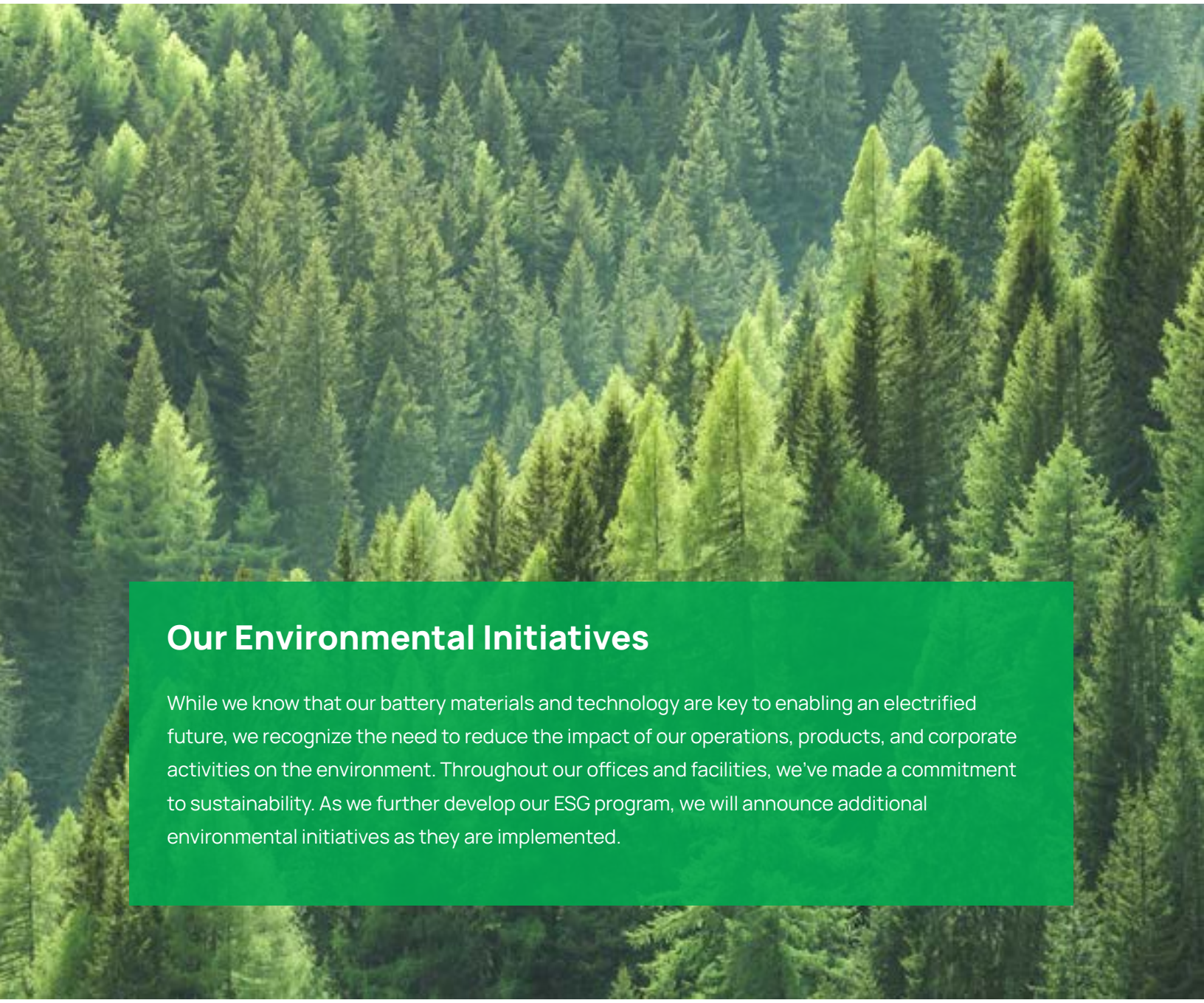
Environmental Mitigation Efforts

NOVONIX's mission focuses on producing high-performance battery materials and improving the processes to make their manufacturing cleaner and more sustainable. NAM's Generation 3 Furnaces are approximately three times more energy efficient than traditional graphitization technology and allows for complete capture and scrubbing of greenhouse gases, making it what we believe is the most environmentally friendly and efficient graphitization furnace in the world. As a result of NAM's controlled atmosphere thermal processing, all the operations process effluent can be effectively captured and treated. This allows for the re-utilization of inert gases in a recycle loop and eliminates almost all emissions from the process.

NAM has taken a holistic review of available feedstocks, searching for those with the best performance while maintaining localization where possible. We work with various suppliers of different feedstock materials including our primary feedstock, petroleum coke, 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 high performance.

As different process methods are required for the various product specifications required by different customers, NAM has been confirming performance of its novel process for many years. This has built confidence around our full process technology and the ability to produce materials meeting the specification requirements of the tier one cell manufacturers for the EV and ESS industries.

Advancing the proof of our full process technology has been instrumental in securing agreements such as those with LG Energy Solution, which shows 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. An example of this would be the continued work to build to specification for Panasonic Energy while supporting their objective to reduce the carbon footprint of their entire lithium-ion battery supply chain for EVs by 50% in 2031 compared to 2022 levels.



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 has a 120,000 sq. ft. pilot plant including R&D facilities and an industrial pilot line that can produce up to one tonne anode material samples. In 2021, the Company expanded its footprint in Chattanooga through the purchase of our 404,000 sq. ft. Riverside facility to serve as its first mass production facility targeting a production rate of 20,000 tpa of synthetic graphite when fully operational.

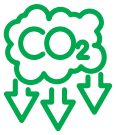
Through our construction and equipment installation period at Riverside, the Company has taken steps to minimize power usage and building improvements that follow current building codes and are taken with a consideration towards energy efficiency. Starting in 2022, NOVONIX began monitoring our daily 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 Tennessee Valley Authority ("TVA") that has an approximately 60% carbon-free power generation base and TVA has plans to increase this level to approximately 80%.[2] The Company's report from TVA notes that our power generation was comprised of a power composition by source of: 31.3% natural gas, 15.4% coal, 0.005% diesel, 9.6% hydroelectric, 38.7% nuclear, 2.2% renewables, and the remainder is 2.8% null power.[3] NOVONIX has applied to TVA's Green Flex program to receive the bulk of its power from renewable resources and was admitted for 2024. This is an annual application, and the Company cannot be certain that it will be awarded admission every year. 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.

[2] https://www.tva.com/energy/our-power-system
https://www.tva.com/environment/environmental-stewardship/integrated-resource-plan
[3] https://www.tva.com/energy/our-power-system

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 though process and equipment efficiencies as we add new production lines and facilities. We believe that in the early phases of each expansion, energy usage may not initially be optimized as we implement enhanced processes and with changes to customer product specifications.

BTS has two facilities in the Halifax, Nova Scotia area that total approximately 57,000 sq. ft. BTS' newest facility – purchased in 2021 – was retrofitted with all new LED lighting and 95% motion-sensored lighting prior to occupancy to minimize our environmental impact. BTS' original facility has approximately 20-25% LED lighting and a migration plan in place for all remaining lighting to be converted to LED as it wears or fails. Power usage remains relatively low at both facilities and consumption is evaluated regularly.



Greenhouse Gas Emissions

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. This reduces NAM's direct GHG emissions and 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 battery manufacturing and continue to electrify North America.

TVA's 2022 system carbon-emission rate of 658.06 CO_2 lbs/MWh is 29% percent below the EPA eGRID regional average of 931.6 CO_2 lbs/MWh and 23% below the EPA e-GRID national average of 852.3 lbs/MWh.[4] Our Riverside facility's 2022 CO_2 emission rate associated with NOVONIX's Electric Power Board of Chattanooga electricity purchases was 645.4 CO_2 lbs/MWh. This rate includes only CO_2 emissions along with the 2022 renewable energy credit adjustment that has resulted in an additional 3.5% Scope 2 CO_2 lbs/MWh reduction.

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

[4] https://www.tva.com/energy/our-power-system

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. Unfortunately, this process utilizes at least three times the energy per kilogram of product to graphitize compared with NAM's advanced continuous process. Additionally, as the graphitization is not inert, significant amounts of NOx and SOx are produced through this process. Historically, these have been released directly into the atmosphere, or move into scrubbing systems, which do not capture emissions during material harvest.

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

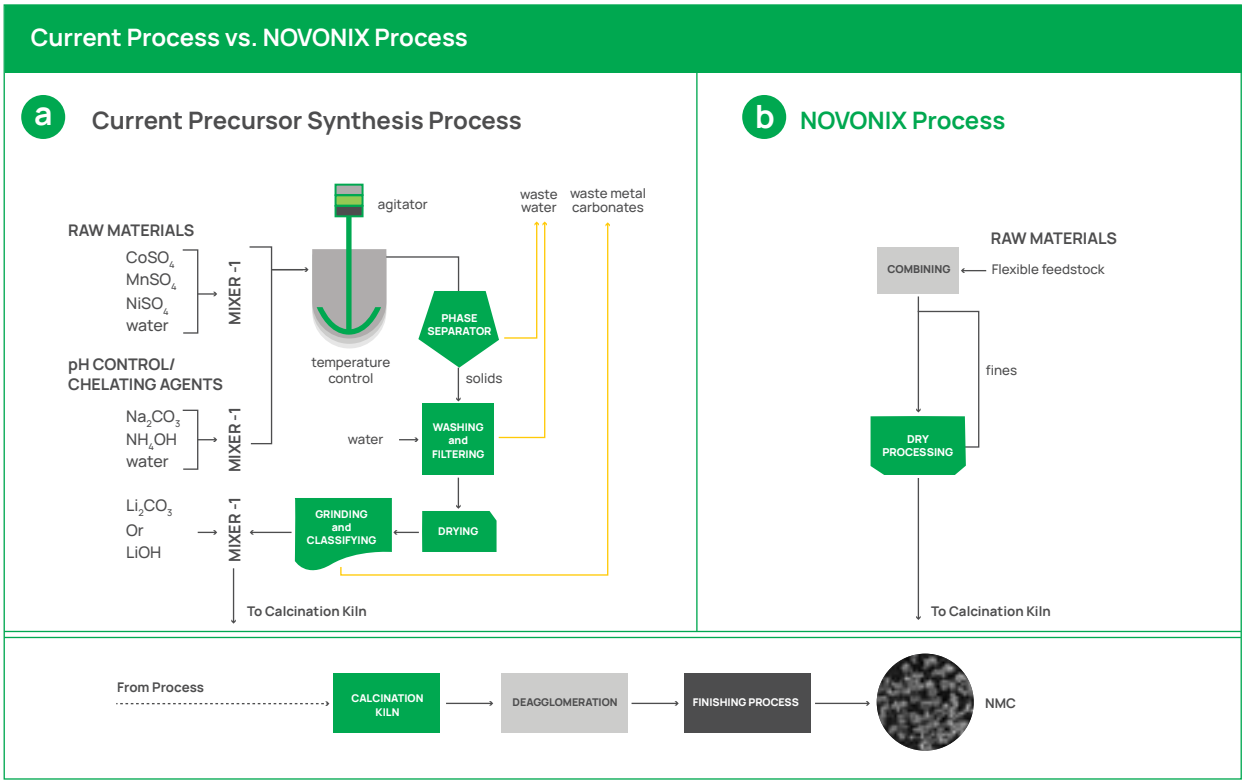
Based on testing at an existing NAM facility, our anode material projects are expected to reduce the production of regulated gases such as SOx, NOx, and Carbon Oxides (COx). GHG emissions are a result of the calcining process of petroleum coke and the graphitization process in which petroleum coke is converted into synthetic graphite.

The NAM process utilizes no natural gas in processing, and with very low Scope 1 direct emissions from the process. Stack testing was performed at the pilot graphitization level, and those 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 CO_2 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 CO_2e 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 CO_2e/kg of product, or an estimated 116,000 tonnes of CO_2e, was found to be related to electricity production annually for the Riverside facility full operating output.

At our BTS division, we aspire to reduce or minimize greenhouse gas emissions. Our equipment, R&D services, and cathode subdivisions 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. 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.



Process flow of conventional cathode synthesis (a) contrasted against the NOVONIX all-dry, zero-waste process (b).

The significant advantage of the NOVONIX process over the conventional process is through the simplification of the flow process, that is, 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, NOVONIX has 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. Emissions currently requiring a permit include Hydrogen Sulfide (H_2S), Hydrogen Cyanide (HCN), and Particulate Matter (PM) with controls in place to stay within permitted allowances. No emissions of SOx, NOx, or COx are generated because the process for synthesizing graphite is conducted under inert (Argon, Nitrogen) atmosphere. Third party emissions testing is conducted to confirm 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 SOx and NOx 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.

The 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 to prepare samples 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.

NAM has developed a training program to educate all relevant employees on the importance of maintaining a strong dedication to proper hazardous waste management. Employees are educated on the proper storage of hazardous reagents, coin cells, lithium metal, electrolytes, and batteries. We have a program 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. We undertake every effort possible to reduce, reuse and recycle. In 2023, BTS was nominated by the Halifax Regional Municipality for a Divert NS Mobius Award, a recognition for those leading the charge in waste reduction and environmental action. We collect all reusable materials 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 water (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 in 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. We take our responsibility seriously, as we are 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 then plan for potential schedule risk by identifying mitigation and treatment approaches and opportunities.

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 facilities utilize equipment manufactured within North America whenever possible. This has included close collaboration with key vendors for advanced processing technologies such as Harper. Not only does this allow NAM to have greater visibility and control over our supply chain for this critical equipment but reduces overall emission profiles associated with shipping the equipment from China, and the potential social concerns from the production of that equipment in those localities.

SOCIAL

Social

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 diversity, equity 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.

Our Social Initiatives

Workforce Health and Safety

At NOVONIX, we are committed to promoting employee well-being and morale by providing safe and healthy working conditions. It begins with adherence to applicable workplace health and safety laws. Beyond compliance with applicable laws, NOVONIX has established strict safety policy and process requirements. Our safety policy considers accident prevention to be of primary importance in all phases of operations, as well as administration. Our safety program strives to eliminate safety hazards, unsafe conditions, and unsafe behaviors and create a safe working environment.

A successful safety program requires a robust training program to communicate and implement expected safety practices and behaviors. NOVONIX's safety training program begins with a required number of hours of safety awareness training during new hire orientation followed by annual refresher training on topics directly related to the employee's work environment. Training includes, as appropriate for the facility and the nature of the operations and business activities, classroom and hands-on for operation of powered industrial trucks (PITs), use and donning of personal protective equipment (PPE), machine guarding, respirators, hazardous chemical communication, lockout/tag out (LOTO), working at heights, incident reporting, and other procedural and behavioral measures. In 2023 the company wide safety training completion rate was 99%.

NOVONIX supplements its training program with regular communications. Weekly and monthly safety topics are distributed and monthly Joint Health and Safety Committee meetings are held to ensure that employees stay engaged in maintaining a safe working environment. These initiatives not only provide a platform for discussing crucial safety information but also encourage open discussions and feedback from employees. By integrating ongoing communication strategies into our safety framework, we aim to create a culture of shared responsibility and continuous improvement in workplace safety.

	31 December 2022		31 December 2023	
	BTS	NAM	BTS	NAM
TRIR[1]	0	0	2.4	1.2
LTIR[2]	0	0	2.4	0
Fatalities	0	0	0	0
Average Hours of Specific Training	9.5	10	10.5	12

[1] Total Recordable Incident Rate

[2] Lost Time Incident Rate

The calculation follows the methodology specified by the U.S. Occupational Safety and Health Administration ("OSHA").

Employee Engagement

We employ over 200 people, approximately half of whom are located in the United States, and half in Canada. Approximately 10% 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 plan to hire experienced and talented employees across a wide range of functions critical to growing our business including research and development, production, finance, and marketing.

Our employee engagement and development strategy is focused on promoting open communication, soliciting feedback, and creating bonds among employees at all levels, 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 put in extra effort to contribute to their organization, and a sign of their commitment to staying.

Fundamental to engaging with our employees is regular and effective communication. We host quarterly town hall meetings for each of our NAM and BTS businesses 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.

Another key tool we employ to promote communication is our annual employee engagement survey. In 2023, we conducted the survey with questions covering a broad range of focus areas as well as open-ended questions that allow employees to ask questions or provide comments that further help management identify potential action items in response. With the leadership of our human resources

team, we ensure that results are properly compiled and communicated to allow managers to discuss the results with their respective teams, identify strengths, weaknesses and opportunities for improvement, and brainstorm ideas for follow-up actions and responsibilities for next steps. In 2023, 80% of our workforce participated in the engagement survey, which we consider a strong result.

Our regular performance appraisals and feedback processes are also essential components of our employee engagement and development strategy. Annual performance evaluations focused on Company, department, and individual goals are performed following the end of each fiscal year and affect all salaried exempt and salaried non-exempt personnel. Our NAM hourly non-exempt personnel receive performance evaluations focused on job duties and are evaluated for pay increases every six months as part of our pay progression program.

As a technology company with significant research and development, materials testing, and ultimately manufacturing personnel and assets, training is also vital to the engagement and development of our employees. In 2023, we conducted our first multi-phase leadership development training program, which included 38 managers throughout the Company.

Another contributor to overall employee engagement, including recruitment and retention, is our workplace flexibility. We offer some positions the opportunity to work from home or in a hybrid capacity, depending on the organization's needs. However, within a manufacturing environment, it is challenging to offer much flexibility as production depends on consistency and continuous physical presence.

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.

Each of our design, assembly and testing steps adheres to standards, processes, and inspections that contribute to the overall safety of the finished product. These include:

- **Circuit Board Design, Inspection, Calibration, and Channel Module Build**
  Our internal professional engineers work with an IEC-certified electronics engineering company that specializes in precision circuit board design, and our circuit boards are built to ICP Class 2 standards by one of several ISO 9001 certified circuit board manufacturers. BTS' electrical engineering department follows rigorous procedures for receiving and preparing our circuit boards for use in our equipment, including visual inspections using magnifying cameras to identify any imperfections with components or solder connections that were not detected by the circuit board manufacturer's quality control process. We run our circuit boards through a 500-hour 'burn-in' process, which is a safety procedure and allows them to remain within specification longer after calibration. The circuit boards are calibrated using other CE marked NOVONIX and 3rd party equipment and, with respect to new circuit board designs, after we build circuit boards into UHPC channel modules, we run them through an extensive engineering/design validation testing program.

- **Testing and Certification of Fully Built Product**
  The fully built product is shipped to be CE tested and certified by a leading, globally recognized testing and certification organization. At the end of this process, the entire product will be CE certified and considered ready to be produced and sold at volume. Once all the components of the system have been built, tested, and racked together into a server rack, the entire UHPC system is pre-ship tested as a final, comprehensive test of the complete system to ensure full functionality and meeting specifications.

- **System Firmware**

  Our UHPC equipment is a turnkey system that includes our own firmware and software, which are written with many safety fail-safes to ensure that the UHPC equipment will never supply unwanted current and overcharge a cell, among other adverse events. Firmware is tested vigorously during the electrical engineering development stage and a final firmware version is approved with each circuit board hardware version, which results in infrequent changes.

- **System Software**

  We also have developed and regularly enhance the software used to operate the UHPC equipment and analyze the data it generates. Safety and system stability are key elements of our software, which is designed to ensure that even if there was a hardware failure, there will be no adverse effects to the cells being charged or discharged by the equipment. We are constantly improving our code, addressing bugs, taking customer feedback, and adding new features for release to customers. We have multiple testing phases prior to a software release to customers to ensure the safety and stability of our products. These include code reviews, simulated tests on UHPC hardware, and real-world tests using real cells on UHPC hardware.

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.

UHPC systems are shipped out with hard copies of our user manual that is current to the system that was purchased, as well as setup and onboarding documents. Customers are also able to have on-boarding calls with NOVONIX technical support staff to ensure all is being set up and used properly and any questions are answered. All customers have access to our NOVONIX Resource Center on our website, where they can find many resources, including manuals, application notes, up-to-date software versions and release notes, spec sheets and other resources, which allow customers to understand and operate our equipment properly and safely.

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 that 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.

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.

Diversity, Equity, and Inclusion

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 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 inclusivity. 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 Company's objectives for the year ended December 31, 2023, and the progress in achieving them, are outlined in the table below.

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

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	
	Men	Women	Men	Women
Number of Employees	133	57	147	63
Percentage of Total Employees	70%	30%	70%	30%
Number of Senior Executives*	2	1	2	1
Percentage of Senior Executives*	67%	33%	67%	33%
Number of total Board Members**	6	2	5	1
Percentage of Board Members**	75%	25%	83%	17%

* Senior Executives are considered those individuals included as Key Management Personnel in the 2023 Annual Report.

** With the addition of Sharan Burrow to our Board of Directors, effective February 28, 2024, and after giving effect to the election of Director nominees at our Annual General Meeting to be held on April 17, 2024, our Board will be comprised of 4 men and 2 women, or 67% and 33%, respectively.

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" considering our employees being located in the U.S., Canada, and Australia and the differences in how diversity is viewed in those jurisdictions.

Targets	Objective	Progress
At least 30% representatives of each gender on the Board of Directors	Ensure diverse representation at each level of the organization	Prior to the appointment of Mr. Vaidyanathan in September 2023, 33% of Directors were female.
50% of the total employee population are female		Established and maintained a compensation framework to ensure an objective salary grade structure.
30% of managerial roles are female		Continued to Implemented new HRIS to track diversity metrics.

Targets	Objective	Progress
Top quartile engagement score on company-wide employee survey	Create a culture of inclusion and belonging	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.

Corporate Social Responsibility

We consider the health, safety, and wellbeing of the communities in which we operate critical to our success and a value that is shared across our organization.

In Halifax, BTS is an annual sponsor of the Discovery Awards, which celebrates individuals whose achievements in science and technology elevate Nova Scotia to the forefront of global innovation.

Our partnership with Hamilton County Schools to create the NOVONIX Institute of Advanced Battery Technology in Chattanooga, Tennessee, illustrates the type of investment we're making in our communities. We have also created strong workforce development opportunities centered around actively recruiting and hiring displaced employees of fossil fuels and manufacturing industries in addition to offering opportunities for career advancement and professional training. Additional examples of our community engagement efforts in Chattanooga, which are led by our Community and Workforce Engagement Manager, include:

- our collaborative partnership with American Job Center, a U.S. Department of Labor program based in Tennessee to recruit U.S. military veterans, members of disadvantaged communities, and justice-involved individuals;
- hosting job fairs focused on disadvantaged communities;

- engaging with a local non-profit, Project Return, to successfully hire formerly incarcerated individuals; and
- awarding the annual Empower Scholarship in May 2024, to high school seniors pursuing a career path in STEM.

We have also contributed to local non-profit organizations including the Orange Grove Center and Chattanooga Room in The Inn, among others, and have facilitated multiple donation drives to support local community organizations.

NOVONIX also recognizes that the sciences have not always been the most representative and diverse among industries and we strive to do our part to influence positive change. The Company has been active in developing education resources that grant greater access to the sciences for diverse populations. In July of 2023, NOVONIX committed $25,000 to establish the NOVONIX Diversity in Chemistry Fund at Dalhousie University. The fund offers full-time employment for high school students that self-identify as members of underrepresented communities, supporting lab-based summer research opportunities.

The Company joined Accelerate, Canada's Zero-Emission Vehicle (ZEV) Supply Chain Alliance, ZETA (Zero Emission Transportation Association), and Battery Materials & Technology Coalition (BTMC) in an effort to strengthen the battery ecosystem and onshore the supply chain at a pivotal moment for the industry. NOVONIX will help ensure the coalition speaks to midstream testing and processing which is often overlooked, such as its all-dry, zero-waste cathode synthesis process, to help shape smart public policy and grow Canada's battery ecosystem.

As we further develop our ESG program, we will share information on our companywide initiatives, policies, and processes to support our employees and the communities in which we operate.

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
Employees	GRI 2-7	Refer to the Employee Engagement section
Governance structure and composition	GRI 2-9	Refer to the Board Composition section
Role of the highest governance body in sustainability reporting	GRI 2-14	Refer to the Corporate Governance Principles section
Governance		
Business Ethics	SASB RT-EE-510a.1, RT-EE-510a.2, & RT-EE-510a.3	Refer to the Business Ethics section
Environmental Emissions	GRI 305, SASB EM-MM-110a.1	Refer to the GHG Emissions section
Waste and Hazardous Waste Management	EM-MM-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. & EM-MM-320a.1	Refer to the Workforce Health and Safety section
Employee Engagement	GRI 404-1 & GRI 401-2	Refer to Employee Engagement section
Diversity	GRI 405-1	Refer to the Diversity 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.

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