



ENVIRONMENTAL
SOCIAL AND
GOVERNANCE
REPORT
2021

WESTERN AREAS LTD





CONTENTS

Chairman's and CEO's statement	3
About Western Areas	4
Sustainability at Western Areas	6
Approach to ESG reporting	7
Governance	11
Environment	15
Social	26
Emissions verification	33
GRI INDEX	34

FORWARD LOOKING STATEMENTS & DISCLAIMER:

This report may contain certain forward-looking statements and historical operating and financial data. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs.

Forward-looking statements are subject to a variety of risks and uncertainties which are beyond the Company's ability to control and could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Western Areas Ltd undertakes no obligation to revise these forward-looking statements to reflect subsequent events or changes in circumstances.

This Report does not include reference to all available information on the Company and should not be used in isolation as a basis to invest in Western Areas. Any potential investors should refer to Western Areas' other public releases and statutory reports and consult their professional advisers before considering investing in the Company.

CHAIRMAN'S AND CEO'S STATEMENT

We are pleased to present Western Areas' 2021 Environmental, Social and Governance (ESG) Report.

Sustainability is fundamental to how Western Areas conducts business. We are committed to minimising any potential adverse environmental impacts and operating responsibly in the community, while acknowledging that our company operates within an extractive industry. This report provides detail on our commitment to addressing the sustainability challenges facing the Company and its stakeholders and identifying opportunities to progress positive change.

Our whole team again displayed terrific diligence and perseverance in the face of the ongoing COVID-19 pandemic, ensuring our operations remained a safe place to work. Safety remains Western Areas' priority; it helps create the best working environment possible and helps us attract the best talent, which is conducive to our longterm success. The Company recorded a reduction in the LTI frequency rate for FY21 down from 1.41 to 0.63 at the end of the reporting period. This is an excellent achievement for the group. We have further integrated COVID-19 procedures into the perennial enhancement of our broader safety practices, to facilitate operational efficiency in a safe environment. As was the case last year, our policies and procedures are completely aligned with directives from both the state and federal government health departments.

Western Areas is one of the lowest CO₂ emitters per tonne of nickel produced in Australia, due to the Company's primary operation at Forrestania being fed via the main Western Australian power grid, rather than burning fossil fuels on site to generate electricity. Managing our energy use is critical to our business and there are well established procedures in place to monitor and manage our usage. During FY21 we commenced detailed modelling of the technical requirements and costs of alternative energy production solutions for Cosmos. Cosmos is due to commence nickel production during FY23, so this is an opportunity to align our major infrastructure decisions, such as energy production, with our future climate change strategy.

During the year the Company completed a number of key improvement objectives with regards to our emissions reduction strategy, including continued independent verification of our Scope 1 and 2 emissions, published our inaugural Scope 3 emissions, implemented a shadow carbon price model into our medium-long term strategic decision making and benchmarked our industry peers' emission targets.

At Forrestania, we completed construction of the first phase of the mill scats heap leach project. This is expected to enhance our Mill Recovery Enhancement Project (MREP) to recover additional nickel using our leaching technology to produce high grade nickel sulphide for sale to refineries. The material is keenly sort by companies with direct links with the electric vehicles (EVs) battery market and large renewable energy battery arrays. A global shortage of high-grade nickel is projected as production of EVs and storage batteries ramps up, presenting an enormous opportunity to our Company as Cosmos production comes on stream during FY23.

We are proud to be gearing up to be part of the coming transport revolution as the world moves away from the internal combustion engine and embraces cleaner, non-polluting EVs.

During the year we welcomed Ms Yasmin Broughton to the Board of Western Areas. Ms Broughton is a barrister and solicitor with significant experience working as a non-executive director and a corporate lawyer in a diverse range of industries including mining and energy. Ms Broughton has over 20 years' experience working with ASX-listed companies and has a deep understanding of governance, risk management, compliance and regulation.

Western Areas takes our corporate social responsibilities very seriously, clearly demonstrated by tangible initiatives, such as our sponsorship of the Perth Zoo's Black Cockatoo exhibit as part of our commitment to enhancing the conservation of this endangered bird species. We have had an extensive conservation management plan in place at Forrestania for the Carnaby's Black Cockatoo since 2012. Western Areas has also supported the Western Shield and Eastern Wheatbelt Biosecurity Groups for nearly a decade to protect native species in the wheatbelt area by managing declared pests.

We acknowledge the major challenges that the COVID-19 pandemic has presented, but also highlight the resilience and support of our employees, contractors and suppliers during the last year. On behalf of the board of Western Areas we express our gratitude to our team for their ongoing hard work under extraordinarily difficult circumstances.

We hope you enjoy reading this report.



Ian MacIver
Non-executive Chairman



Dan Lougier
Managing Director and CEO

ABOUT WESTERN AREAS

Western Areas is an Australian-based mining and exploration company that aims to be a sustainable and profitable, nickel-focused, base metal miner. It has a portfolio of operational and emerging nickel mines with targeted production of over 15,000 tonnes per annum of nickel in concentrate, for in excess of 10 years.

The Company has been listed on the Australian Securities Exchange (ASX) under the ticker symbol WSA since July 2000. It owns a 100% interest in both the Forrestania Nickel Operation (Forrestania) and the Cosmos Nickel Operation (Cosmos), both located in Western Australia.

Western Areas' primary growth asset is the long-life Odysseus mine, at the Cosmos Nickel Operation. Odysseus is fully funded and due to produce its first ore in FY22 and commence nickel concentrate production during FY23. Odysseus remains one of the few long dated supplies of nickel sulphide to enter the market in the coming years, as the electric vehicle market continues to drive nickel demand for delivery into the EV battery supply chain.

Western Areas' current primary nickel producing asset is Forrestania, located 400km east of Perth. The Company currently produces over 16,000 tonnes of nickel in concentrate per annum from Forrestania's Flying Fox and Spotted Quoll underground mines.

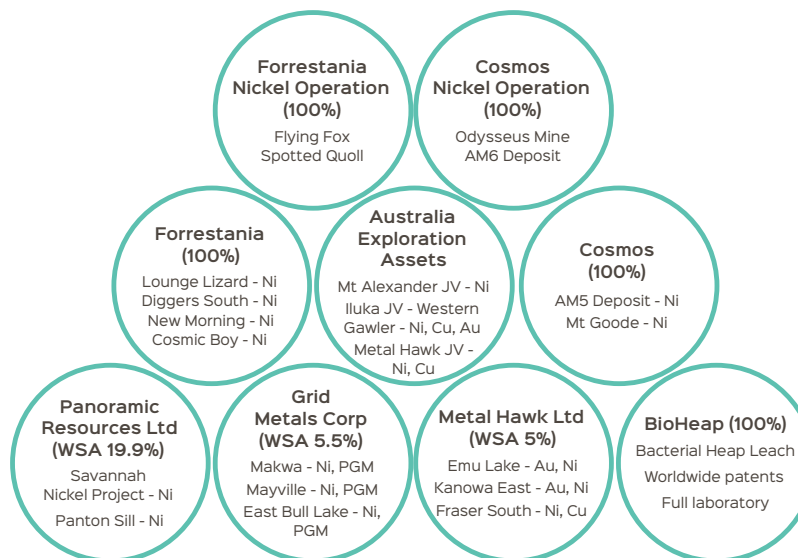
The nickel ore is processed at the Cosmic Boy Concentrator (CBC) and sold into offtake agreements with BHP Billiton Nickel West, for a minimum 10,000tpa of nickel, and the Jinchuan Group, China's largest nickel cathode producer, for the balance.

The Company continues to cultivate new, EV battery linked, customers looking to purchase a value added, premium high grade nickel sulphide precipitate (NSP) product produced by the Company's Mill Recovery Enhancement Plant (MREP) at Forrestania. The MREP has commercialised the Company's 100% owned BioHeap™ bacterial leaching technology.

FY21 SUMMARY – KEY METRICS, FY21

- Sales revenue: A\$257.2m (FY20: A\$308.4m)
- Average realised price of nickel (before payability): A\$10.07/lb (A\$9.42/lb)
- Nickel in concentrate production: 16.2kt (20.9kt)
- Nickel in concentrate sales: 15.5kt (19.9kt). (Nickel production was impacted by lower grades due to unplanned operational issues at Forrestania in 1H FY21, but there was a significant improvement in 2H FY21, with production up 22% from the HY).
- EBITDA: A\$73.5m (A\$121.9m) and EBITDA margin of 29% (39%)
- Net Loss After Tax: A\$7.7m (NPAT A\$31.9m)

WESTERN AREAS LIMITED



Western Areas is an active base metal explorer in both the Cosmos and Forrestania areas and boasts a significant landholding in the emerging Western Gawler region in South Australia. In addition, it has a Joint Venture agreement with St George Mining at Mt Alexander and a Farm-in agreement with Iluka in the Fowler Domain. It also has a strategic 19.9% stake in Panoramic Resources.

The Company remains focused on its core business of sustainable, long life nickel production, making new nickel discoveries and generating consistent returns to shareholders. It has put in place the cost structure and capabilities to prosper through commodity price cycles that includes a prudent capital management strategy, an opportunistic approach to joint venture opportunities and value-based assessment of asset acquisition.

Western Areas is a company limited by shares and domiciled in Australia.

The table below highlights Western Areas' economic contribution to the community. For further detail on the Company's operational and financial performance, refer to the 2021 Annual Report.

Economic value statement, A\$000

	FY19	FY20	FY21
Revenue	268,716	308,352	257,173
Other income	5,148	5,029	573
Total Economic value generated	273,865	313,381	257,746
Operating costs	208,472	218,126	214,601
Salary and wages	33,335	37,622	38,690
Payments to government	6,866	15,206	(585)
Payments of state government royalty	11,621	8,418	8,326
Payments of other royalty	-	1,997	2,365
Donations, sponsorships	12	24	13
Capital / construction	101,656	116,362	169,056
Total economic value distributed	361,962	397,755	432,466
Economic value retained	(88,097)	(84,374)	(174,720)

MEMBERSHIP OF ASSOCIATIONS

Association of Mining and Exploration Companies (AMEC)

AMEC, representing over 400 members companies across Australia who work in the mineral exploration and mining industry, provides policy and advocacy initiatives on industry topics. WSA has been a member for over 16 years and participates actively on various standing committees and working groups.

WA Mining Club and the WA Mining Club Young Professionals

The WA Mining Club was formed in 1972 as a platform for people involved in the industry to meet, network and discuss industry trends. The Young Professionals was more recently established, aspiring to drive diversification and innovation, and create a forum that supports development and retention of young mining professionals. WSA is a member of the WA Mining Club, a key sponsor of the Young Professionals.

Australasian Institute of Mining and Metallurgy (AusIMM)

AusIMM provides support and advocacy for industry professionals and represents a global community of members from 100 countries involved in all aspects of mining.



SUSTAINABILITY AT WESTERN AREAS

Western Areas, while acknowledging that it operates as an extractive industry, is committed to minimising any negative social or environmental impacts from its business by operating responsibly in the community. Our commitment to sustainable operation is reflected in our governance practices, active engagement and strong relationships with all our various stakeholders, as well as in the resources we deploy to manage the health and safety, environmental and social impacts of the business.



Western Areas' approach to sustainability is underpinned by five key principles:

- 1 Sustainability is critically important in our daily business activities and operations;
- 2 The key to our success is the health, safety and development of our employees;
- 3 Expertise, innovation and technology are the important tools with which we can minimise adverse environmental, community and social impacts;
- 4 The communities in which we operate are partners in the Company's development; and
- 5 Continuous improvement is critical to achieving and maintaining the highest standards in sustainable business practice.

Western Areas' approach to ESG is supported by our global risk management program (RMP), which identifies and analyses material risks to the Company's business objectives and ensures that these risks are adequately managed and reported to the Board. However our approach is also characterised by a strong desire to build on the twin foundation stones of sustainability: continuous improvement in performance and transparency.

Improvements we have made in FY21 include:

- Updating our Global Reporting Initiative (GRI) reporting from the older GRI-G4 to the current GRI Standards, and also reporting for the first time against the Sustainability Accounting Standards Board (SASB) framework, an investor-focused standard designed to make it easier to compare companies in the same sector;
- Extending the scope of reporting to include a larger number of material topics;
- Re-engaging Kewan Bond Pty Ltd to undertake independent verification of Scope 1 and 2 emissions;
- Reporting Scope 3 emissions for the first time, for the three years between FY19 and FY21;
- Including a GRI Content Index (see page 34) listing all the topics covered and where they can be found;
- Developing a carbon forecast model to understand our carbon emission profile for the life of our mining operations;
- Establishing a 3-tier shadow carbon price model; and
- Continuing the process of formalising a climate change strategy.

We are proud to be an Australian company and privileged to be able to operate in a market with a strong and transparent legal system, low political risk, high commercial opportunity and high safety standards.

APPROACH TO ESG REPORTING

SCOPE OF REPORTING

Western Areas is committed to continuously improving its sustainability performance and reporting, year on year. This year we have conducted a new ESG materiality assessment and increased the scope of our reporting by:

- Reporting fully against the Global Reporting Initiative (GRI) Standards (from the GRI-G4 Guidelines previously), and, where possible, reporting against the Sustainability Accounting Standards Board (SASB);
- Reporting on additional material topics identified through the materiality assessment and providing more detailed disclosure.

Western Areas has included in this report, the material entities that it controlled during the financial year.

ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

- Western Areas Ltd
- BioHeap Ltd
- Western Platinum NL
- Australian Nickel Investments Pty Ltd
- Western Areas Nickel Pty Ltd
- Western Areas Employee Share Trust



STAKEHOLDERS

Effective stakeholder engagement is key to Western Areas maintaining its long-term social licence to operate. We are committed to ensuring we deliver the largest possible benefits to stakeholders in the long term. Our key stakeholder groups, their interests and concerns, and how we engage with them are summarised below:

Stakeholders	Interests and concerns	Engagement
Shareholders – Investors in the equity of the company	<ul style="list-style-type: none"> • Preservation of equity • Return on investment • Prudent allocation of capital 	<ul style="list-style-type: none"> • Executives engage directly • Regular reporting and communication of financial results • Accessibility via shareholder communication policy and protocols
Customers – Buyers of nickel products	<ul style="list-style-type: none"> • Safe, reliable and consistent supply of nickel products • Foster strong commercial relationships through open and honest communication 	<ul style="list-style-type: none"> • Executives engage directly • Regular face to face and electronic communication • Skilled and experienced logistics team
Employees – Employees working across WSA's operations	<ul style="list-style-type: none"> • Providing a safe workplace • Fostering a rewarding work environment, where employees feel empowered • Building and maintaining a strong culture • Respect individual differences 	<ul style="list-style-type: none"> • Flat management structures and reporting lines enables free flowing, two-way exchange • Access to training and development • Equal opportunity and diversity policy
Traditional owners and Native Title groups	<ul style="list-style-type: none"> • Respect for local customs and laws • Compliance with Land Access Agreements, including heritage and Native Title compliance • Strengthening cultural awareness and understanding • Provision of employment and business opportunities 	<ul style="list-style-type: none"> • Senior managers responsible for Aboriginal heritage, Native Title and Aboriginal engagement • Regular communication and consultation • Support of local community groups • Local communities engaged to provide services where possible • Employee cultural awareness and competency training
Government and regulators – Federal, State and Local Government agencies and regulators	<ul style="list-style-type: none"> • Environmental, social and financial performance and compliance reporting • Legislative and regulatory policy frameworks • Land access and approvals 	<ul style="list-style-type: none"> • Regular engagement • Regulatory information • Public information including financial results • Royalty and taxation filings and payments
Non-government organisations – Focused on sustainability and corporate responsibility	<ul style="list-style-type: none"> • Risk management • Community engagement • Environmental performance • Compliance 	<ul style="list-style-type: none"> • Public reporting, announcements/media releases and corporate policies • Environment department engages and consults • Sponsorship of local community organisations
Suppliers and contractors – Businesses supporting our operations	<ul style="list-style-type: none"> • Working with contractors to achieve sustainable and mutually beneficial outcomes • Modern Slavery elimination and compliance 	<ul style="list-style-type: none"> • Regular meetings with primary contractors • Transparent dealing during contract establishment or renewal • Standardised contract terms and conditions

MATERIALITY

The materiality assessment for Western Areas confirmed or identified the sustainability topics, issues, opportunities and risks most material to the Company, as well as topics deemed material to our investors and ESG rating agencies.

Our assessment was informed by current market and stakeholder trends and peer analysis, and followed the GRI and SASB (Mining and Metals industry sub-sector) guidance.

In addition to GRI and SASB, we also took into consideration the disclosure expectations of global investors, which includes aligning with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Modern Slavery Act 2018.

The process for defining the report's content was based on the GRI Reporting Principles, which include stakeholder inclusiveness, sustainability context, materiality, topic boundaries and completeness, and we believe this report conforms with all of them. Topic boundaries differ from topic to topic and are provided in the GRI Content Index starting on page 34. Our material topics are listed below.

We have reported against the SASB Standards this year for the first time.

In this year's Sustainability report, third party, independent assurance was again obtained for Scope 1 and Scope 2 carbon emissions. We are currently in the process of assessing potential benefits and efficiencies from additional assurance which will be confirmed in future reports.

If you have any comments or queries on this report, please contact info@westernareas.com.au.

Western Areas' material topics

Governance

- Corporate governance
- Board (structure/independence)
- Business ethics
- Compliance
- Anti-corruption
- Supply chain/modern slavery
- Tax transparency

Environment

- Energy management
- Carbon emissions
- Water
- Tailings and waste
- Mine closure management
- Biodiversity
- Compliance with environmental laws

Social

- Safety
- Local communities
- Employment – attraction and retention
- Training
- Diversity/Inclusion/equal pay
- Indirect economic impacts





HOW WE ADDRESS OUR SUSTAINABILITY RISKS

GOVERNANCE

Western Areas is strongly committed to maintaining a high standard of corporate governance, and manages its governance in alignment with the ASX Corporate Governance Principles and Recommendations (4th edition). The quality of our corporate governance and risk management is integral to achieving our strategic objectives and underpins our commitment to integrity and accountability for our decisions and actions. We believe that a rigorous and comprehensive corporate governance framework is essential to sustained value creation.

The strategic direction and corporate governance of Western Areas is led by the Board of Directors, whose core objective is to maximise the returns to shareholders while managing key risks, including sustainability risks, that may materially impact the business. Sound corporate governance practices are reflected throughout the Company's decision making and culture. Our detailed governance and management framework helps us manage potential financial and reputational risks. The legal and regulatory framework, which includes the ASX Listing Rules and ASX Corporate Governance Principles, requires us to address these risks and report our progress.

The Board has developed policies and charters to ensure that an appropriate level of corporate governance is in place. These can be found on the Company's website and include, but are not limited to:

- Corporate Governance Statement
- Code of Conduct
- Risk Management Policy
- Board Charter
- Diversity and Inclusion Policy
- Shareholder Communications Policy
- Remuneration Committee Charter
- Human Rights Policy
- Continuous Disclosure Policy
- Nomination Committee Charter
- Whistleblower Policy
- Share Trading and Disclosure Policy
- Audit and Risk Management Committee Charter
- Social Responsibility
- Environmental Policy

CODE OF CONDUCT GUIDING PRINCIPLES



Leadership *Show the Way*

- Provide direction
- Think strategically
- Be innovative
- Inspire and enrich



Integrity *Do the Right Thing*

- Be open and honest
- Show respect for the individual
- Value differences
- Be a good corporate citizen



Simplicity *Keep it Simple*

- Focus on Priorities
- Be non-bureaucratic
- Communicate clearly
- Make it easy to understand



Commercial Focus *Treat it as your Own*

- Be financially responsible
- Make astute decisions
- Understand the market
- Create long term value



Performance *Strive to Excel*

- Have a passion and belief
- Work toward the greater good
- Take accountability
- Celebrate success

While the Board has overall accountability for establishing an effective governance framework, and overseeing its management, all Western Areas people share responsibility for upholding our corporate governance standards. These standards are articulated in our Code of Conduct and reflected in its guiding principles of Leadership, Commercial focus, Integrity, Performance and Simplicity.

The corporate governance system is reviewed regularly by the Board to ensure that it fulfils the needs of all stakeholders and most importantly, shareholders. Please refer to the Corporate Governance Statement for a complete overview of how we manage our business.

THE BOARD



BOARD OF DIRECTORS

AUDIT / RISK MANAGEMENT COMMITTEE

Financial reporting,
compliance and
risk management

REMUNERATION COMMITTEE

Remuneration
practices

NOMINATION COMMITTEE

Board membership
and performance

CHIEF EXECUTIVE OFFICER / BOARD OF DIRECTORS

EXECUTIVE MANAGEMENT TEAM

The Board's role includes providing leadership and guiding Western Areas' strategic direction, driving its performance, and overseeing the activities of Management and the operations of the Company. A key part of the Board's responsibilities is to implement and oversee an effective corporate governance structure, establishing appropriate policies, procedures and monitoring to ensure the business functions effectively and responsibly. The Board has created a framework for managing the business, including the implementation of relevant internal controls and a risk management process. Separate Board Committees for Audit and Risk Management; Remuneration; and Nomination assist the Board in carrying out its role by providing detailed oversight in these areas.

The senior executive team, through the Managing Director, is accountable to the Board for day-to-day management of the Company. In turn, senior executives are supported by a number of committees focused on risk and operations, each with specific responsibilities.

All directors hold shares in Western Areas.

Board diversity

During the year, Ms Yasmin Broughton was appointed to the Board of Western Areas. Ms Broughton is a barrister and solicitor with significant experience as a non-executive director and a deep understanding of governance, risk management, compliance and regulation.

Ms Broughton's appointment brings the make-up of the Board to 33% female overall (40% female among non-executive directors).

Risk management

Effective risk management is a key focus for Western Areas, given we are entrusted with protecting the safety and lives of our employees and contractors, the environment at and communities around our sites, and the products sold to our clients. Our risk management framework provides a consistent approach for identifying, analysing, evaluating, treating, monitoring and reporting risks at all levels of the organisation. We regularly review the framework to ensure it remains relevant and current.

COMPLIANCE

We are an ethically cautious company, committed to following the letter and spirit of the laws that govern us as well as expected standards of ethical business behaviour.

To ensure compliance with all laws, Western Areas utilises the following policies and practices:

- Comprehensive, mandatory training for all employees and on-site contractors, both at induction and annually thereafter, to ensure they are aware of their safety, legal and ethical obligations;
- There is a suite of policies and procedures outlining the Company's expectations of behaviour in different situations. These are made available to all employees and are reviewed and updated regularly as required.
- Western Areas publishes a number of documents as legally required, including, but not limited to, the annual Corporate Governance Statement, annual greenhouse gas emissions report, Climate Change Statement, Workplace Gender Equality Act report and Modern Slavery Statement.
- The Western Areas Code of Conduct was updated and distributed to all staff and contractors for sign-off/acknowledgment during the year.
- There is a strong culture of reporting in the company – keeping everyone safe is of paramount importance but this behaviour extends to all other areas as well.
- Independent Whistleblower service for reporting all incidents, e.g. fraud, corruption, bullying, sexual harassment/assault is in place. All reports made to the Whistleblower service are made anonymously, and should a report be received, the matter is investigated and a full report provided to the Board.

ETHICAL BEHAVIOUR

Western Areas is committed to maintaining the highest level of integrity and ethical standards in all its business dealings and practices. Employees must conduct themselves in a responsible manner at all times consistent with our guiding principles and current community standards and in compliance with all relevant legislation. We work within our risk management framework and Code of Conduct to manage potential risks from ethical issues such as bribery, corruption, fraud and conflicts of interest. Our Code of Conduct requires our employees to consult with a manager if they are in any doubt about a course of action or if someone is in breach of our ethical expectations.

Western Areas recognises that the tone of our ethical behaviour is set at the top, at Board and senior executive level, and must apply throughout our business. Ethical issues such as anti-competitive behaviour, conflicts of interest, bribery, corruption, fraud and insider trading have the potential to cause significant harm to our Company and we apply our risk management framework to help prevent or mitigate such risks.

Our Code of Conduct sets out the standards of behaviour expected of all employees, underpinned by its guiding principles of Leadership, Commercial focus, Integrity, Performance and Simplicity, with particular focus on the principle of 'Integrity – Do the right thing'. The Code covers fair dealing, discrimination, safeguarding information and IP, acceptance of gifts, conflicts of interest, anti-bribery and corruption, insider trading, health and safety, the environment and whistleblowers. It applies to all directors, employees, contractors and suppliers, who must confirm that they have read and understood the Code. Breaches of the Code can make an employee liable for penalties, up to and including dismissal.

A key objective for Western Areas is ensuring we pay suppliers, particularly smaller ones, on time. General terms for payment are 30 days from the end of the month. The majority of our suppliers are paid within this timeframe.

Whistleblowers

Reinforcing our commitment to ethical behaviour, our Code of Conduct allows for whistleblowers aware of breaches to report them to a senior manager or director. We have provided a third-party independent and anonymous service for any employee or contractor to use to report any breach of the Code, should they feel uncomfortable discussing it with a manager or director.



ANTI-CORRUPTION

Our policy in relation to anti-bribery and corruption is documented in the Western Areas Code of Conduct. All staff receive training on the Code of Conduct as part of induction and are required to confirm that they have read and understood the obligation of the Code.

There were no confirmed incidents of corruption during the reporting period.

SUPPLY CHAIN AND MODERN SLAVERY

Our supply chain and value creation across the supply chain is structured as follows:

What we procure

- Underground mining contractor services
- Energy and Fuel
- Explosives and chemicals
- Engineering and project management services
- Accommodation management services
- Freight and logistics services

Our operations

- Exploration
- Underground mining
- Processing of ore
- Delivery of concentrate to local and export customers

What we sell

- Nickel concentrates (Used in the manufacture of stainless steel, electronics and electric vehicle batteries)

We are proud of our record of buying the goods and services that we use from local suppliers. In FY21, 98% of the goods and services supplied to us were from Australian suppliers, sourced as follows:

Western Australia	90%	\$300 million
Rest of Australia	8%	\$27 million
International	2%	\$5 million

Although the Australian mining industry is considered at low risk for modern slavery, Western Areas is committed to running modern slavery-free operations and supply chains. Through contractual arrangements and procurement policies, all our consultants, agents, contractors and suppliers are required to comply with the WSA Code of Conduct. The Company's standard terms and conditions also require that suppliers meet minimum environmental, ethical and health and safety standards. Underlying mechanisms are in place to support compliance with the Code of Conduct and assurance that relevant controls are being correctly applied.



TAX TRANSPARENCY

Overall approach to taxation and the regulator

Western Areas pursues an approach to tax that is principled, transparent and sustainable, having regard to its broader business objectives. The Board endorses the following principles governing its approach:

- Commitment to ensure full compliance with all statutory obligations, and full disclosure to revenue authorities.
- Maintenance of documented policies and procedures in relation to tax risk management and completion of thorough risk assessments, including escalation and reporting to the Board.
- Ongoing engagement with revenue authorities and active consideration of the implications of tax planning for our wider reputation.
- Managing tax affairs pro-actively to maximise shareholder value, while operating in accordance with the law.

The ultimate responsibility for the establishment of a tax risk management framework sits with our Board, which has delegated to the Audit Risk Committee the function of developing and maintaining our tax risk management framework. Company directors are not expected to be tax specialists but 'there is a core, irreducible requirement of directors to be involved in the management of the company and to take all reasonable steps to be in a position to guide and monitor'.

Tax risk tolerance and actions

Taxes are managed with the objective that all tax liabilities properly due under the law are correctly recorded, accounted for and paid. The Company balances considered tax planning with appropriate tax risk management by adopting valid and supportable positions and maintaining awareness of other prevailing views and risks through regular consultation with its external tax advisors.

Consistent with our low tax risk tolerance, the Board will not endorse tax positions falling outside published Australian Taxation Office (ATO) safe harbours.

ENVIRONMENT

Western Areas acknowledges the changing global climate and is responding by developing a Climate Change Strategy and is mitigating climate change risk. Western Areas has actively and voluntarily disclosed its climate change performance and related issues to the Climate Disclosure Project (CDP) since 2014, which continued with our recent submission in 2021. Western Areas' 2021 CDP submission can be found on our website.

The Board Chair has ultimate responsibility for climate related issues that may affect the Company. The Audit and Risk Committee, a committee of independent directors appointed by the Board, has specific oversight of the Company's Risk Management Program (RMP) which assesses, monitors and reports on the risks and opportunities of climate change to the business. The outcome reports of all RMP activities are tabled as a standing agenda item at all Western Areas Board meetings. This ensures that the Board receives regular and up-to-date information relating to the identification, consequence assessment and mitigation controls in place to manage material risks.

The RMP has considered the potential risks and opportunities at our mining operations arising from climate change and carbon emission management. The key identified climate change inherent risks are:

- **Bushfires**
Increase in the prevalence of bushfires in the southern parts of Western Australia, with the potential to impact personnel and infrastructure at, and power supply to, the Forrestania Nickel Operation; and
- **Groundwater scarcity**
Warmer climate and reduction in rainfall in South Western Australia increasing long term groundwater scarcity and access to potable water for operations.
- **Carbon Pricing**
Driven by the global shift towards de-carbonisation, there is a risk of a carbon pricing mechanism in the future. Western Areas has developed a carbon forecasting model incorporating a range of shadow carbon prices.

Western Areas identified a number of key controls through the RMP to manage these identified risks to mitigate any potential impact to its operations.

Climate change and the required reduction in anthropogenic carbon emissions provides a number of opportunities for the company. The key identified opportunities are:

- **Electric vehicle batteries**
The emerging market demand for electric vehicles is an opportunity for Western Areas. Nickel is a key input material in electric vehicle batteries (cathode) as highlighted in the case study on page 18; and
- **Renewable energy**
Renewable energy provides an opportunity for Western Areas to reduce its carbon footprint, with the added benefit of expected savings in operating costs at its mines. The biggest opportunity related to the power supply into the Cosmos Nickel Operation. Cosmos' 10+ year mine life should enable payback of the investment required for low carbon installations, such as hybrid solar, wind and gas installations.
- **Ore Haulage Shaft**
The construction of the ore haulage shaft infrastructure at Cosmos will provide significant economic and environmental benefits against trucking ore to the surface. The shaft will save approximately 1.5 million liters of diesel, reduce the number of trucks required underground, avoid 5MW of diesel engine heat and a significant reduction in underground cooling and ventilation requirements.



ENERGY MANAGEMENT

During FY21, Western Areas obtained energy from two key sources, namely diesel (trucks and generators), and grid electricity .

Net energy consumption for FY21 was 834,502 GJ, an increase of 41% compared to FY20, primarily due to the increased activities at Cosmos including construction, power generation and underground development.

Energy Consumption Table:

FY21	Energy Consumption GJ
Forrestania Nickel Operation	456,919
Cosmos Nickel Operation	374,452
South Australian Exploration	2,531
Perth Laboratory	316
Corporate Office	284
Total Emissions	834,502

Energy use was as follows:

- Percentage of net energy needs obtained from electricity was 309,861 GJ, equating to 37%
- Percentage of energy needs obtained from renewable sources: 0% directly

Note that the amount of energy obtained from renewable sources is actually higher than zero. The South West Interconnected System (SWIS), which supplies electricity to the Forrestania Nickel Operation, provides some electricity generated from solar and wind. The proportion fluctuates up and down, however on average the proportion of SWIS from renewable energy is 19%, not including roof-top solar on residential properties. At a specific time in March 2021, renewable energy made up a record 65% proportion of the electricity supplied by the grid.

A summary of the WSA FY21 National Greenhouse and Energy Reporting System (NGERS) emissions totals is outlined below. Total Scope 1 and Scope 2 emissions for FY21 increased by 16.1% from the previous year due to increased activities at Cosmos, including construction, power generation and underground development. Emissions from the Forrestania operation increased only marginally by 2.7%.

CARBON EMISSIONS

Emission Strategy

Western Areas is conscious of the changing global climate and the need for all companies to contribute to moving towards Net Zero emissions. The Company is developing a Climate Change Strategy and is actively seeking to mitigate climate change risk by taking steps to reduce its energy use and emissions.

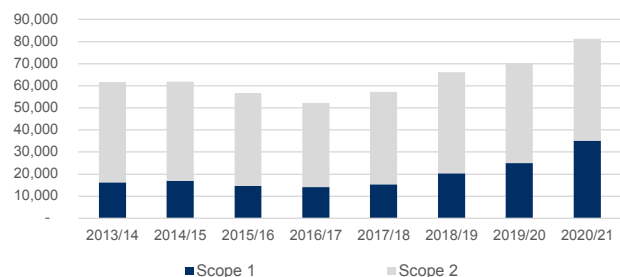
Scope 1 and 2 emissions (tonnes Co2e)

SCOPE 1	FY19	FY20	FY21	Methodology
Cosmos	6,820	10,662	20,605	Calculated as per Australia's National Greenhouse and Energy Reporting System (NGERS). Fuel and electricity data sourced from supplier invoices and/or delivery records. Methods and energy/emission factors sourced from NGERS Measurement Determination.
Forrestania	13,010	13,884	14,402	
SA exploration	540	423	177	
Total Scope 1	20,370	24,969	35,184	
SCOPE 2				
Forrestania	45,622	44,906	45,982	Calculated as per Australia's National Greenhouse and Energy Reporting System (NGERS). Fuel and electricity data sourced from supplier invoices and/or delivery records. Methods and energy/emission factors sourced from NGERS Measurement Determination.
Bioheap Laboratory	52	96	54	
Perth office	61	58	60	
Total Scope 2	45,735	45,060	46,096	
SCOPE 1 + 2	66,105	70,029	81,280	

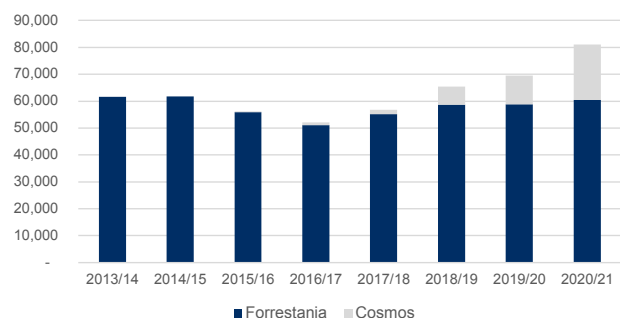
We face opposing pressures at our two major operations. Forrestania is already one of the lowest CO₂ emitters per tonne of nickel produced in Australia, because the primary operation is fed via the main Western Australian power grid, rather than by burning fossil fuels on site to generate electricity. Due to the short remaining life of the mines there is limited scope for switching from the diesel trucks used underground to bring ore to the surface. The remaining ore in Flying Fox is deeper, often less accessible and lower grade. It is likely that Forrestania's energy use and Scope 1 emissions per tonnes of nickel will rise in the remaining years of mining, partly as more energy will be required to bring ore to the surface. Energy use is then expected to drop in stages, firstly when Flying Fox ceases production (around 2 years), and again when Spotted Quoll is depleted (around 5-6 years). It will fall to close to zero at Forrestania once underground and surface site remediation processes are completed at all operating areas.

1. <https://reneweconomy.com.au/western-australia-sets-new-record-for-wind-and-solar-share-and-minimum-demand/>

WSA Emissions



Key Operations Total Emissions



Cosmos

When the Odysseus mine becomes steady state, we expect our total energy use and emissions will increase. However, we are seeking to utilise more sustainable infrastructure to reduce energy use and thereby cut our carbon emissions.

We are currently modelling two life of mine power alternatives, sustainable energy sources for the new mine, either of which will increase our energy sustainability and lead to reduced emissions:

- Building a solar-wind batteries hybrid, supplemented with limited diesel-gas generation, providing us with largely renewable energy and low emissions; or
- Connecting to a private regional power grid which contains a high proportion of renewable energy.

During FY21, the successful delivery of the ore haulage shaft headframe and winder assets were delivered to Cosmos. We estimate this is a saving of approximately 6,000 tonnes of CO₂e per year of operation.

Emission verification

Kewan Bond Pty Ltd (KBPL) was engaged by Western Areas to conduct an independent verification of emissions reported by WSA in accordance with our reporting obligations under Australia's National Greenhouse and Energy Reporting Scheme (NGERS) and the NGER Act 2007. See KBPL's Verification Statement on page 33.



Scope 3 emissions (tonnes CO2e)

	FY19	FY20	FY21	Methodology
Upstream				
Transport & refining of fuel	1,494	1,850	2,127	Scope 3 emission factors sourced from National Greenhouse Accounts Factors (Oct 2020). FY19 and FY20 data used factors from 2008 National Greenhouse Accounts (NGA) Factors (Australian Department of Climate Change).
Lime	-*	1,161	2,020	NGERS Measurement Determination - methods for calculating GHG emissions from lime production.
Cement	-*	6,851	16,542	NGERS Measurement Determination - methods for calculating GHG emissions from cement production.
Fly-in Fly-out flights	929	1,192	1,631	Number of flights and fuel consumption provided by aviation contractor. Energy and emission factors from NGERS Measurement Determination applied to calculated fuel consumption.
Drive-in Drive-out buses	106	18	42	Number of buses and routes sourced from supplier invoices. Bus fuel efficiency sourced from Australian Bureau of Statistics for vehicles of equivalent size and weight. Energy and emission factors from NGERS Measurement Determination applied to calculated fuel consumption.
Downstream				
Truck haulage of concentrate	5,014	4,084	3,222	Fuel consumption provided by haulage contractors. Energy and emission factors from NGERS Measurement Determination applied to calculated fuel consumption.
Shipping of concentrate	6,983	6,556	4,034	Shipping emissions calculator provided by shipping contractor (MSC), based on transport origin, destination, route and container type.
Smelting of concentrate	70,887	65,578	51,143	Emissions per tonne of product calculated and provided by Australian smelter operators, using methods aligned with Australian NGERS. Australian emission factor also applied to smelters in China, Japan and Norway. Majority of product is processed in Australian smelters.
Scope 3 total	85,413	87,289	80,762	

*We did not assess lime and cement in our FY19 Scope 3 calculations. In FY20, we expanded our assessment to include these.



CASE STUDY: BATTERIES FOR EVS AND STORAGE

Nickel (Ni) has long been used in batteries, most commonly in nickel cadmium (NiCd) and longer-lasting nickel metal hydride (NiMH) rechargeable batteries in the 1980s. In the 1990s NiMH batteries appeared in vehicles and the first commercial applications for Li-ion batteries emerged in camcorders, smartphones, laptops and other portable devices.

Nickel is the cathode material of choice for high performing Li-ion batteries. With a higher voltage and nearly twice the energy density of other materials, high nickel Li-ion batteries allow an EV to travel much farther between recharging and allow greater storage capacity at lower cost. As battery technology advances, the proportion of nickel-containing Li-ion batteries is set to grow.

Western Areas views production of nickel for batteries as a major opportunity for the Company as the world transitions to a lower carbon economy. Currently only 5% of global nickel production is used in batteries but demand is certain to jump as EVs and energy storage battery production takes off. It has been predicted that a 50% increase in production to 3 million tons of nickel sulphate a year will be needed by 2030 (Bloomberg).

Currently the battery technology is moving to the NCM (nickel-cobalt-manganese) 8.1.1. This means that the majority of the cathode (8 parts) is nickel. This is very positive news for nickel producers.

CASE STUDY: CARBON MINERALISATION AT FORRESTANIA

In an effort to meet international targets of net zero carbon emissions by 2050 governments and companies are examining ways to reduce or negate their carbon emissions. One method available to Western Areas is carbon mineralisation, a natural process in which atmospheric carbon dioxide is captured and stored within a mineral as carbonate. One mineral generated is the hydrated magnesium carbonate hydromagnesite $Mg_5(CO_3)_4(OH)_2 \cdot 4H_2O$. Carbon mineralisation is a rapid way of capturing carbon dioxide in a stable form for storage and sequestering on a geological timescale. It takes place passively when carbon dioxide is fixed to soluble magnesium; there is enormous potential to improve passive carbonation of magnesium rich tailings streams by maximising carbon dioxide contact with these streams.

Western Areas' Forrestania hub is rich in magnesium and there are multiple streams in current and future operations where carbon mineralisation can be utilised, offsetting our carbon emissions and increasing the value of high magnesium streams and deposits. High magnesium streams have traditionally been rejected for bacterial leaching as they tend to have high acid consumption and thus higher costs than lower magnesium streams. If this stream now has value as a source of carbon mineralisation in addition to the contained mineral it becomes more attractive to process, increasing our available resources whilst reducing our carbon dioxide output. Current streams that may be candidates for carbon mineralisation include the tailings exiting the concentrator and the MREP iron precipitation stream.

Western Areas is actively investigating the potential for carbon mineralisation at our current and future projects. We are working with leaders in the field at the University of British Columbia to quantify the potential for carbon capture at our sites and to develop a method for measuring the mass of carbon dioxide removed from the atmosphere.

Western Areas intends to collaborate with the mining industry more broadly on the development of an appropriate Emission Reduction Fund (ERF) methodology to formalise the generation of carbon offsets.

Emissions reduction

Western Areas is in a transition period between the long term Forrestania operation which is moving into the later part of its productive life, and Cosmos, which will commence nickel production in FY23 with a 10+ year mine life. With mines both coming onstream and phasing down, it is difficult to establish consistent baseline energy use and emissions and therefore challenging to set emission reduction targets. However, the measures we are taking will, over time, reduce our emissions as production transitions from Forrestania to the more sustainable Cosmos operation.

In addition,

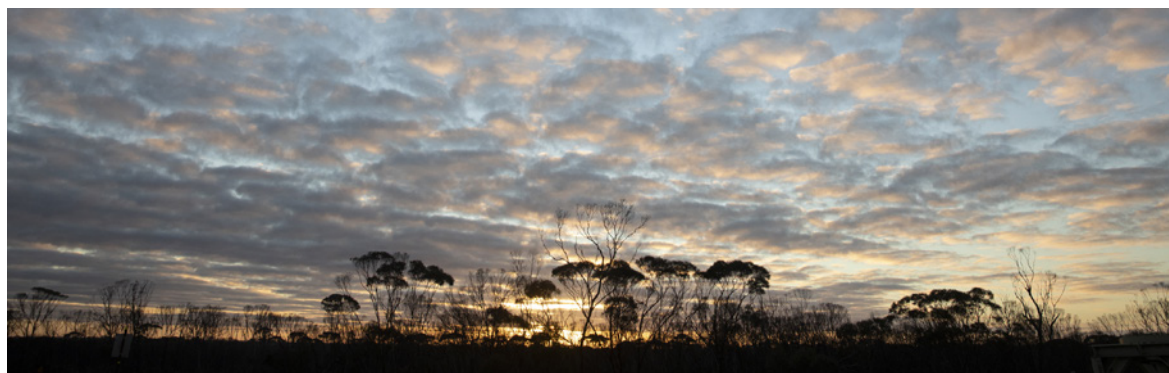
- We have continued to investigate targets for the future and have completed a benchmarking exercise of our peers and the targets they have set or are setting;
- We model shadow carbon prices to assist in our medium-long term strategic decision making; and
- We are seeking as a general principle, where possible, to reduce Scope 1 emissions from fossil fuel use and focus on Scope 2, grid electricity, where there are significantly more opportunities for use of renewable energy. Doing so would help us to progressively reduce our emissions over time as a higher proportion of electricity comes into the grid from renewable sources.

Reducing emissions at Cosmos

For the Odysseus mine at Cosmos, Western Areas is installing a hoisting shaft and headframe - proven technology which will reduce operating costs for the operation and provide a number of environmental benefits, including reduced energy consumption and lower carbon emissions. The system will transport ore to the surface and replace a fleet of underground trucks, saving some 1.5 million litres of diesel and avoiding 5 MW of heat from the diesel engines. A flow-on benefit is a reduced need for underground cooling and ventilation. The hoisting shaft will reduce carbon emissions at the Cosmos Nickel Operation by around 6,000 tonnes CO₂e per year.

Renewable energy

Western Areas formed a partnership with Juwi Renewable Energy during FY20 to undertake a life of mine renewable energy study of our Cosmos operation. The Odysseus mine at Cosmos is a long-life project (10+ years) and renewable energy would reduce energy costs and carbon emissions. Working with Juwi, we deployed a SoDAR wind trailer to collect real time high elevation wind data and solar data (12 months of data was collected). This study will assist in developing the business case for a renewable energy solution for the Cosmos operation.



WATER

Western Areas uses extracted groundwater at both Forrestania and Cosmos. The majority of water extracted is saline or hyper-saline, unsuitable for use by people, animals or plants without purification. Most is returned to groundwater, evaporates or goes into tailings storage facilities (TSFs). The Company currently uses the minimum amount needed, which is a fraction of the withdrawal permitted under the terms of our licences.

Water withdrawal

At Forrestania, groundwater is extracted during mine dewatering at the Flying Fox and Spotted Quoll mines. Lesser quantities are obtained from the Cosmic Boy and Digger Rocks mine environs and the Jackson Rock borefield to supply water for mineral processing, mining activities, and a desalination plant which provides a potable supply for the camp and mine sites.

At Cosmos, groundwater is extracted during mine dewatering from the Odysseus underground development. Dewatering water is pumped to a number of engineered water management ponds. Of the water in these ponds, about 2/3 returns to the natural groundwater via seepage and the remaining 1/3 is lost to evaporation.

Groundwater is also extracted from the Yakabindie borefield to supply the camp and construction activities.

Water discharge

- At Forrestania, discharge limits are set by Department of Water and Environmental Regulation (DWER) issued Prescribed Premises licence L8041/1990/5. There are no receiving natural water bodies on site or within probable range. A risk assessment identified no environmental receptors or beneficial uses for Forrestania groundwater.
- At Cosmos, discharge limits are set by DWER issued Prescribed Premises licence L7404/1999. There are no receiving natural water bodies on site.

Water consumption

Only relatively small amounts of water were consumed at both sites, with the majority of water withdrawn being either returned to groundwater, sent to TSFs or evaporation ponds.

Water withdrawal

Forrestania

- Annual groundwater withdrawal permitted under licence: 8,500 ML
- Groundwater withdrawn: 818 ML (15% less than FY20, 10% of regulated withdrawal limit)
- Water with >1000mg/L total dissolved solids (TDS): 818 ML (100%)
- Water from areas with water stress: 0

Cosmos

- Annual groundwater withdrawal permitted under licence: 4,500 ML.
- Groundwater withdrawn: 1,345 ML (9% less than FY20, 30% of regulated withdrawal limit)
- Water with >1000mg/L TDS: 1,345 ML (100%), broken down by
 - Cosmos hypersaline groundwater: 1,236 ML
 - Yakabindie fresh-brackish groundwater: 109 ML
- Water from areas with water stress: 0

Water discharge

Forrestania

- Total discharge:
- 55 ML injection to Sibelious borefield
 - All other water discharge to contained water storage for evaporation (TSF, 199 ML to Mossco Farm evaporation ponds)
 - No water discharged to surface water, seawater or third party use
 - All discharged water is saline.

Cosmos

- Total discharge:
- 1,231 ML to water management ponds (WMPs)
 - All other water discharge to contained water management ponds
 - No water discharged to surface water, seawater or third party use
 - All discharged water is saline.

Water consumed

Forrestania

- Net water used by mill: 256 ML.
- Water consumption from areas with water stress: None
- Significant changes in water storage: None

Cosmos

- Total water consumed in camp: 109 ML
- Water consumption from areas with water stress: None
- Significant changes in water storage: None

TAILINGS AND WASTE

Western Areas is committed to responsible, safe and sustainable tailings management and has detailed policies and processes to minimize the volume of tailings in our Tailings Storage Facilities (TSFs) and manage them safely.

Western Areas has two tailings storage facilities, an active one at Forrestania and one at Cosmos, which is currently inactive but will become active when production starts during FY23. Western Areas manages its TSFs with great care, with a focus on safety, protection of the environment and the community. The Company manages this risk with its robust risk management plan, annual audits by third party independent specialists, policies and procedures.

Once the concentrator has processed the ore from the mine the remaining tailings are de-watered prior to storing the solids in the TSF. The process of de-watering enables the process water to be recycled along with any residual chemical. This allows for a reduction in the chemical use for the extraction of the minerals in the fresh ore to be processed.

We reclaim a significant proportion of the stored tailings left after processing and mix it with concrete to form paste that is used to fill underground mine voids as part of the rehabilitation process. Rehabilitation happens throughout the life of our mines; once all the ore has been removed from an underground stope, we backfill the voids with paste fill. In this way we gradually rehabilitate the underground portion of the mine during its productive life.

Potential harm

The elevation of the TSF at Forrestania is lower than all assets on site and their remote location is well away from any houses. We therefore consider a TSF failure would have no potential impact on the local community and the risk of harm to people would be limited to anyone working on the TSF itself during a failure.

The TSF located at Cosmos is in the proximity of both the processing plant and administration offices. Both of these are likely to be impacted in the event of a flow failure. The western embankments are to be constructed to a slightly higher elevation than the eastern embankments. This will manage the risks by addressing the highest risk mechanism of failure to result in a dam breach, overtopping by avoiding spillage towards the process plant and admin facilities.

With regard to biodiversity, a TSF failure would result in exposure of tailings to local vegetation and fauna over a moderate area only. As our TSFs are located in low-lying areas relative to the local terrain, the extent of flow of tailings in the event of failure would be limited.

Waste by type and disposal method

Forrestania	Cosmos
<ul style="list-style-type: none"> Landfill (non hazardous waste), made up approximately as follows: Mixed inert waste: 25%, Putrescible (mixed) uncompacted waste: 25%, Paper/cardboard: 25%, and Plastic containers, whole, some flattened: 25% Onsite landfill: 1,539 m³/1,059 tonnes Offsite Landfill: 242 tonnes via Avon Waste 	<ul style="list-style-type: none"> Putrescible landfill: 525m³ Industrial landfill: 1,355m³ Sewage facility disposal: 8,535m³ Hydrocarbon grease disposal: 1,000L Hydrocarbon contaminated products – 18m³ Waste ore mined – 359,789.19 dry tonnes

Significant spills: There were no significant spills at Forrestania or Cosmos.

Transport of hazardous waste: No hazardous waste is transported at Forrestania or Cosmos.

Tailings impoundments and hazard potential

Forrestania TSF: Category 1, high hazard rating
Cosmos TSF: Category 1, high hazard rating

Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation

Forrestania: 50% (Forrestania has potential acid rock drainage impacts if not appropriately closed and managed.)

Cosmos: None

Please refer to the updated TSF Information Sheet on our website for more information.

MINE CLOSURE PLANNING

Western Areas updates its company-wide mine closure plan (MCP) on a rolling three-year basis, unless otherwise requested by the Western Australia Department of Mines, Industry Regulation and Safety (DMIRS). The plan has been developed following close engagement with key regulators within the DMIRS, the Department of Water and Environmental Regulation (DWER) and the local Shires, who all provide input to the plan and completion criteria.

A new version of the MCP for Forresteria and Cosmos, submitted in 2021 and 2020 respectively, took into account key regulators' recommendations for improvement. Improvements included:

- A waste rock material characterisation program to better understand waste rock management risks; and
- The development of a Surface Water Management Plan for the Forresteria operation.

Over the last year Western Areas has worked to further improve the closure planning processes for both operations, including pit void modelling, groundwater balance, conceptual closure designs for waste rock dumps and tailings dams, material balance for waste rock and topsoil, mine closure risk assessments, rehabilitation management plans and geochemistry testing of waste rock. Knowledge gained from these studies will be incorporated into the future rehabilitation plans.

A significant amount of work on the Forresteria mine closure plan has been completed this year including:

- Forresteria mine closure risk assessment;
- Independent third-party review and interpretation of all historical geochemistry reports;
- Closure/post closure groundwater investigation and modelling;
- Landform closure design of key infrastructure including TSFs and WRDs;
- Conceptual site models;
- Development of post mining land use and completion criteria; and
- Updated closure provision calculations.

BIODIVERSITY

Western Areas operates in proximity to a number of important biodiverse areas, including the Great Western Woodlands. Consequently, the Company takes great care to manage activities that might potentially impact flora and fauna, particularly vehicle movements and clearing for exploration drill sites.

This management includes flora and fauna surveys, modifying drill plans to avoid protected areas, fencing off protected zones in high traffic areas, weed management procedures, weed reduction programs in mining areas, and the requirement for a ground disturbance permit prior to any actual disturbance occurring and compliance with relevant regulatory requirements. Western Areas conducts progressive rehabilitation at the Forresteria Nickel Operation each year. The Company collects native seeds from around the project area.

Land disturbed or rehabilitated

Forresteria	Cosmos
<ul style="list-style-type: none"> • Land disturbed, not yet rehabilitated, as at 30 June 2020: 684.49 ha • New disturbance during FY21: 4.04 ha • Land rehabilitated during FY21: 16.4 ha • Land remaining unrehabilitated at 30 June 2021: 672.13 ha. 	<ul style="list-style-type: none"> • Land disturbed, not yet rehabilitated, as at 30 June 2020: 476.28 ha • New disturbance during FY21: 3.81ha • Land rehabilitated during FY21: 0 ha • Land remaining unrehabilitated at 30 June 2021: 480.09ha



The following table provides an overview of the significant biodiversity areas in and around the active Western Areas worksites in the Forrestania Nickel Operations, Cosmos Nickel Operations and Western Gawler project area.

Biodiversity Area	Great Western Woodlands	Lake Cronin Nature Reserve	Jilbadgi Nature Reserve	Priority Ecological Communities
				(Ironcap Hills vegetation complexes; North, Middle and South Ironcap, Mt Holland and Hatter Hill, Violet Range complexes)
Position in relation to Western Areas land or activity	The Forrestania Mine is situated within the Great Western Woodlands	Adjacent to Flying Fox Mine (buffer zone)	40km north of Forrestania Mine site	Scattered around within a radius of 30km, some within several kilometres
Subsurface and underground land that may be owned, leased, or managed by the organisation	All tenements except for three (Mossco Farm)	None, but entered for exploration	None, but entered for exploration	Cosmic Boy Operations and exploration
Cosmos Nickel Operations (within buffer of Violet Range complexes)				
Type of operation	Mining, processing, exploration	Mining, processing, exploration	Mining, processing, exploration	Mining, processing, exploration
Biodiversity value characterised by	Largest intact temperate woodland on Earth (16 million ha), hosting over 3,300 species of flowering plants and a quarter of Australia's Eucalyptus species.	Biodiversity of flora and fauna (malleefowl, black cockatoos etc.); Density and complexity	Biodiversity of flora and fauna (malleefowl, black cockatoos etc.); Density and complexity	Biodiversity of flora and fauna (malleefowl, black cockatoos etc.); Density and complexity
Listing of protected status	Not IUCN etc. regulatory protections only	Not IUCN etc. regulatory protections only	Not IUCN etc. regulatory protections only	Not IUCN etc. regulatory protections only

Sites owned/leased etc in areas of high biodiversity

Forrestania

Total operational disturbance and total rehab area from Mineral Resource Fund (MRF).

Total disturbance footprint 975.7 ha, rehabilitated area 287.17 ha

Cosmos

Not applicable.

Significant impacts of activities, products and services on biodiversity

Forrestania:

None

Cosmos:

None

Habitats protected or restored

Forrestania

The annual Forrestania rehabilitation program was completed including the rehabilitation of 16.4ha across three sandpit areas, as follows:

- The Cosmic Boy Sandpit (6.2ha) was recontoured to promote natural revegetation;
- Lounge Lizard East (4.6ha) was recontoured to promote natural revegetation. Vegetation emergence is anticipated to be good due to good topsoil volumes, narrow plots and plentiful rain received directly after the earthworks.
- Lounge Lizard West sandpit (5.6 ha) was direct seeded by a specialist contractor using provenance native seed, to complete the area that was started during the previous year.

We continue to undertake vegetation surveys of previously rehabilitated plots across the Forrestania site, including the Flying Fox and Spotted Quoll Waste Rock dumps, to monitor their performance.

Cosmos

Given that Cosmos is still under construction, in preparation for first nickel production to commence during FY23, there has been no annual rehabilitation carried out at Cosmos.

Threatened species

The percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat are as follows:

Forrestania:

50%. Forrestania is located in an area with protected species habitat.

Cosmos:

None

There are no IUCN Red List species or national conservation list species with habitats in areas affected by Western Areas operations at either Forrestania or Cosmos.

NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

None





CASE STUDY: PERTH ZOO, BLACK COCKATOO PROJECT

Western Areas has been a proud supporter of Perth Zoo for more than a decade. Together, the two organisations present a united front in actioning biodiversity and sustainability for the benefit of WA's native flora and fauna. Since 2008, we have sponsored Zoo programs supporting the conservation of the Northern Quoll and Western Quoll (Chuditch), Western Australia's largest endemic mammalian carnivore.

Reversing the decline of the Chuditch population has largely been successful, allowing us to move our support to another WA native species under threat, the Black Cockatoo, which includes the Carnaby's (endangered), Baudin's (endangered) and Forest Red-tailed Black Cockatoo (vulnerable) sub-species.

Injured wild black cockatoos are taken for assessment and treatment to Perth Zoo's veterinary hospital which, in 2020-21, triaged more than 250 black cockatoos. Many of the birds are hit by cars, others illegally shot and they are given emergency treatment, any necessary surgery and intensive medical care.

Following treatment, a cockatoo stays in the veterinary hospital for from one day to several weeks. An accredited black cockatoo rehabilitator continues its rehabilitation and, if possible, releases it back into the wild ideally into the same area and flock from where it came.

Black cockatoos have a low rate of reproduction and the population cannot quickly replace numbers lost, so supporting the species to return and thrive in its natural environment is key to increasing numbers.

Perth Zoo is also involved in research into the health of wild black cockatoos, which has included a doctoral research project by a Perth Zoo veterinarian to identify baseline health parameters for black cockatoos, investigate the use of satellite tracking technology to monitor individual birds in the wild, and biochemical techniques for determining the age structure of wild cockatoo populations.

Bryan Williams, Western Areas' Group Manager Environment and Heritage, and Rebekah Webb, Executive Assistant, toured the Western Areas sponsored black cockatoo enclosure at Perth Zoo in September 2021, where Zoologist Kerry Pickles provided an insight into the Zoo's rehabilitation activities.

SOCIAL

Because people are at the heart of Western Areas' corporate success, we put considerable emphasis on building a safe, healthy and rewarding workplace.

SAFETY

At Western Areas, the safety of our workforce underpins the success and sustainability of our operations, supported by an organisational culture that emphasises individual empowerment and accountability. We believe that through risk control, effective consultation, visible commitment by managers and the active involvement of all personnel, we will achieve the best possible WHS performance outcomes.

The Company has a comprehensive, well-resourced work health and safety (WHS) management system and a team which has contributed toward achieving a class-leading low injury rate and fatality free operations. In FY21 we continued safe operations, while operating:

- Two active underground hard rock mining operations at Forrestania;
- A processing facility, including the Mill Recovery Enhancement Project (MREP) at Forrestania;
- Considerable surface infrastructure construction works at the Cosmos Nickel Operation;
- Commencement of full scale underground mining works at the Odysseus underground mine at Cosmos; and
- Active exploration activities across multiple jurisdictions and sites.

LTI free days

Forrestania Nickel Operations	
Flying Fox mine	830
Spotted Quoll mine	461
Cosmic Boy concentrator	1,026
Cosmos Nickel Operations	
Odysseus mine (under construction)	363
Surface exploration, all sites	1,013

No fatalities

Forrestania Nickel Operations	
Flying Fox mine	0
Spotted Quoll mine	0
Cosmic Boy concentrator	0
Cosmos Nickel Operations	
Odysseus mine (under construction)	0
Surface exploration, all sites	0

Key safety statistics



We apply all relevant safety legislation at all our sites, and take significant steps to ensure that our prime contractors comply with every aspect of safety laws. We have had long periods injury free, such that we have also been able to focus on the mental wellbeing of our employees and contractors. Being responsible when it comes to safety is part of the DNA of the Company, and Key Management Personnel (KMP) pay is strongly linked to safe working practices and maintaining our record of low Lost Time Injury (LTI) rates.

We have recently engaged an external consultant to review safety at Western Areas and to develop a centralized Safety Management System (SMS). This is expected to be completed and implemented during FY22.

The Company-wide LTI frequency rate (LTIFR) reduced from 1.41 to 0.63 and the Total Recordable Injury Frequency Rate (TRIFR) from 16.87 to 12.50 at year end. TRIFR includes recordable injuries, requiring medical treatment or restricted duties or resulting in lost time, across all operations. The Company has a robust reporting culture and the majority of injuries are minor soft tissue, soreness or lacerations. The table above shows days without a lost time injury at each site.

Workplace Health and Safety Management System (WHSMS)

WSA has adopted a high-level structure aligned with the ISO 45001 Occupational Health and Safety standard, which links with existing ISO 9001 Quality and ISO14001 environmental management systems. The standard provides a systematic approach for senior leadership to assess WHS risk and opportunities, monitor and review safety performance and set objectives for continual improvement. In this way senior leaders are able to demonstrate a clear commitment to protecting workers from accidents.

The WHSMS promotes worker participation in identifying hazards and eliminating or reducing risk by implementing controls integrated with other business processes. This helps minimise risk, embed best practice and achieve continual improvement. Emphasising workers taking an active role in WHS benefits our culture and reputation as a safe place to work, assists staff retention, improves motivation and helps increase productivity.

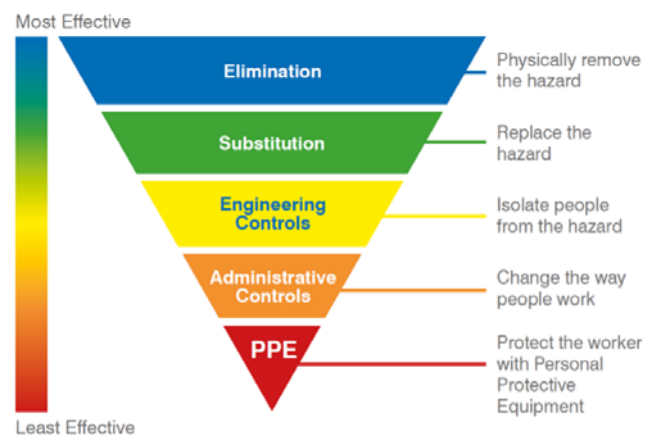
In addition to internal process controls, the WHSMS enables us to assess procurement of products and services and the management of contractors. WSA monitors and reviews all compliance obligations to ensure we remain, at a minimum, legally compliant. An audit programme checks the effectiveness of WHSMS processes and helps identify gaps, leading to further improvement.

Hazard identification, risk assessment and incident investigation

WSA identifies hazards and assesses all risks and opportunities having regard to multiple factors such as

- Who is exposed to the hazard;
- Shift work, hours of activity, lone workers, supervision;
- Human factors such as demanding physical activities;
- Workplace design, for example segregation of traffic and pedestrian routes;
- Changes in work pattern such as productivity increase or decrease;

- Noise, cold, heat, fumes;
- Legal requirements and how we adapt as they change;
- How a risk assessment is communicated and subsequent worker training on control measures;
- Emergency situations such as unplanned events including fire and loss of power.



Managing incidents is a major part of our WHSMS. All incidents must be reported immediately and the Manager notified following any serious injury or serious potential incident. An Incident Investigation Team conducts a full investigation to determine root causes and corrective actions plus future prevention. Lessons learned are communicated throughout the organisation via Safety Meetings, site communications and daily pre-start meetings. Incidents are reported to external agencies as and when specified.

Western Areas seeks to ensure the success of the WHSMS by establishing clear lines of communication, broad consultation and the committed participation of workers, with the proper allocation of time and resources to manage it effectively.

Safety at Western Areas

Forrestania

No. of LTIs: 0

Despite the challenge of snap Covid-19 lockdowns, Forrestania continued to operate effectively using risk assessments as needed with associated controls. Forrestania health and wellbeing initiatives were rolled out during the year and were well received during extended rosters.

Three bushfires threatened operations in the third quarter, the most serious coming within 5km of the Flying Fox mine-site in January 2021. The Emergency Response Teams (ERT) were deployed and ensured the fires were contained and extinguished with no injuries or infrastructure damage.

Cosmos

No. of LTIs: 1

On 1 July, an LTI incident occurred when a crane rigging contractor was struck by a dislodged crane fly jib while stowing it after placing a pump into a water management pond. He sustained fractured ribs.

Cosmos responded to Covid-19 risks with innovative online health screening protocols, risk assessments and a flu vaccination program. The Cosmos safety team improved WHSMS documentation including hygiene risk management and progressed a number of management plans.

The Emergency Response Team (ERT) increased in size by 30% per cent during the quarter to a total of 15 people, with training exercises including BG4, fire and vertical rescue.

WHS training

In order to operate effectively and efficiently Western Areas needs skilled and competent workers. Under the WHSMS it is vital workers have access to information and are suitably trained to prevent accidents or ill health to themselves and others. Awareness training starts before work commencement for all workers to ensure awareness of the WHS Policy and its requirements, environmental and process hazards; the need to report all incidents, near misses or safety critical defects; work structure and supervision; information including Safe Systems of Work or Work Instructions; and a clear understanding that there are no recriminations for reporting hazards or precautionary removal of individuals from exposure to life threatening harm. This last one is crucial.

Western Areas' focus on Safety and Health includes training on the following topics:

- Project induction and work area orientation;
- Hazard awareness;
- Visitor/contractor induction;
- Procedure competency assessments;
- Workplace Safety Representative training;
- Emergency response;
- First Aid/fire warden training
- Incident investigation awareness; and
- Safe system of work training.

Promotion of worker health

WSA has teamed up with Performex for support with injury management and wellness systems. Performex is dedicated to empowering individuals, teams and businesses to make physiological and behavioural changes through the implementation of functional and proactive injury management and wellness systems and exercise physiology prescription to improve quality of life and performance.

Western Areas ensures that healthy food is available at the workers' village dry mess. The village includes a well-equipped gym with other recreational facilities and personnel are encouraged to use it if fit to do so.

Western Areas engaged with Complete Envirotest Pty Ltd to review the health and hygiene monitoring program across our mining operations and process areas.

LIVE WELL AND WORK WELL PROGRAMS

Western Areas operations offer programs in:

- Health and wellness,
- Gym management and programs,
- Onsite health and wellness checks,
- Sport and recreation,
- Corporate and family events,
- Workplace exercise physiology,
- Return to Work programs,
- Injury prevention,
- Workplace ergonomics, and
- Risk management.



EMPLOYMENT – ATTRACTION AND RETENTION

Western Areas faces a very competitive labour market, making the recruitment and retention of skilled workers challenging. For this reason we have put in place a number of programs to ensure we can find, hire and keep the talented and skilled individuals the business needs. We provide the following advantages:

- Applicants are attracted to the size of the Company as it gives them opportunities for more diverse roles and to broaden their experience;
- The tenure of our employees is significant: 39% have over 5 years service and 20% over 10 years service, in an industry known for its relative transience;
- We have a strongly collaborative culture, which is attractive to our teams;
- There is diversity within roles;
- We offer fair remuneration with discretionary bonus payments for solid company performance;
- We are a successful company that delivers on its targets, giving certainty to workers;
- Western Areas is a safe company with excellent support systems for employees and their families.

There were no major changes in our employee programs during FY21. We have worked hard to accommodate our employees' and contractors' requests for flexibility particularly with regard to their families, personal issues, pregnancy and health generally. We have a culture that is collaborative, disciplined, hard-working and fun. We insist on having high quality camps with good, healthy food and, knowing how important good rostering is, have ensured that our rosters are of an excellent standard in the industry.

Western Areas has 206 employees, of whom 91% are permanent and 93% are full time. A significant proportion of our activities are performed by contractor employees, who add to the size of our work force. WSA engages with various contractors; the main contracting organisation provides underground mining services. There are no significant seasonal variations in employee numbers; any variations are solely for operational reasons.

All the information about employee numbers, contract types, new hires etc has been compiled using payroll data. All hiring took place in Western Australia.

Employee numbers, turnover, benefits

Number of employees by contract type		
	Female	Male
Permanent	26	161
Temporary	6	13
Total	32	174
Number of employees by employment type		
Casual	5	5
Part time	4	0
Full time	23	169
Total	32	174
New employee hires (people joining WSA)		
Over 50	1	10
40-49	3	2
20-39	1	12
20-29	3	13
Total	8	37
Employee turnover (people leaving WSA)		
Over 50	1	9
40-49	7	9
30-39	3	12
20-29	2	8
Total	13	38
Parental leave (PL)		
Employees eligible for PL:	Not recorded	
Employees taking PL	3	0
Employees returning to work during FY21 after taking PL	1	0
Employees returning to work and still employed 12 months after taking PL	6	0



Training

Average hours of training per employee during FY21:
Not recorded

Programs available for employee to upgrade skills and transition to other roles:

- Induction
- First aid training
- Emergency response training
- Apprenticeships
- Skill enhancement (machinery/software/ technical skills)
- Leadership programs
- Technical mentoring
- Coaching

Performance reviews

Percentage of employees who received a regular performance and career development review: 100%

Benefits

Benefits are the same for full time, part time and temporary full time/part time employees. Casual employees do not receive a health insurance benefit, annual or sick leave entitlements, and may or may not receive bonuses including shares incentives.

A key issue for Western Areas is to ensure we look after our people, by utilising good rostering arrangements and ensuring camp facilities and catering are of the highest quality. As an example, during FY21, Western Areas installed centrally located chilled water fountains at Cosmos, refurbished the recreation room, barbecue area and multi-sports court and upgraded the gym lighting and equipment. To complement these initiatives and mirror the arrangement at Forrestania we brought specialist exercise physiologists on-site and started a Cosmos newsletter called 'uNiverse'.

TRAINING

The Company is committed to ensuring that employees have the skills they need to enable them to work safely and in compliance with all laws and regulations, achieve performance requirements and advance their careers. In addition to health and safety training (see Safety section) and induction or annual compliance training (see Governance – Compliance), we provide a number of different types of education and skills enhancement programs to enable employees to develop their skills, prepare for promotion into management or transition into other roles. They include:

- Induction
- First aid training
- Emergency response training
- Apprenticeships
- Skill enhancement
 - machinery/software/technical skills
- Leadership programs
- Technical mentoring
- Coaching

We do not record the average hours of training per year per employee.



DIVERSITY

Western Areas is proud to have a diverse workforce drawn from many different backgrounds. A breakdown of our employees by age and gender is shown on page 29.

We do not keep records of other indicators of diversity such as membership of minority or vulnerable groups.

Employee diversity and freedom of association

Diversity of governance bodies (Board) %			
		Female	Male
Non-executive directors		33%	50%
Executive		0	17%
Total		33%	67%
Diversity of employees %			
% by age		Over 50	30-50
All directors		83%	17%
Diversity of employees %			
		Female	Male
Gender		16%	84%
		Under 30	30-50
Age		13%	58%
			29%
Freedom of association and collective bargaining			
All staff have freedom of association, however we do not have a collective bargaining arrangement with any external bodies.			

LOCAL COMMUNITIES

Building and maintaining open lines of communication with communities potentially affected by any of our operations is a key focus for Western Areas. Because our operations are in remote locations, far from towns or settlements, the people most likely to be affected are often the traditional owners of the land where our sites are located. For this reason, we are diligent in talking to the local communities and seeking their support for our activities. Where possible we will employ people from traditional owner groups to help us identify significant sites and ensure that traditional lands are respected.

Western Areas aims to be transparent with the traditional owners' groups we talk to. We seek to understand what is important to them and assist them to survey and protect significant sites and features. Our discussions have helped us build strong relationships and write rules relating to our employee and contractor access to key areas and significant sites. We hold all our employees and contractors accountable for adhering to our standards and to the terms of all agreements with traditional owners.

Western Areas conducted regular meetings and project updates with a number of traditional owner groups during the year and also completed several aboriginal heritage surveys. A number of Tjiwarl people were employed at Cosmos as aboriginal heritage monitors to oversee drill site preparation and exploration drilling programs to ensure traditional lands were respected, as well as to assist with sign-posting to divert people away from a significant site. See case study on page 31.

During FY21 Western Areas' community consultation expanded to cover five traditional owner groups at Forrestania with a particular focus on exploration activities. We engaged with the Ballardong people, the Marlinyu Ghoorlie people and the Ngadju people. For the first time during FY21 we also engaged with the Maduwongga people traditional owner group and recently executed an agreement and completed an aboriginal heritage survey with them for our regional exploration programme in the Kambalda region, northeast of Forrestania. Engagement with the Kakarra people also commenced along with negotiations of an agreement to complete an aboriginal heritage survey.

In the Western Gawler area, we continued our engagement with the Far West Coast Aboriginal Corporation based in Ceduna, South Australia.

Percentage of reserves in or near indigenous land

Forrestania

50% of Forrestania reserves are in or near indigenous land.

Cosmos

Cosmos is located on Tjiwarl people Native Title Determined area.

CASE STUDY: COSMOS ABORIGINAL HERITAGE PROTECTION

Western Areas has had a close working relationship with the Tjiwarl people, the native title holders of the land surrounding the Cosmos Nickel Operation, since 2015. In July this year the Tjiwarl people completed an aboriginal heritage survey over several infrastructure corridors at Cosmos, including power line corridors, gas and water pipeline corridors.

On survey, eight Tjiwarl Cultural Consultants led all aspects of the archaeological and ethnographic heritage survey, including survey methods, conduct, outcomes and site interpretation, with support from the consultant anthropologist and archaeologist. The majority of the infrastructure corridor areas obtained heritage clearance. One small area of the Yakabindie pipeline corridor was identified as being of high significance to the Tjiwarl people. In order to protect this significant area, the Tjiwarl Wati requested signage be erected to restrict access and that heritage monitors are engaged for any activity within the area.

Following the survey Western Areas employed two Tjiwarl Wati to return to the area and install the signage (pictured). Bryan Williams, Group Manager Environment and Heritage, stated 'Western Areas values our close working relationship with the Tjiwarl people, and wholly supports the continued identification of areas of importance to the traditional owners, ensuring their protection.'



COMMUNITY CONTRIBUTIONS

Along with our engagement, agreements and provision of employment opportunities to traditional owners and their communities, we were also proud, during FY21, to sponsor NAIDOC week, a number of First Nations' women's groups and NAIDOC dinners.

We also contributed to:

- Western Shield
- Perth Zoo (see Black Cockatoo Case Study, page 24)
- Eastern Wheatbelt Biosecurity
- WASM (Western Australian School of Mines)

Western Shield is the Department of Biodiversity Conservation and Attractions (DBCA) lead animal conservation program, and one of the biggest wildlife conservation programs ever undertaken in Australia. Western Areas has been a sponsor of the Western Shield for 6 years.

The company has been a key sponsor of the Perth Zoo and the Western Quoll since 2009. This year the company started sponsorship of the Carnaby's Black Cockatoo exhibit to assist in the conservation of this endangered bird. The company's sponsorship of the Eastern Wheatbelt Biosecurity Group continued, and discussions to extend the sponsorship of the Western Shield programme have begun.

Raising money for charity by recycling

Western Areas is committed to continued environmental improvement and actively supporting local initiatives to achieve more.

At Cosmos a glass bottle and aluminum can recycling program was introduced in FY21 to help raise money for local charities. The scheme aims to support Western Australian charities with the added benefit of reducing waste that would otherwise be sent to onsite landfill. The initiative is part of the Containers for Change program which commenced in Western Australia on 1 October 2020.

Aluminium cans and glass bottles are collected from the Cosmos wet mess and sent to Perth for recycling. The success of the recycling program at Cosmos is a team effort, with personnel from across the site contributing to its implementation and ongoing operation. Cosmos chose Recyclers for Change Midland as our depot because of their proactive approach, excellent facilities and great attitude.

The containers for change recycling program commenced in June 2021, with the first monetary donation made to the Royal Flying Doctors Service.

INDIRECT ECONOMIC IMPACTS

In addition to the direct economic impact of Western Areas – through employee pay, shareholder dividends, taxes and royalties to governments, donations to charities, payments to suppliers – Western Areas also contributes indirectly, by paying for items it needs but which also benefit the community.

One example is the contribution we make to road maintenance at Forrestania. We utilise our experience and resources on two of the public roads and highways around the mine site and spend around \$1million per year to maintain them in good condition. We mainly use these roads for the truck haulage of nickel concentrate to BHP at Kambalda and the port at Esperance (for export to China).

Another example is the Emergency Response Team (ERT) at Forrestania. The team is highly trained and well equipped and resourced and exists to respond to incidents of any kind within Forrestania. Due to the remoteness of the location, reliance on emergency response from public fire and rescue services is not the preferred emergency preparedness situation, as such we train and provide the required ERT's for any potential incidents, including accidents, collapses, fires, explosions, etc. Our ERT undertakes extensive training to be ready for any type of incident and is highly skilled and very experienced.

Inevitably, as the only ERT in the area, our team is often called upon to provide help outside the perimeter of the mine sites to the various general public car accidents on the highways, bushfire fighting, cutting firebreaks and standard vehicle or people rescues of various kinds.

Western Areas has emergency response teams at both Forrestania and Cosmos, but Forrestania has a greater impact on local community.

The community obtains significant benefit from both the road maintenance and our ERTs.



VERIFICATION STATEMENT GREENHOUSE GAS EMISSIONS



Kewan Bond Pty Ltd

Kewan Bond Pty Ltd (KBPL) was engaged by Western Areas Limited (WSA) to conduct an independent verification of greenhouse gas (GHG) emissions reported by WSA for the 12-month period from 01 July 2020 to 30 June 2021. The verification covers the energy and emissions reported by WSA in accordance with their reporting obligations under Australia's National Greenhouse and Energy Reporting Scheme (NGERS) and the NGER Act 2007.

The verification process and this statement are based on International Standard ISO 14064-3 Greenhouse gases – Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.

Verification scope and organisational boundaries

- Activities within WSA operational control
- Forrestania mine site
- Cosmos mine site
- Perth corporate office
- South Australian mineral exploration
- Perth laboratory
- Scope 1 and 2 emissions
- 2020/21 Reporting period (01 July 2020 to 30 June 2021)

Level of assurance and qualifications: Limited
Materiality threshold: ±5%
Qualifications: None

Emission verification methods

- Review of data and information systems used by WSA for calculation and analysis of energy and emissions.
- Review of data sources (eg invoices, delivery records, fuel metering records) used to calculate emissions.
- Comparison of raw data with historical data and confirming reasons for variations.
- Review of proposed NGERS submission report.
- Communications with relevant WSA personnel and associated consultants for clarification purposes.

Limited verification statement

Based on the verification procedures followed by KBPL of WSAs Scope 1 and Scope 2 emissions across the annual reporting period, we have found no evidence to suggest that the GHG emissions reported by WSA in their 2020/21 NGERS report are not:

- Prepared in accordance with relevant data collection, emission calculation and reporting methods as required under the NGER Act.
- Materially correct and a fair representation of their GHG emissions.
- Worthy of the award of limited verification.

Kewan Bond, Director
Kewan Bond Pty Ltd
Suite 74-6 Adelaide Street
Fremantle WA 6160

23 September 2021

Emissions data verified

	Emissions (tonnes CO ₂ e)
Scope 1	
Forrestania	14,402
Cosmos	20,605
SA exploration	177
Total Scope 1	35,184
Scope 2	
Forrestania	45,982
Perth laboratory	54
Perth office	60
Total Scope 2	46,096
Scope 1 + 2	81,280

GRI/SASB CONTENT INDEX – GRI ‘CORE’ OPTION

Indicator code	Description	Topic boundary	Location or link
Universal disclosures			
102-1	Name of the organisation	Inside the Company	Page 4
102-2	Activities, brands, products, and services	Inside the Company	Page 4
102-3	Location of headquarters	Inside the Company	Perth, Western Australia
102-4	Location of operations	Inside the Company	Western Australia
102-5	Ownership and legal form	Inside the Company	Page 5
102-6	Markets served	Outside the Company	Page 4
102-7	Scale of the organisation	Inside the Company	Pages 4, 29
102-8	Information on employees and other workers	Inside and outside the Company	Pages 26-30
102-9	Supply chain	Outside the Company	Page 14
102-10	Significant changes to the organisation regarding size, structure, ownership and its supply chain	Inside and outside the Company	Zero
102-11	Precautionary principle or approach	Inside the Company	Western Areas applies the precautionary approach by analysing, monitoring and taking actions to reduce its environmental impacts.
102-12	External developed economic, environmental and social charters	Outside the Company	None
102-13	Membership of associations (industry) and national or international advocacy - hold position on governance body; provide funding or views membership as strategic	Inside and outside the Company	Page 5
102-14	Statement from senior decision-maker	Inside the Company	Page 3
102-16	Values, principles, standards, and norms of behaviour	Inside the Company	Pages 11, 13, 14, 26-30
102-18	Governance assurance	Inside the Company	Page 33
102-40	List of stakeholder groups	Inside and outside the Company	Page 8
102-41	Collective bargaining agreements	Inside the Company	Page 30
102-42	Identifying and selecting stakeholders	Inside the Company	Page 8
102-43	Approach to stakeholder engagement	Inside the Company	Page 8
102-44	Key topics and concerns raised	Inside the Company	Not disclosed
102-45	Entities included in the consolidated financial statements	Inside the Company	See Annual Report 2021
102-46	Defining report content and topic Boundaries	Inside the Company	Pages 6-9
102-47	List of material topics	Inside the Company	Page 9
102-48	Restatements of information	Inside the Company	Zero
102-49	Changes in reporting	Inside the Company	Pages 6-7

Indicator code	Description	Topic boundary	Location or link
102-50	Reporting period	Inside the Company	1 July 2020-30 June 2021
102-51	Date of most recent report	Inside the Company	15 October 2021
102-52	Reporting cycle	Inside the Company	Annually
102-53	Contact point for questions regarding the report	Inside the Company	Page 9
102-54	Claims of reporting	Inside the Company	Pages 7, 34
102-55	GRI content index	Inside the Company	Starts page 34
102-56	General assurance	Inside the Company	Emissions only, page 33
Topic-specific disclosures			
Management approach			
103-1	Explanation of the material topic and its boundary	Inside the Company	Pages 11-32
103-2	The management approach and its components	Inside the Company	Pages 11-32
103-3	Evaluation of the management approach	Inside the Company	Pages 11-32
ECONOMIC			
Economic performance			
201-1	Direct economic value generated and distributed	Inside and outside the Company	Page 5
201-2	Financial implications and other risks and opportunities due to climate change	Inside and outside the Company	Page 15
Indirect economic impacts			
203-1	Infrastructure investments and services supported	Inside and outside the Company	Page 32
203-2	Significant indirect economic impacts	Inside and outside the Company	Page 32
Procurement Practices			
204-1	Proportion of spending on local suppliers	Outside the Company	Page 14
Anti-corruption			
205-1	Operations assessed for risks related to corruption	Inside the Company	Page 14
205-2	Communication and training about anti-corruption	Inside the Company	Page 14
205-3	Confirmed incidents of corruption and actions taken	Inside the Company	Page 14
Tax			
207-1	Approach to tax	Inside the Company	Page 14
207-2	Tax governance, control and risk management	Inside the Company	Page 14
ENVIRONMENT			
Materials			
301-2	Recycled input materials used	Inside the Company	Page 21
Energy			

Indicator code	Description	Topic boundary	Location or link
302-1	Energy consumption within the organisation	Inside the Company	Page 16
302-4	Reduction of energy consumption	Inside the Company	Pages 17 and 19
Water and effluents			
303-1	Interactions with water as a shared resource	Inside the Company	Page 20
303-2	Management of water discharge-related impacts	Inside the Company	Page 20
303-3	Water withdrawal	Inside the Company	Page 20
303-4	Water discharge	Outside the Company	Page 20
303-5	Water consumption	Inside the Company	Page 20
Biodiversity			
304-1	Operational sites owned, leased in, managed in or adjacent to protected areas or areas of high biodiversity value outside protected areas	Inside and outside the Company	Pages 22-24
304-2	Significant impacts of activities, products and services on biodiversity	Outside the Company	Pages 22-24
304-3	Habitats protected or restored	Outside the Company	Pages 22-24
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Outside the Company	Pages 22-24
Emissions			
305-1	Direct (Scope 1) GHG emissions	Inside the Company	Page 16
305-2	Energy indirect (Scope 2) GHG emissions	Inside the Company	Page 16
305-3	Other indirect (Scope 3) GHG emissions	Outside the Company	Page 17
Effluents and waste			
306-1	Water discharge by quality and destination	Outside the Company	Page 20
306-2	Waste by type and disposal method	Inside and outside the Company	Page 21
306-3	Significant spills	Inside and outside the Company	Page 21
306-4	Transport of hazardous waste	Outside the Company	Page 21
Environmental compliance			
307-1	Non-compliance with environmental laws and regulations	Inside the Company	Page 24
SOCIAL			
Employment			
401-1	New employee hires and employee turnover	Inside the Company	Page 29
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Inside the Company	Page 29
401-3	Parental leave	Inside the Company	Page 29
Occupational health and safety			

Indicator code	Description	Topic boundary	Location or link
403-1	Occupational health and safety management system	Inside the Company	Pages 26-28
403-2	Types of injury and rates of injury, occupational diseases	Inside the Company	Pages 26-28
403-3	Occupational health services	Inside the Company	Pages 26-28
403-4	Worker participation, consultation, and communication on occupational health and safety	Inside the Company	Pages 26-28
403-5	Worker training on occupational health and safety	Inside the Company	Pages 26-28
403-6	Promotion of worker health	Inside the Company	Pages 26-28
403-8	Workers covered by an occupational health and safety management system	Inside the Company	Pages 26-28
403-9	Work-related injuries	Inside the Company	Pages 26-28
Training and education			
404-1	Average hours of training per year per employee	Inside the Company	Page 30
404-2	Programs for upgrading employee skills and employee transition programs	Inside the Company	Page 30
404-3	Percentage of employees receiving regular performance and career development reviews	Inside the Company	Page 29
Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	Inside the Company	Page 30
405-2	Ratio of basic salary and remuneration of women to men	Inside the Company	Not reported
Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Inside the Company	Zero
Rights of indigenous people			
411-1	Incidents of violations involving rights of indigenous people	Outside the Company	Zero
Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Outside the Company	Pages 30-31
Supplier social assessment			
414-1	New suppliers screened using social criteria	Outside the Company	Page 14
Public policy			
415-1	Political contributions	Outside the Company	Western Areas does not make political donations
Socio-economic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Inside and outside the Company	Zero
GRI-G4 Mining and Metals Supplement - Biodiversity			
G4-MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	Inside the Company	Pages 22-24

SASB – EXTRACTIVES AND MINERALS PROCESSING INDUSTRY – METALS AND MINING SUB-INDUSTRY

ACCOUNTING METRICS

Environment

EM-MM-110a.1	Greenhouse gas emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Page 16
EM-MM-110a.2		Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Pages 16-19
EM-MM-120a.1	Air quality	Air emissions of the following pollutants: (1) CO, (2) NOx (excl N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Not reported
EM-MM-130a.1	Energy management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Page 16
EM-MM-140a.1	Water management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Page 20
EM-MM-140a.2		Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Zero
EM-MM-150a.1	Waste & hazardous materials management	Total weight of tailings waste, percentage recycled	Page 21
EM-MM-150a.2		Total weight of mineral processing waste, percentage recycled	Page 21
EM-MM-150a.3		Number of tailings impoundments, broken down by MSHA hazard potential	Page 21
EM-MM-160a.1	Biodiversity impacts	Description of environmental management policies and practices for active sites	Pages 22-24
EM-MM-160a.2		Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Pages 22-24
EM-MM-160a.3		Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Pages 22-24
SOCIAL CAPITAL			
EM-MM-210a.1	Security, human rights and rights of indigenous people	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Zero
EM-MM-210a.2		Percentage of (1) proved and (2) probable reserves in or near indigenous land	Page 31
EM-MM-210a.3		Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Pages 30-31
EM-MM-210b.1	Community relations	Discussion of process to manage risks and opportunities associated with community rights and interests	Pages 30-31
EM-MM-210b.2		Number and duration of non-technical delays	Zero

Human capital			
EM-MM-310a.1	Labour relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	Page 30
EM-MM-310a.2		Number and duration of strikes and lockouts	Zero
EM-MM-320a.1	Workforce health & safety	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	Pages 26-27
Business model and Innovation			
EM-MM-510a.1	Business ethics & transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	Page 14
EM-MM-510a.2		Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Zero
ACTIVITY METRICS			
EM-MM-000.A		Production of (1) metal ores and (2) finished metal products	Page 4
EM-MM-000.B		Total number of employees, percentage of contractors	Page 29



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