



CORPORATE SOCIAL RESPONSIBILITY REPORT



June 2019



TABLE OF CONTENTS

CHAPTER 1	CORPORATE SOCIAL RESPONSIBILITY AT WESTERN AREAS	3
CHAPTER 2	APPROACH TO CSR REPORTING	3
CHAPTER 3	CORPORATE GOVERNANCE	4
CHAPTER 4	ENGAGING STAKEHOLDERS	5
CHAPTER 5	ECONOMIC IMPACT	6
CHAPTER 6	PEOPLE	7
6.1	Safety	7
6.2	Employment.....	9
6.3	Supporting the Miners of the Future	10
6.4	Diversity	10
CHAPTER 7	ENVIRONMENT.....	11
7.1	Biodiversity	11
7.2	Emissions, Energy Consumption and Climate Change	13
7.3	Water	14
7.4	Tailings Management	15
7.5	Mine Closure Planning.....	15
CHAPTER 8	SOCIAL.....	16
8.1	Local Communities.....	16
8.1.1	Traditional Owners and Land Custodians.....	16
8.1.2	Fire & Emergency Services	16
8.1.3	Local Communities - Varley, Lake King and Hyden.....	17
8.1.4	Local Communities - Esperance.....	17
8.2	Human Rights.....	17
8.3	Anti-corruption	17
8.4	Compliance	17
CHAPTER 9	GRI INDEX.....	18

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.



CHAPTER 1 CORPORATE SOCIAL RESPONSIBILITY AT WESTERN AREAS

The Board of Western Areas Limited (“Western Areas” or “Company”) is pleased to present the 2019 Corporate Social Responsibility (CSR) Report. Unless noted otherwise, the data presented in the report is as at 30 June 2019.

Western Areas acknowledges that it operates within an extractive industry, however the Company is committed to minimising any potential adverse impacts, and operating responsibly in the community. This commitment is reflected in its governance practices, its active engagement and strong relationships with stakeholders, and the resources it devotes to managing the health, safety, environmental and social impacts of the business.

Western Areas’ focus on sustainability is underpinned by five key principles:

1. Sustainability is a consideration in Western Areas’ daily business activities and operations;
2. The key to Western Areas’ success is the health, safety and targeted development of its employees;
3. Expertise, innovation and technology are important tools to ensure adverse environmental, community and social impacts are minimised;
4. The communities in which Western Areas operate are partners in the Company’s development; and
5. Continual review and improvement is critical to maintaining the highest standards in sustainable business practice.

Western Areas’ approach to CSR is supported by its global risk management program (RMP), which identifies and analyses material risks to the Company’s sustainability objectives, and ensures that these risks are both adequately managed and reported to the Board.

CHAPTER 2 APPROACH TO CSR REPORTING

The Company’s approach to CSR reporting is guided by the Global Reporting Initiative’s (GRI) Sustainability Reporting Guidelines (“the GRI Guidelines”). The GRI Guidelines are an internationally recognised standard for CSR reporting, referenced in the ASX Corporate Governance Principles and Recommendations, and form the framework for this CSR report.

This report provides an overview of how Western Areas manages its CSR. It contains standard disclosures from the GRI Sustainability Reporting Guidelines, and a GRI Index can be found at the end of this report.

Along with the GRI Guidelines, the report content has been prepared in conjunction with:

- A review of sustainability risks and other relevant risks identified as part of Western Areas’ risk management program; and
- The concerns of stakeholders, as understood from the Company’s ongoing engagement with them.

Based on these considerations, the material aspects selected for reporting are:

- | | |
|----------------------------------|-------------------|
| • Occupational Health and Safety | • Biodiversity |
| • Economic Performance | • Human Rights |
| • Employment | • Emissions |
| • Energy consumption | • Mine Closure |
| • Water | • Compliance |
| • Local community impacts | • Anti-corruption |

Unless otherwise stated, the impacts included in this report are those arising from the Company’s own operations, which take place within Western Australia.¹

¹ On 6 May 2016, the Australian Government announced it would implement the fiscal transparency principles of the Extractive Industries Transparency Initiative (EITI), an international standard for increased transparency and accountability in the oil, gas and mining sectors.



CHAPTER 3 CORPORATE GOVERNANCE

Western Areas is committed to high standards of corporate governance. The Company believes that corporate governance is an essential component of sustained value creation and sound corporate governance practices are reflected in the Company's decision making and culture.

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:

- Risk Management Policy;
- Board Charter
- Remuneration Committee Charter;
- Nomination Committee Charter;
- Diversity Policy;
- Shareholder Communications Policy;
- Continuous Disclosure Policy; and
- Share Trading and Disclosure Policy.

Western Areas' Corporate Code of Conduct has been prepared to help stakeholders understand its standards of ethical business practice. This code applies to all employees, officers, directors, consultants, agents, and other representatives retained by Western Areas.

The code of conduct guiding principles are as follows:

- Leadership – Show the way, provide direction, think strategically, be innovative and inspire and enrich;
- Commercial Focus – treat it as your own, be financially responsible and create long term value;
- Integrity – Do the right thing, be open and honest, show respect for the individual, value differences and be a good corporate citizen;
- Performance – Strive to excel, have passion and belief, work toward the greater good, take accountability and celebrate success and learn quickly from failure; and
- Simplicity – Keep it simple, focus on priorities, be non-bureaucratic, communicate clearly and make it easy to understand.

The corporate governance system is reviewed regularly by the Board to ensure that it fulfils the needs of all stakeholders and most importantly, Company shareholders.



CHAPTER 4 ENGAGING STAKEHOLDERS

Effective stakeholder engagement is the key to Western Areas' long-term social licence to operate. Western Areas is committed to ensuring it delivers the highest possible benefits to the Company's stakeholders over the long term.

The Company's key social licence stakeholder groups, their interests and concerns and how the Company engages with them is outlined below:

Shareholders		<i>Shareholders that invest in the equity of the company</i>
Interests and concerns: <ul style="list-style-type: none"> ▪ Preservation of equity ▪ Return on investment ▪ Prudent allocation of capital 	Stakeholder engagement and response: <ul style="list-style-type: none"> ▪ Executives engaged directly with shareholders ▪ Regular reporting and communication of financial results ▪ Accessibility via shareholder communication policy and protocols 	
Customers		<i>Customers that receive nickel products</i>
Interests and concerns: <ul style="list-style-type: none"> ▪ Safe, reliable and consistent supply of nickel products ▪ Foster strong commercial relationships through open and honest communication 	Stakeholder engagement and response: <ul style="list-style-type: none"> ▪ Executives engaged directly with customers ▪ Regular face to face and electronic communication ▪ Skilled and experienced logistics team 	
Employees		<i>Employees working across WSA's operations</i>
Interests and concerns: <ul style="list-style-type: none"> ▪ Ensuring a safe workplace ▪ Fostering a rewarding work environment, where employees feel empowered ▪ Building a strong culture ▪ Respect individual differences 	Engagement: <ul style="list-style-type: none"> ▪ Flat management structures and reporting lines ▪ Access to training and development ▪ Free flowing two-way exchange ▪ Equal opportunity and diversity policy 	
Traditional Owners		<i>Traditional Owners and Native Title groups</i>
Interests and concerns: <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 	Engagement: <ul style="list-style-type: none"> ▪ Senior managers responsible for Aboriginal heritage, Native Title and Aboriginal engagement ▪ Regular communication and consultation with Native Title groups ▪ Support of local community groups ▪ Local content engaged to provide services where possible ▪ Cultural awareness training 	
Government and regulators		<i>Federal, State and Local Government agencies and regulators</i>
Interests and concerns: <ul style="list-style-type: none"> ▪ Environmental, social and financial performance and compliance reporting ▪ Legislative and regulatory policy frameworks ▪ Land access and approvals 	Engagement: <ul style="list-style-type: none"> ▪ Regular engagement with government and regulators at federal, state and local levels ▪ Regulatory information ▪ Public information including financial results ▪ Royalty and taxation filings and payments 	
Non-government organisations		<i>Local, regional and international organisations concerning environment, human rights, sustainability and corporate social responsibility</i>
Interests and concerns: <ul style="list-style-type: none"> ▪ Risk management ▪ Community engagement ▪ Environmental performance ▪ Compliance 	Engagement: <ul style="list-style-type: none"> ▪ Reporting ▪ ASX announcements and media releases ▪ Environment department ▪ Engagement and consultation ▪ Corporate policies ▪ Sponsorship of local community organisations 	
Suppliers and contractors		<i>Stakeholders: Businesses supporting our operations</i>
Interests and concerns: <ul style="list-style-type: none"> ▪ Working with contractors to achieve sustainable and mutually beneficial outcomes 	Engagement: <ul style="list-style-type: none"> ▪ Regular meetings with primary contractors ▪ Transparent dealing during renewal or establishment of contracts 	



CHAPTER 5 ECONOMIC IMPACT

The mining industry continues to underpin Western Australia's economic fortunes, contributing approximately 30% of the gross value added to the State economy in the 2019 financial year². Nickel is the State's fourth most valuable mineral sector, and fourth largest employer, following iron ore, gold and alumina. Western Australia is ranked among the top 5 global producers of nickel (7% of the global share).

Where possible, the Company supports local manufacturers and suppliers for the purchase goods and services. During the 2019 financial year, 90% of the Company's goods and services, by dollar value, were procured from suppliers based in Western Australia.

The following table highlights Western Areas' economic contribution to the community. For further detail on the Company's operational and financial performance, refer to the 2019 Annual Report.

The information contained in the table below has been prepared for CSR information purposes only and has not been prepared, audited or displayed in accordance with International Financial Reporting Standards or Australian Accounting Standards. The information is derived from the Company's audited financial information.

FINANCIAL INFORMATION	FY19 (000's)	FY18 (000's)	FY17 (000's)
Revenue	268,716	248,268	213,920
Other income	5,148	3,411	4,247
Investment Proceeds		83	33,302
Total Economic value generated	273,865	251,762	251,469
Operating Costs	209,341	188,059	190,948
Salary and Wages	33,702	27,837	25,918
Payments to providers of capital		-	-
Payments to government	5,642	7,038	(222)
Payments of state government royalty	11,621	10,415	9,743
Capital / Construction	101,656	67,362	30,628
Total Economic value distributed	361,962	300,711	257,015
Economic value retained	(88,097)	(48,950)	(5,546)

² West Australian Economic Profile July 2019, Government of Western Australia, Department of Jobs, Tourism, Science and Innovation



CHAPTER 6 PEOPLE

Western Areas places people at the heart of its definition of corporate success, and this is reflected in the Company's emphasis on building a safe, healthy and rewarding work place.

6.1 Safety

At Western Areas, the safety of our people is fundamental to the success and sustainability of our operations. This principle is supported by an organisational culture that emphasises individual empowerment and accountability. Combined with a robust and sufficiently resourced work health and safety management system and team, the way we choose to operate has contributed to achieving a class-leading low injury rate and a fatality free operation. In the 2019 financial year this was achieved through safe operation of:

- Two active underground hard rock mining operations at Forrestania;
- A processing facility including the new Mill Recovery Enhancement Project (MREP) at Forrestania;
- Active exploration activities across multiple jurisdictions and sites;
- Completion of early works, including the construction of significant dewatering infrastructure at the Cosmos Nickel Operation; and
- The commencement of underground operations at the Odysseus mine.

Our 2019 strategic plan for Health and Safety saw a number of key focus areas actioned while also remaining adaptable in line with a changing legislative environment. This ranged from reviewing the first international safety management standard to be released in over 20 years against safety systems; ongoing harmonisation efforts, paramedic registration requirements and the release of Codes of Practice such as Emergency Management in Western Australia and the Mental Health Code of Practice relating to fly in fly out (FIFO) and Construction workers.

In accordance with improvement planning, Western Areas have switched medical providers (poison permit holder), updated skills for key personnel and completed a Mental Health Risk Assessment based on recommendations in the Mental Health Code of Practice.

In the pipeline and planning for 2020, a number of enhancement strategies have been identified including the structural alignment of systems between Operations.

Western Areas are proud to report a successful and active year on every measure in terms of Health and Safety performance. The business is well positioned to enter the challenge of a new year with key fundamentals solidly in place.

<p>2.2</p> <p>Lost Time Injury Frequency Rate</p>	<p>100</p> <p>Days without a Lost Time Injury – all sites³</p>	<p>10.5</p> <p>Total Recordable Injury Frequency Rate⁴</p>
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³ As at 30 June 2019.

⁴ Includes recordable injuries which require medical treatment, restricted duties or result in lost time.



These headline safety figures cover both Western Areas employees and independent contractors working at all Western Areas' sites. The table below shows days without a lost time injury at each site.⁵

Site or Activity	Days LTI Free
Spotted Quoll	3,001
Village	2,708
Haulage	1,916
Cosmos	1,368
Concentrator	296
Exploration	282
Flying Fox	100

Forrestania Nickel Operation

Forrestania Nickel Operation publish numerous educational newsletters on Health, Safety and Emergency topics in an effort to understand, communicate and audit our systems. These have included subjects such as nano Particulate Diesel Matter (nDPM), Noise and Ototoxicity, and Hazardous Areas. To this end Western Areas has actively supported research in nDPM with on-site monitoring and is continuing to monitor and respond to research and developments in this area in partnership with contractors. We have continued serious efforts to upgrade health and hygiene management programs to ensure they are up to date with the latest information and standards. This has resulted in the collation of a number of on-site Health and Hygiene practices within one comprehensive overarching plan submitted to the regulator for feedback and monitoring.

During the year, Forrestania Nickel Operation successfully completed an Emergency Preparedness Audit by the Department of Mines and Industry Regulation (DMIRS), an audit of management systems related to the Safety Levy and underground inspections by the regulator at both Spotted Quoll and Flying Fox mines. A recommendation to consider off-site co-operation has seen our emergency response systems further aligned with the Australasian Inter-Service Incident Management System. This includes new investments in PPE and training for the management team.

The operation continues to benefit from the sustained long term investment in training and facilities for our Emergency Response Team (ERT). We have continued to observe increased retention rates of core team members providing a more qualified and experienced membership base. Training has focused on key risk areas such as underground search and rescue, road crash response, medical and bushfire with a large contingent of the team well regarded in these areas. Western Areas have invested in erecting a multi-story addition to the ERT training ground, so that in 2020 on site training facilities can accommodate Working at Heights, Confined Space and other competencies deemed essential to support a successful and safe operation.



⁵ WSA uses an email flash alert system to report all safety incidents as soon as they occur. All incidents are captured in a dedicated computerised system by trained OHS Coordinators, investigated for root causes and prevention. Each incident is discussed in management, contractor and safety meetings. All are reported to Western Areas' corporate office.



Cosmos Nickel Operation

The early works program at Cosmos Nickel Operation (CNO) was completed on time and on budget with no lost time injuries recorded with several key milestones achieved during the period.

As there has been a considerable increase in activity and contractor presence at CNO, there continues to be a focus on risk management, emergency management and preparedness and contractor management.

Key safety management milestones for the period included ongoing training of the Emergency Response Team and onboarding of WSA internal Health Safety and Emergency Response Coordinators for the project.



6.2 Employment

178 Full time employees	3 Part time employees	8 Casual employees
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Western Areas contributes to the Western Australian community by providing well remunerated work to its full-time, part-time and casual employees.

The Company continues to employ new staff as required. Demand for skilled staff has continued to grow throughout the mining industry and the outlook for the future is challenging with Australian Universities experiencing record low numbers of students in mining specific courses. Western Areas maintains an enviable retention rate, with 38% of employees having greater than 5 years' service and low quartile turnover rates within the industry.

Western Areas' part time employees enjoy all benefits of full-time employees, on a pro rata basis. Casual employees do not receive the health care benefits provided to other employees, and receive only the statutory required superannuation provision.⁶

⁶ While the sample is small, there is a 100% retention rate among employees who took extended parental leave, all of whom, were female.



6.3 Supporting the Miners of the Future

Western Areas is the longest standing co-sponsor of the Western Australian Mining Club Scholarship Award. Over 11 years, Western Areas has provided scholarships to 12 students and has selected a further recipient for the 2020 Award. In recent years a mining engineering student has been selected on the basis of academic achievement, community involvement and financial need. The scholarship, which is open to students at any university in Western Australia, provides \$10,000 as well as, mentoring and opportunities for vacation work. Award recipients are offered graduate programs with Western Areas at the completion of their degrees.

Western Areas has six employees currently completing graduate programs and has increased vacation work opportunities this year. Additional roles for maintenance apprentices have been established to commence during the 2020 financial year, to secure skills for our existing and emerging projects.

Considerable investment on training has continued across the Company, including both soft and hard skills intended to help with management of site-specific risks such as leadership training, working at heights, confined space, forklift, dogman, snake handling and first aid.

6.4 Diversity

The Company's Diversity policy (Refer to the Corporate Governance section our website www.westernareas.com.au) includes, but is not limited to, gender, age, ethnicity and cultural background. The policy ensures that roles and positions are filled by the best possible candidate available without discrimination.

The Company believes that diversity in the workplace is important across all of the various diversity measures. The Company's employee base contains a diverse range of staff that either originated or have been trained across a broad international geographic area and have varied work experience.

The Diversity policy outlines the requirements of the Board to develop measurable objectives for achieving diversity, and annually assesses both the objectives and the progress in achieving those objectives. Over the next few years, the Company aims to increase diversity in senior appointments as positions become available. All appointments will be based on merit and expertise required to discharge the duties of such roles.

	30 June 2019	%	30 June 2018	%	30 June 2017	%
Women on the Board	1	16	1	14	1	14
Women in Senior Management	2	8	1	5	1	5
Women employees in total	33	17	28	18	26	18

To assist in fostering diversity, the diversity policy includes the requirement for a least one female candidate to be shortlisted for all senior appointments (including Director appointments), should a suitably qualified candidate apply, or be identified, for the role.

The employment market for mining professionals remains very competitive, with limited supply of candidates across several key disciplines. The Company actively focusses on recruiting junior and entry level position, providing training, mentorship and promoting talented staff to assist in securing diversity in gender, race and age across all levels and functions within our organisation, we continue to believe that by providing opportunities to the next generation of mining professionals today, we will develop the leaders who will enhance and grow not only our business, but our industry, into the future.



CHAPTER 7 ENVIRONMENT

7.1 Biodiversity

Western Areas operates in proximity to a number of important biodiverse areas. 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, 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 Forrestania Nickel Operation each year. The Company collects native seeds from around the project area that are propagated into seedlings at our partner nursery, Chatfield's. The annual rehabilitation planting program was completed in late autumn 2019, with 24,640 seedlings planted, rehabilitating approximately 2.5 hectares. The Company has successfully rehabilitated over 200 hectares in total as part of the progressive rehabilitation program.

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 (Mosscro Farm)	None, but entered for exploration	None, but entered for exploration	Cosmic Boy Operations and exploration Cosmos Nickel Complex (within buffer of Violet Range complexes)
Type of operation	Mine, processing, exploration	Mine, processing, exploration	Mine, processing, exploration	Mine, processing, exploration
Biodiversity value characterised by	Largest intact temperate woodland on Earth (16 million ha) ¹ , 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



Western Shield, Perth Zoo and National Malleefowl Monitoring Team

Over the past 100 years, more mammals have become extinct in Australia than anywhere else in the world. Since European settlement, Western Australia has seen 11 mammal species become extinct, and many remaining species are considered under threat or endangered, due to predation by introduced species such as cats and foxes, and the loss of habitat.

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. Through repopulation, baiting of feral predators and community education, the program aims to return the balance and mix of native animals in selected areas of WA's environment to levels comparable to pre-European settlement.

During 2019, Western Areas joined Parks and Wildlife, WA on a monitoring trip of the Dryandra Woodland conservation area. Woylie populations in this area are growing, thanks to more intensive fox and feral cat management under the program. During this trip, strong captures of woylies and possums were recorded. This included woylies found up against the boundary of the reserve, which abuts farmland, an indication that the threatened mammals are spreading further than in previous years.

In recognition of this important work, Western Areas has committed to sponsor Western Shield for five years from 2015 – 2020.

In addition to this sponsorship, the Company also sponsors the Perth Zoo's Chuditch Enclosure. Western Areas extended its sponsorship of the Perth Zoo for a further 3 years to 2021. Working with the DBCA, Perth Zoo has released five populations of captive-bred Chuditch into feral-proofed environments in Western Australia. This program has been so successful that the status of the Chuditch has been down-listed from endangered to vulnerable. 315 Chuditch were released at locations including Julimar State Forest, Lake Magenta Nature Reserve, Cape Arid National Park, Mount Lindsay National Park and Kalbarri National Park over the life of the breeding programme.

Western Areas also undertake monitoring of Malleefowl mounds within the Forrestania region and provides the results to the National Malleefowl Recovery Database.



Woylie (*Bettongia penicillata ogilbyi*)



Seed collection and revegetation efforts

As part of the Company's environmental efforts, Western Areas employees collect seeds of flora known to sustain local endangered or threatened species in the area.

The annual rehabilitation program was successfully completed during late autumn 2019, in time to take advantage of winter rainfall. The annual seed collection again proved to be very successful and resulted in approximately 24,640 seedlings being propagated at our partner nursery, Chatfield's.

The 2019 rehabilitation program included a total rehabilitation area of approximately 2.5 hectares, over three separate landform areas. The program included direct placement of topsoil and landform profiling, revegetation planting and repair of major erosion gullies on historic rehabilitated waste dumps.



Seedlings for the annual rehabilitation program

7.2 Emissions, Energy Consumption and Climate Change

Climate change risk and opportunities are considered specifically in the Company's global risk management program (RMP). The outcome reports of all RMP activities are tabled as part of a standing agenda item at Western Areas Board meetings. This ensures 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. It was concluded that, due to the relatively low energy requirements of Western Areas’ operations and the inland location of its sites, climate change poses no material risks to the operations. However, the forecast increase in demand for electric vehicles, due to climate change, is an opportunity for Western Areas as nickel is a key material used in the construction of the batteries that power electric vehicles.

Western Areas actively tracks and reports on energy consumption and activities that lead to carbon emissions, in compliance with the National Greenhouse and Energy Reporting Act. Western Areas is one of the lowest CO₂ emitters per tonne of nickel produced in Australia, because the Company’s primary operation at Forrestania is fed via the main Western Australian power grid, rather than burning fossil fuels on site to generate electricity. The table below shows emissions and energy consumption since 2016/2017 across all operations the Company owns.

Year	Total Emissions tonnes CO ₂ e-	Scope 1 tonnes CO ₂ e-	Scope 2 tonnes CO ₂ e-	Energy Consumption GJ
2018/19	66,052	20,369	45,683	552,146
2017/18	57,249	15,373	41,876	445,712
2016/17	52,231	14,046	38,185	398,274

The total emissions increased by 15.4% in FY19 due to:

- Increased activity at Cosmos Nickel Operation due to dewatering and construction.
- Forrestania’s electricity demand increasing due to the commissioning of the MREP plant;
- Increased underground machinery requirements as mine development returned to normalised levels; and
- Installation and commissioning of the primary return airway infrastructure at Spotted Quoll due to increased ventilation requirements as the mine advances at depth.

As the Company moves forward, the use of hybrid (traditional and renewal) energy systems will be fully evaluated to limit the carbon emissions that are generated in the continued development and operation of our nickel operations.

7.3 Water

Water in Western Australia requires responsible management. The vast majority of water extracted or used at Western Areas operations is hypersaline and unsuitable for drinking; however, the Company works with regulators to ensure it manages its use of fresh water so as not to permanently impact overall water supplies. Over the last year, the Company used only 10% of its allowable limit. The remote locations of the Company’s operating and exploration properties mean that no fresh water supplies are susceptible to damage due to the Company’s activities.

Forrestania Nickel Operation

Groundwater is extracted as part of mine dewatering from the Flying Fox Mine, the Spotted Quoll Mine and the Cosmic Boy underground workings. Potable groundwater is extracted from the Jackson Rock Borefield.⁷ These sources supply water for mineral processing, mining activities and a potable water supply for the camp and mine sites. Excess water is evaporated at the Mossco Farm evaporation facility and reinjected into the groundwater aquifer at the Sibelius injection field.

⁷ Note - none of these water sources are designated as protected areas or of value or importance to local communities or indigenous people.



The following table shows groundwater extraction at the Forrestania Nickel Operations against allowable regulated limits. Net water extraction at Forrestania increased slightly in FY19, with extraction remaining at only 10.2% of the allowable licence limit.

Year	Total GW extraction (kL)	Net GW extraction (kL)	Allowable Regulated Limit (kL)	Percentage of Allowable Limit (%)
2018/19	1,214,446	865,834	8,500,000	10.2
2017/18	1,375,071	1,002,908	8,500,000	12.2
2016/17	1,407,819	1,034,135	8,500,000	12.2

Cosmos Nickel Complex

In addition, 2,756,167kL of water was extracted at Cosmos from the Cosmos pit and underground and Yakabindie borefield, as part of early construction and dewatering activities. This equates to approximately 61% of the allowable regulated limit of 4,500,000 kL at Cosmos.

7.4 Tailings Management

Tailings management is independently reviewed and audited by Coffey Geotechnics⁸. Risks associated with tailings were considered by the risk management program and found to be not material. The table below sets out the total tonnage of tailings deposited in tailings dams, the nickel tonnage contained in the tails deposited and nickel concentration percentage for 2016/17 to 2018/19.

Year	Tonnes	Ni Tonnes	Nickel in tails (%)
2018/19	459,466	2,824	0.61
2017/18	478,163	3,227	0.67
2016/17	467,789	2,950	0.63

The MREP construction was completed at the Forrestania operation late in FY18. The MREP utilises the 100% owned BioHeap™ technology to increase the overall recovery of nickel into product at the Cosmic Boy Concentrator (CBC). This is expected to lead to a reduction in the tonnage of nickel in tails deposited on the CBC tailings storage facility in the future. Furthermore, the waste tailing material that is produced from operation of the MREP, Ferroarsenate, is a benign and stable tailing material that is not expected to cause mine acid drainage in the future.

For more information on our Tailings Storage Facilities, please go to our information sheet on our website [Tailing Storage Facilities - Information Sheet](#).

7.5 Mine Closure Planning

Western Areas updates the company wide mine closure plan (MCP) on a rolling three-year basis. The plan is developed followed close engagement with key regulators within the Department of Mines, Industry Regulation and Safety (DMIRS), the Department of Water and Environmental Regulation (DWER), as well as the local Shires, to receive input to the plan and completion criteria.

The most recent iteration of the MCP for the FNO has been developed during 2019; and has taken recommendations for improvement from the key regulators into account. Improvements undertaken during FY18/19 included a waste rock material characterisation programme to better understand waste rock management risks; and the development of a Surface Water Management Plan for the FNO. The regular triannual update of the mine closure plans is due for submission to DMIRS in September 2019. The triannual update of the Cosmos mine closure plan is due for submission to DMIRS in December 2019.

⁸ In general accordance with the requirements of the Department of Mines and Petroleum (DMP) (2013)1 'Code of practice: tailings storage facilities in Western Australia' and DMP (2015)2 'Guide to Departmental requirements for the management and closure of tailings storage facilities (TSFs)'.



CHAPTER 8 SOCIAL

8.1 Local Communities

While there are no local towns or communities near to Western Areas' Forrestania operations, the Company actively supports the nearest communities, of Varley, Lake King and Hyden, and continues to develop good relationships with the various Indigenous communities located near the regional exploration programs. The Company carefully manages potential impacts arising from transport of its concentrate products via road to Kambalda and via the Esperance Port.

The nearest town to the Cosmos Nickel Operation is Leinster, approximately 40km away. Cosmos is located on the Yakabindie Pastoral Station.

8.1.1 Traditional Owners and Land Custodians

Western Areas has established excellent relations with the traditional owners and land custodians who live near its Cosmos Nickel Complex and Western Gawler exploration sites. In particular, the Company has:

- Conducted introductory and project update meetings with various groups;
- Completed heritage surveys;
- Engaged local native title holders at Cosmos (the Tjiwarl group) to provide cultural awareness training;
- Engaged a contractor linked with the Tjiwarl group to assist in rehabilitation and recommissioning of various mining assets and infrastructure;
- At Cosmos, employed Tjiwarl group members to clear and prepare drill pads and to act as heritage monitors;
- At Western Gawler, employed traditional owners to complete rehabilitation of drilling sites; and
- Provided the Leonora Women's Group with sewing machines, overlockers and fabric printed with aboriginal designs, and raffia basket weaving supplies.



Sand Resource Heritage Survey - Tjiwarl And Western Areas representatives

8.1.2 Fire & Emergency Services

The Forrestania Nickel Operations ERT is a registered fire brigade within the Kondinin Shire. The ERT regularly support the community in emergency events, including responding to uncontrolled bushfire emergencies on properties outside of the Forrestania nickel operation footprint and provides first aid assistance to vehicle accidents that are suffered by third parties on the various public roads that surround the operations.



8.1.3 Local Communities - Varley, Lake King and Hyden

The Company regularly supports towns in the regions of its operations and exploration activities. This includes donating funds to the many individual requests from the local communities and active sponsorship of various programs.

8.1.4 Local Communities - Esperance

Nickel concentrates are transported via road freight to Kambalda for local customers and shipped through the Esperance Port to export customers. Nickel concentrates are not classified as dangerous goods and Western Areas' original intention had been to bulk transport the concentrate to Esperance Port and then use conveyors to load nickel concentrates onto ships. In response to community concerns regarding wind-blown concentrate dust, the Company completely redesigned its plans to introduce an innovative containerised method for export shipments.

Concentrate is currently shipped via sealed shipping containers which are inspected after loading for external residue and dust prior to leaving site. Containers are then transported to a location outside Esperance, where they are re-inspected for any residual concentrate on the outside of containers, prior to transport through the access roads to the port, where they are loaded, still in the sealed containers, onto vessels for shipment to China. This process effectively eliminates the local community's potential exposure to the Company's nickel concentrate, due to the containers remaining sealed from the time they leave the Company's tenements until they arrive at the destination export port.

8.2 Human Rights

We conduct our business in a manner that respects the rights and dignity of all people, complying with all legal requirements as set out in the Australian Human Rights Commission Act 1986 which incorporates the United Nations Guiding Principles on Business and Human Rights.

On 1 January 2019, the Australia's Modern Slavery Act 2018 came into effect. The Act requires businesses to disclose the actions taken to assess and address the risk of modern slavery in their operations and supply chains. The risks associated with modern day slavery will be assessed in the Company's comprehensive risk management program. As approximately 90% of the Company's goods and services, by dollar value, are procured from suppliers based in Western Australia, it is not anticipated there is considerable risk of modern slavery, however, in order to ensure compliance with the requirements of the Modern Slavery Act 2018, we will be conducting a review of our material customers and suppliers during FY20.

8.3 Anti-corruption

There have been no cases of corruption at Western Areas. Risks related to corruption have been formally considered as part of Western Areas' CSR risk review but found not to be significant due to the Company predominantly operating in Western Australia in accordance with state and national laws, the robust quality of systems and processes around contractor selection, management, invoice preparation and payments. Western Areas code of conduct specifically addresses fraud and corruption and is signed by all employees. The code of conduct contains provisions related to whistle-blower policy and complaint handling.

8.4 Compliance

Forrestania Nickel Operations (FNO) no significant oil, fuel, waste, chemical or other spills during 2019. There were however, two minor waste water spills voluntarily reported to the environmental regulator. These incidents were managed internally, in line with the Environmental Management System (EMS) controls.

One reportable environmental incident occurred at the Cosmos Nickel Operation in January 2019, where an open-pit dewatering transfer station overflowed due to the failure of an outlet pump. Western Areas self-reported the incident to the Department of Water and Environmental Regulator (DWER). This was an isolated incident, and Western Areas immediately began an investigation to determine the cause and any subsequent impacts to the environment. The incident resulted in ANI received a modified penalty notice from DWER. Since the incident, pit dewatering at Cosmos has finished. Western Areas has an excellent track record with environmental management and safety, with no significant incidents recorded in the last 10 years.



CHAPTER 9 GRI INDEX

G4	Disclosure	Location
G4-1	Statement from the most senior decision-maker of the organisation	Annual Report: Chairman's Letter Report Annual Report: Managing Director's Report
G4-2	Key impacts, risks and opportunities	Annual Report: Managing Director's Report
G4-3	Name of the organisation	Annual Report: Corporate Directory
G4-4	Primary brands, products, and/or services	Annual Report: Operations Review
G4-5	Location of organisation's headquarters	Annual Report: Corporate Directory
G4-6	Countries where the organisation operates	Australia
G4-7	Nature of ownership and legal form	Annual Report: Shareholder Information
G4-8	Markets served	Annual Report: Managing Director's Report
G4-9	Scale of the reporting organisation	Annual Report: Managing Director's Report Annual Report: Operations Review
G4-10	Number of employees	Corporate Social Responsibility – People
G4-11	Employees covered by collective bargaining agreements	Corporate Social Responsibility – People
G4-12	Description of supply chain	Western Areas has over 160 suppliers and contractors, which provide electrical power, diesel fuel, mining plant equipment and services, etc.
G4-13	Significant changes to organisation	Annual Report: Annual Report: Chairman's Letter Report Annual Report: Managing Director's Report Annual Report: Directors' Report
G4-14	Use of precautionary principles	Corporate Social Responsibility – CSR at Western Areas
G4-15	List of charters, principles or initiatives	Corporate Social Responsibility – Corporate Governance
G4-16	Membership of associations	Annual Report: Chairman's Letter Report
G4-17	Entities included in financial statements	Annual Report: Financial Statements Annual Report: Notes to the Financial Statements
G4-18	Defining report content	Corporate Social Responsibility – Approach to CSR Reporting
G4-19	Material aspects identified	Corporate Social Responsibility – Approach to CSR Reporting
G4-20	Aspect boundary within the organisation	Corporate Social Responsibility – Approach to CSR Reporting
G4-21	Aspect boundary outside the organisation	Corporate Social Responsibility – Approach to CSR Reporting
G4-22	Restatements of information	None
G4-23	Significant changes	None
G4-24	Stakeholder Groups	Corporate Social Responsibility – Engaging Our Stakeholders
G4-25	Basis for identification	Corporate Social Responsibility – Engaging Our Stakeholders
G4-26	Approach to stakeholder engagement	Corporate Social Responsibility – Engaging Our Stakeholders
G4-27	Topics raised through stakeholder engagement	Corporate Social Responsibility – Engaging Our Stakeholders
G4-28	Reporting period	FY 2018/2019
G4-29	Date of most recent previous report	October 2018
G4-30	Reporting cycle	Annual
G4-31	Contact point	Annual Report: Corporate Directory
G4-32	GRI reporting standard	Corporate Social Responsibility – Approach to CSR Reporting
G4-33	External assurance of report	None



G4 - DMA	Generic Disclosures on Management Approach	Annual Report: Chairman's Letter Report Annual Report: Managing Director's Report Corporate Social Responsibility – CSR at Western Areas
G4-EC1	Direct economic value generated and distributed	Corporate Social Responsibility – Economic
G4-EC2	Risks and opportunities posed by climate change	Corporate Social Responsibility – CSR at Western Areas
G4-EN3	Energy consumption	Corporate Social Responsibility – Environment
G4-EN8	Water withdrawal	Corporate Social Responsibility – Environment
G4-EN9	Water sources affected	Corporate Social Responsibility – Environment
G4-EN11	Operations proximity to areas of biodiversity value	Corporate Social Responsibility – Environment
G4-EN13	Habitats protected or restored	Corporate Social Responsibility – Environment
G4-MM1	Land disturbed or rehabilitated	Corporate Social Responsibility – Environment
G4-EN15	Emissions Scope 1	Corporate Social Responsibility – Environment
G4-EN16	Emissions Scope 2	Corporate Social Responsibility – Environment
G4-EN22	Water discharge	Corporate Social Responsibility – Environment
G4-EN24	Significant spills	Corporate Social Responsibility – Environment
G4-EN26	Affected water bodies	Corporate Social Responsibility – Environment
G4-EN29	Compliance	Corporate Social Responsibility – Environment
G4-LA1	New employee hires	Corporate Social Responsibility – People
G4-LA2	Benefits to full-time, part-time and casual employees	Corporate Social Responsibility – People
G4-LA3	Retention rates after parental leave	Corporate Social Responsibility – People
G4-LA5	Health & safety committees	Corporate Social Responsibility – People
G4-LA6	Type and rates of injuries, occupational diseases	Corporate Social Responsibility – People
G4-LA7	Diseases related to occupation	Corporate Social Responsibility – People
G4-LA8	Health & safety topics covered in trade union agreements	Corporate Social Responsibility – People
G4-SO1	Local community engagement	Corporate Social Responsibility – Social
G4-SO2	Actual or potential negative impacts on local communities	Corporate Social Responsibility – Social
G4-SO3	Significant corruption risks	Corporate Social Responsibility – Social
G4-SO4	Anti-corruption training	Corporate Social Responsibility – Social
G4-SO5	Incidents of corruption and steps taken	Corporate Social Responsibility – Social
G4-SO8	Significant fines for non-compliance	Corporate Social Responsibility – Social