



龍資源有限公司
DRAGON MINING
LIMITED

DRAGON MINING LIMITED

龍資源有限公司*

(Incorporated in Western Australia with limited liability ACN 009 450 051)
(於西澳洲註冊成立的有限公司·澳洲公司註冊號碼009 450 051)

Stock Code 股份代號 : 1712

2018

Environmental, Social and
Governance Report
環境、社會及管治報告

* For identification purpose only 僅供識別

APPROACH AND PERFORMANCE

The Group is committed to operating in a way which contributes to the sustainable development of mineral resources through efficient, balanced, long-term management while showing due consideration for the wellbeing of people, protection of the environment and the development of the local and national economy and of society in general.

The Group recognises its responsibility for protecting and minimising the impact of its activities on the environment. The Group is committed to the principle of developing and implementing sound practices in environmental design and management and actively operates to:

- work within the legal permitting framework;
- minimise disruption to the surrounding environment;
- give environmental aspects due consideration in all phases of the mining projects, from exploration through to development, operation, production and final closure; and
- act systematically in the planning, execution, monitoring and improvement of environmental performance.

ENVIRONMENTAL SUSTAINABILITY

Environmental monitoring and reporting forms part of the Group's proactive approach towards achieving environmental sustainability. Monitoring activities and areas include:

- biodiversity studies;
- dust emissions;
- noise levels;
- ground water;
- surface water;
- discharge water; and
- sediment analysis.

Process water at Vammala is recirculated to reduce water emissions. Sampling from the discharge waterways clearly shows a reduction in discharged quantity levels of nickel and sulphate. Surface water run-off is collected and re-used in the process circuit. Dust controlling measures include the use of dust suppressants, liming of and use of water cannons and sprinklers. The crushing unit is also equipped with a dust controlling device.

At Jokisivu, to improve water management in the area, construction work within the ditches and water flow improvement works around the waste rock stockpile were completed with run-off waters now directed to the settling ponds.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL COMPLIANCE

Ensuring environmental compliance is integral to the Group's operations. We have robust environmental management systems and practices through which we assess and identify potential environmental risks, conduct routine monitoring, and report the performance results to minimise the impact of our operations on the environment. At every stage of our operations, we strive to promote the efficient use of resources, and the reduction and prevention of pollution. As a responsible miner, we strive to meet, and where possible, exceed the regulatory requirements in our environmental performance.

The Group complies with all applicable environmental laws, regulations and standards. The main laws are set out in the Swedish Environmental Code and the Finnish Environmental Protection Act.

A number of management plans are in place to provide a framework for the Group to effectively manage its environmental footprint. Site specific management plans include the following (all of which are reviewed regularly):

- Waste Management Plan;
- Tailings Storage Facility ("TSF") Management Plan;
- Safety Seveso Management Plans;
- Mine Closure Plan; and
- Environmental Monitoring Plans.

The main types of potential environmental incidents that can potentially result from our operations include water substance levels exceeding permit limits, noise and dust exceeding permit limits, hydrocarbon spills, improper use and storage of chemical substances and hazardous materials, wildlife deaths, improper disposal of waste, maintaining structural integrity of storage facilities, recharacterisation of waste rock, and other incidents that negatively impact the environment. All occurrences of environmental incidents are investigated, remedied, monitored and reported by our environment team both internally and where relevant to the authorities. In 2018, all permit levels complied with the applicable environmental permit.

ENERGY CONSUMPTION

The Group recognises that reducing energy consumption will have a significant beneficial environmental impact and aid cost reduction. The following table presents the Group's energy consumption and intensity by geo-location. Intensity is calculated as kWh per production tonne. The intensities cannot be compared because the products from different locations are not similar. It should also be noted that much of the power sourced by the Group is provided by renewable generators (hydro-electric schemes). The Group does not have any indirect energy use.

TABLE 1: ENERGY CONSUMPTION

Resource		Unit	Orivesi	Jokisivu	Vammala	Svartliden
Energy usage	Electricity	GWh	7.30	5.12	10.18	7.00
	LPG heating	GWh	2.80	1.84	–	–
Energy intensity	Electricity	KWh	197.00	19.00	33.00	1,560.00
	LPG heating	KWh	75.00	7.00	–	–

At the Group's underground mines, fresh air is heated in heating plants using LPG which produces less CO₂ emissions compared to traditional heating plants using petroleum. The heating plants in Jokisivu and Orivesi have been constructed within the last ten years and incorporate the latest in heating technology.

At Vammala, regional heating provides heating in the Plant, administration, maintenance, and laboratory buildings where energy consumed was approximately 10.18 GWh. The grinding process in the Plant consumes approximately 50% of the total energy consumed. As an example of investment to improve energy efficiency, the old compressors at the Plant were replaced by the new ones in 2016 saving over 470MWh per year. Svartliden electrical consumption is minimal due to the lack of mining activity but is expected to increase with the ramp up of mining activities at the Group's Fäboliden Gold Project this year.

WATER CONSUMPTION

The Group seeks to minimise the water usage at its operations through the implementation of water efficient technologies and adoption of water recycling methodologies. The Group uses groundwater, surface water and recycled water in its operations. Continuous flow meters are used at each operation to control and monitor water discharge. Sanitary sewage is treated in a waste water treatment plant.

The Vammala Plant recycles a large percentage of its water usage. In 2018, the Plant used approximately 1.2 Mm³ of process water with only 0.4 Mm³ discharged. The process water intensity was 4.4m³ per processed ore tonne.

At the mine sites, Jokisivu discharged 133,774m³ of water because underground mines have a positive seepage of water. Like Jokisivu, Orivesi drilling water originates from multiple natural sources. The operation utilises groundwater that seeps into the underground mine, lake water pumped from the nearby lake Ala-Jalkajärvi, and recycled water from the settling ponds. The total volume of water pumped to the Orivesi underground mine was 28,548m³ from which 13,428m³ was taken from the recycling water line. Orivesi discharged 103,143 m³ of water again because underground mines have a positive seepage of water into the mine. Consumption of water in the Jokisivu and Orivesi mines cannot be calculated due to positive seepage of water into the mines.

At Svartliden, the discharge of clean water from the clear water pond was 1.35 Mm³. Water consumption for the Svartliden Plant is estimated to be 500,000m³. All water used in processing is recycled and sourced from the TSF and a lesser extent from a clear water pond. Water consumption for personal use is sourced from a water bore and amount to 1,600 m³.

There is also a small amount of household water that is used at all sites. Jokisivu and Vammala are connected to the municipality's water network. At Orivesi and Svartliden drinking water is brought to the site and other household water is taken from the site's own wells. Svartliden has a septic tank installed at site.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

WATER CONSUMPTION (CONT'D)

There is no issues with sourcing water fit for purpose as in Nordic countries, precipitation exceeds evaporation on a yearly level, so the Group uses groundwater, surface water and recycled water in its operations.

There were some challenges in obtaining enough process water at Vammala during autumn and winter due to the freezing conditions. As such, water levels at the tailing's ponds are kept high to prevent the pond from freezing, whilst process water was pumped from the closed mine.

At Svartliden, almost all process water is recirculated when it's taken from the TSF and the clear water pond.

TABLE 2: RESOURCE CONSUMPTION

Resources		Unit	Orivesi	Jokisivu	Vammala	Svartliden
Production	Ore extracted	tonnes	37,140.00	264,679.00	–	–
	Waste rock extracted	tonnes	75,619.00	136,923.00	–	–
	Ore processed	tonnes	–	–	308,070.00	–
Energy	Electricity	GWh	7.30	5.12	10.18	7.00
	LPG heating	GWh	2.80	1.84	–	–
Fuels	Diesel	tonnes	111.80	217.00	1.20	–
	Fuel oil	tonnes	138.50	354.10	71.20	–
	Lubricant oils	litres	10,545.00	14,590.00	4,600.00	–
Water	Fresh water intake	m ³	28,548.00	–	707,243.00	–
Chemicals	Sodium hydroxide	litres	214,000.00	–	–	–
	Flocculant	tonnes	–	–	0.62	–
	Collector	tonnes	–	–	15.37	–
	NalBx xanthate	tonnes	–	–	18.83	–
	Frother	tonnes	–	–	4.86	–
	Cyanide	tonnes	–	–	–	123.00
	Sodium hydroxide	tonnes	–	–	–	29.00
	Hydrochloric acid	tonnes	–	–	–	20.40
	Iron sulphate	tonnes	–	–	–	174.00
	Hydrogen peroxide	tonnes	–	–	–	841.00
	Lime	tonnes	–	–	–	296.00
	Activated carbon	tonnes	–	–	–	5.50
Oxygen	tonnes	–	–	–	369.00	
Other	Rods used in grinding	tonnes	–	–	206.20	–
	Balls used in grinding	tonnes	–	–	286.00	–

ENVIRONMENTAL EMISSIONS

The Group operates according to specific Environmental Management Plans (the “Plans”) approved by the respective environmental authorities. The Plans determine the frequency of monitoring and measuring activities depending on the type of activity. Sampling measurements are performed in compliance with industry standards, using the latest equipment and measurement devices. Samples are tested at accredited national and international laboratories. All emission mitigation measures are site specific.

The foundation for the Group’s emission policies, controls, procedures and reporting are derived from the respective Environmental Permit (the “Permit”) for each of its operations. The Permits are site specific and prescribe the relevant operating parameters as defined by the regulators. Permit regulations and the required emissions data reporting are set by the respective authorities. Where required, independent third parties are also involved in analysing samples for reporting to the relevant authorities.

VAMMALA PLANT

Water flows are measured and sampled regularly with concentrations of nickel and sulphide monitored. The concentration of dust particles is not regulated in the Permit however the Group maintains both passive and active processes to minimise and manage dust particles. Present readings show that any dust generated is below government guideline values and are not considered harmful to either human health or the environment.

JOKISIVU

The Permit for Jokisivu includes a condition that sets pH limits and solid particle density in discharged water. No Permit breaches occurred in 2018. The concentration of dust particles is not regulated within the Permit however the Group maintains both passive and active processes to minimise and manage dust particles.

ORIVESI

The Permit for Orivesi includes a condition that sets pH limits and solid particle density in discharged water. No Permit breaches occurred in 2018. The concentration of dust particles is not regulated in the Permit however the Group maintains both passive and active processes to minimise and manage dust particles. Liming of the nearby waterway (Ala-Jalkajärvi) was conducted in 2018 to stabilise the bottom sediment in the lake, reduce the metal load in the water, and increase the lakes alkalinity. The effects of lime treatment are continuously monitored by water and sediment sampling and additional vegetation and benthos studies. In 2018, two sets of automatized pH controlling units were used to adjust pH and reduce metals in the discharge water.

The Permit for both Jokisivu and Orivesi states that nitrogen, found in explosives, must be in a barely soluble form and in this respect, the Group uses emulsion-based explosives. Nitrogen in emulsion-based explosives dissolves slowly so the risk of excessive nitrogen emissions from explosives are mitigated through choosing emulsion-based explosives, training in use, and charging of these explosives to avoid spillage and excessive use.

In June 2019, Orivesi was placed on care and maintenance with a closure plan being prepared.

SWEDEN

Emissions in Sweden are minimal due to the present lack of mining activity. The operating and environmental permits for the Group's full mining operations at Fäboliden will define the approved discharge parameters.

The process water at Svartliden is also recirculated to reduce water emissions. Process water is treated in both the Plant and separate lime sedimentation ponds, both of which decrease water emissions. A water treatment plant is also available and can be used to treat water from the tailings pond if required. Emissions are monitored at several key locations on the mine site, with permit levels set at the outgoing clarification pond spillway. During 2018, all emissions were below Permit levels.

2018 ENVIRONMENTAL EMISSIONS DATA

Consistent with the Groups internal reporting, environmental data is listed in kilograms and tonnes.

TABLE 3: TYPES OF EMISSIONS

Vammala Production Centre	Unit	2018
– Arsenic	kg	2.70
– Aluminium	kg	107.00
– Zinc	kg	26.00
– Cadmium	kg	0.70
– Sulphate	kg	293,006.00
– Nitrogen	kg	10,847.00
– Solid material	kg	425.00

Svartliden Production Centre	Unit	2018
– Nickel	kg	15.00
– Zinc	kg	6.90
– Cadmium	kg	0.03
– Sulphate	kg	606,686.00
– Arsenic	kg	8.00
– Nitrogen	kg	9,842.00

TABLE 4: GREENHOUSE GAS EMISSIONS

Vammala Production Centre	Unit	2018
Diesel (and light fuel oil) – CO ₂	tonne	¹ 3,806.60
Svartliden Production Centre	Unit	2018
Propane – CO ₂	tonne	25.00
– NO _x	kg	27.00
Diesel – CO ₂	tonne	161.70
– NO _x	tonne	2.45

¹ Includes emissions from all Finnish operating sites and transportation of ore to the Vammala Plant.

TABLE 5: HAZARDOUS WASTE PRODUCED BY OPERATION

Hazardous waste	Unit	2018
Vammala	tonne	11.80
Jokisivu	tonne	4.90
Orivesi	tonne	6.90
Svartliden	tonne	4.60

Hazardous waste produced during 2018 consisted of the following waste particles:

- solid waste;
- solid aerosol waste;
- solid painting waste;
- fluorescent tubes;
- solvent waste; and
- used lubricants.

All hazardous waste mentioned above is disposed of in appropriate facilities licensed for the receipt and treatment of such waste.

TABLE 6: NON-HAZARDOUS WASTE PRODUCED BY OPERATION

Non-hazardous waste	Unit	2018
Vammala	tonne	45.10
Jokisivu	tonne	136.90
Orivesi	tonne	107.80
Svartliden	tonne	19.36

Non-hazardous waste is stored in appropriate containers at each operation and includes:

- biowaste;
- waste rock¹;
- energy waste (paper and cardboard);
- metal waste (iron, plate);
- packaging wood;
- sanitary waste;
- community waste; and
- mixed waste.

¹ At Jokisivu, waste rock is the main waste component and is classified as inert (non-hazardous). In 2018, 136,900 tonne of waste rock was produced of which 80,300 tonne was used as backfill and 56,700 tonne was transported to the waste rock stockpile. Jokisivu produced 0.52 tonne of waste rock per ore tonne produced.

At Orivesi, waste rock is separated into two waste rock areas according to its environmental impact qualities. Inert waste rock has been used as a construction material onsite. The Group endeavors to store potentially acid-forming rock types underground as backfill. In 2018, 75,600 tonnes of waste rock was produced of which 17,900 tonnes was used as backfill and the balance transported to the waste rock stockpile. Orivesi produced 2.04 tonnes of waste rock per ore tonne produced.

The Group's priority is to reduce the volume of hazardous waste produced by its activities. Across all sites, waste is sorted according to waste quality. Where possible, operations shall recycle waste or convert waste to energy. All chemicals are stored in appropriate containers equipped with a safety basin. The handling of non-recyclable hazardous waste is contracted to an external recycling company that specialises in the types of hazardous waste material produced by the operations. Non-hazardous waste is sorted into biowaste, wood, glass, metal, energy, household and mixed waste. The sorted waste is collected by a local waste company and transported to landfill or incinerated as appropriate.

EMPLOYMENT, SUPPORT AND THE PROTECTION OF EMPLOYEE RIGHTS

The Group's employment policies are documented in its Code of Conduct (Code) which provides clear guidance on the conduct and behaviour of all employees, including the Board and senior management. The Code is designed to encourage and foster a culture of integrity and responsibility with the focus on augmenting the Group's reputation as a valued employer, business partner and corporate citizen. Specifically, the Code provides guidance on the following aspects:

- compliance to laws, rules and regulations;
- conflicts;
- fair dealing;
- knowledge and information security (including handling of confidential information and disclose and securities trading);
- health, safety and environment;
- employment practices; and
- whistleblowing and misconduct reporting.

The Group recognises, and endeavours to protect, the rights of its employees and is committed to providing equal opportunities. The Group engages in both transparent and fair recruitment practices, fair remuneration and disciplinary decisions, without regard to gender, age, family position, or ethnic background. The remuneration packages for our employees include a basic salary component and (where appropriate) a productive incentive payment. The Group determines employee remuneration based on qualifications and experience, whilst the amount of annual incentive payment and achievement of set key performance indicators will be determined and assessed by the Remuneration Committee and the Board. The Group provides employees with welfare, pension and healthcare benefits, in accordance with statutory requirements, plus some other miscellaneous items.

The Group invests significant time and resources to fulfil its obligations under the respective laws of the countries in which it operates. During the reporting period, the Group has not received any substantiated complaint from any individual or authority, nor has it paid or was liable to pay any penalty because of any employment law breach.

The Group has a Whistle Blowing Policy that enables an employee raising concerns about practices and procedures in their workplace. It enables employees to report concerns of fraud, illegal, immoral, illegitimate practices, misconduct or malpractice in a way that will not be seen as being disloyal to colleagues. The current Policy is available on the Company's website. On 1 July 2019, new legislation was introduced in Australia to provide Whistle Blowers with greater protection. Australian companies have until 1 January 2020 to revise their Whistle Blower policies in light of the changes and the Company is working to incorporate the changes into its current policy to be finalised by 1 January 2020.

Preventing and addressing the Group's own involvement in the use of child or forced labour in any of its operations is central to our sustainability approach including our commitment to running a safe, responsible and profitable business. In line with both the laws of the countries we operate and our recruitment policy, the Group does not employ persons under the legal age of employment. In the year under review, the Group has not employed any person under the age of 18 and owing to the location of our operations the incurrence of child labour is not a significant risk factor.

TABLE 7: TOTAL WORKFORCE INCLUDING CONTRACTORS

Geographical region	2018		2017	
– Finland	57	66%	57	66%
– Sweden	25	29%	25	29%
– Australia	4	5%	4	5%
Total	86	100%	86	100%

Gender	2018		2017	
– Male	65	76%	67	78%
– Female	21	24%	19	22%
Total	86	100%	86	100%

Employment type	2018		2017	
– Full-time	84	98%	84	98%
– Part-time	2	2%	2	2%
Total	86	100%	86	100%

Employee turnover in Finland is less than 5%. Sweden employee turnover is not tracked but it will be once mining activities start at the Group's Fäboliden Gold Project this year.

The Group has a security dealing policy that sets out the policy for dealings in the Company's shares. The dealing in shares is also set out in accordance with the respective Corporations Act 2001 in Australia and the requirements of the Companies Ordinance in Hong Kong.

The Group manages data protection and privacy as part of its IT processes and has several policies to manage IT related risks including off-site backup. The Group is required to carry out statutory commissioning and periodic inspections of the site areas.

COMMITMENT TO CONTINUOUS LEARNING

The Group is committed to fostering a culture of continuous learning in our organisation. Management is involved, together with external trainers, in designing training programmes that meet the needs of employees. Training content and topics are set to cover the key aspects of our operations to ensure all employees have the necessary skills to conduct their roles safely.

Types of training may include:

- compliance and regulatory;
- management skills and personal development – leadership skills, supervisory skills, KPI setting, communication and interpersonal skills, coaching skills, self-development skills;
- job specific training;
- comprehensive safety induction for all newly hired employees on their first day;
- mandatory job and activity specific health and safety training is provided to employees and contractors;
- all completed training is recorded in the training register.

Due to the nature of the industry in which the Group operates, some training is mandatory and includes first aid, work safety, and inductions. Employees also have Union representation and the Union provides ongoing training to nominated employee safety representatives. In 2018, approximately 35% and 17% of blue collar and white collar employees received training respectively.

HEALTH AND SAFETY

Safety is the Group's number one priority and we make every effort to safeguard the health and wellbeing of our employees, contractors and communities. The Group goes above and beyond what's expected to comply with local health and safety legislation not just because we care for the people we work with, but also because a safe business is also operationally sound. The Group's Code clearly communicates its attitude and commitment towards protecting employee health and safety including conflict resolution and fair dealings.

The Group strives to maintain its safety culture through its leadership team which delivers a clear safety message to all employees. The Group has well documented safety procedures and visible safety boards located at its operations. Safety inductions to new employees and service agreements for suppliers of goods and services promote the Group's safety culture.

The Group maintains a significant number of health and safety measures which are implemented upon commissioning of new equipment and monitored by way of periodic inspections. Prior to commissioning, each piece of equipment and machinery is subjected to a start-up check to ensure it meets the minimum safety requirements.

The Group reports the Lost Time Injury Frequency Rate (LTIFR) to measure workplace safety and track the efficiency of newly implemented safety scheme. Lost Time Injuries (LTI) are injuries that have occurred in the workplace and where an employee requires time off to recover. Calculating the frequency provides a key metric to track over time and compare against peers within the mining industry. The LTIFR calculation is based on the number of injuries resulting in one lot shift sustained over a specific period per 1,000,000 work hours worked by all employees including sub-contractors over that period.

HEALTH AND SAFETY (CONT'D)

During the year ended 31 December 2018, one LTI occurred at the Group's Finnish operations. Impressively the Orivesi mine has achieved over 1,489 days LTI free, the Vammala Plant and Jokisivu mine recorded 298 and 1,105 LTI free days respectively and Svartliden recorded over 1,000 days LTI free.

	2018	2017
Lost Time Injury Frequency Rate	4.32	0.00

The Group has not sustained any work related fatalities at any of its operations since its incorporation.

SUPPLY CHAIN MANAGEMENT

The Group strives to implement environmentally and socially responsible supply chain practices by working closely with all stakeholders including, suppliers, local community and the respective authorities. A system is in place to ensure procurement and operational practices are free from unfair business practices, terrorism and money laundering. Every supplier of goods and services must sign the Group's service agreement which outlines the requirements and expectations of the Group on the following:

- work management and supervision;
- employee rights and responsibilities;
- permitting;
- general safety;
- employment practices;
- handling and storage of hazardous chemicals; and
- fuel transportation.

TABLE 8: SUPPLIERS BY GEOGRAPHICAL REGION

Geographical region	2018	%	2017	%
– Finland	484	64%	593	69%
– Sweden	223	30%	225	26%
– Australia	44	6%	39	5%
Total	751	100%	857	100%

The Group engages numerous external parties in its day-to-day operations including construction services, concentrate and ore transportation services, labour providers and personnel hire services, environment and process consultants, chemical, water analysis and laboratories services, drilling services, tailings dam construction, as well as suppliers of raw materials, auxiliary materials, and machines and equipment. To assist in maintaining a transparent supply chain, the Group only procures goods and services from suppliers and contractors whose trade, employment practices and company values are aligned to ours. The Group's service agreement communicates our expectations related to human and labour rights, safety and the environment. Compliance is actively monitored by onsite managers who identify and report any issues to the wider management team via daily, weekly and monthly management meetings. Any necessary action will be actioned in a timely manner.

PRODUCT STEWARDSHIP AND RESPONSIBILITY

The Group has several internal checks to ensure purchases are co-authorized in accordance with an approval hierarchy. Gold is sold through an independent third party on-market and the end quantity sold can be reconciled back to the original shipped ounces. The gold room is fitted with security such as cameras, a password protected entrance, and dual sign off is required at each stage of handling.

The Group has two production plants, the Vammala Production Centre in Finland and the Svartliden Processing Centre in Sweden. The Vammala Plant is a flotation facility that produces gold concentrate which is transported to the Svartliden Plant to produce a gold doré bar and (a lesser amount of) gravity gold. Both are transported directly to the Refiner. The Group has a contract with the Refiner that specifies issues relating to health and safety, labelling, services quality and methods of redress.

For example, the labelling of each shipment includes information on the following:

- number of boxes;
- gross and net weight;
- detailed packing list;
- estimate of fineness of gold and silver;
- information relevant its transportation;
- estimated value of the shipment; and
- a list of any deleterious elements.

The usage of packaging material for gold bar shipments is minimal and therefore not a material Group KPI.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PRODUCT STEWARDSHIP AND RESPONSIBILITY (CONT'D)

The Group produces gold concentrate from its flotation plant at Vammala which is transported for further processing at its carbon in leach plant at Svartliden. Both treatment methods are common in mining operations. The service agreement sets out the Group's position on data security and privacy, including:

- work related documents are the property of the Group unless otherwise specifically agreed. Suppliers and others on site shall not pass on information related to the production process, financial or any other confidential matter to third parties;
- destruction of documents containing confidential information must be carried out reliably; and
- photographing or video recording on site is permitted only with permission.

The Group produces gold concentrate, gravity gold and gold doré bars which are transported to a nearby Smelter and/or Refiner in accordance with the terms of the respective contracts. The respective contracts provide for quality and quantity of each shipment including penalties for impurities, which is not uncommon in the mining industry, and shipment rejection. The Group has had no shipments rejected during the year ended 31 December 2018.

COMMUNITY

The Group is very clear on the need to earn the respect and support of the community by operating within its permit levels, and by demonstrating a tangible commitment to environmental sustainability.

The Group's operates in four national regulatory environments (including Australia and Hong Kong) and the supra-national regime of the European Union. While compliance with these regulatory environments and specific operational license conditions are the basis of the Group's environmental management procedures, the Group is committed to the principle of developing and implementing appropriate practices in environmental design and management and will actively work to:

- protect the environment surrounding its operations;
- give environmental aspects due consideration in all phases of mining projects, from exploration and evaluation through to development, operation, production and final closure; and
- act systematically in the planning, execution, monitoring and improvement of environmental performance.

The Group's Sustainability Policy seeks to ensure it is a constructive partner to advance the social, economic and institutional development of the communities in which it operates. Permitting in the Group's operating regions require an extensive phase of community consultation. The Group carries out its activities with regard to the interests of affected landowners and other stakeholders. The Group fully acknowledges the rights, cultures, customs and values of people affected by the development and exploitation of mineral resources. During 2018, the Group undertook the following activities in the local communities:

- formal engagement with indigenous Sami tribes in Sweden;
- opportunity for informal communication through site-open days and community visits to the operations;
- providing safety vests to a local kindergarten located next to the ore transport route at Kaapelinkulma; and
- held discussions with local gun clubs to determine ways the Group can support their activities.



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