

# SUSTAINABILITY MATTERS AT PANAUST



*PanAust is part of an industry that has a role to play in improving the standard of living for current and future generations through meeting the global demand for copper and precious metals in a responsible manner.*

PanAust's success is founded on the combination of operational excellence and commitment to sustainable business outcomes. Over the course of the Company's development from junior explorer to mid-tier international copper and gold producer, wherever it operates, PanAust has applied leading-practice governance, government and community engagement, environmental management, health and safety, and employee engagement and development.

In advancing growth opportunities, PanAust leverages its award-winning sustainability practices to ensure the development of operations that will contribute to host countries' long-term growth and prosperity.

## ECONOMIC CONTRIBUTION

PanAust makes a significant contribution to the economy of Laos at the national and local levels through its operational activities and the Government of Laos' 10 per cent shareholding of Phu Bia Mining. To date, PanAust has invested approximately US\$1.37 billion into the Lao economy and in 2015, the Company accounted for more than 3.4 per cent of the nation's gross domestic product and 21 per cent of total Lao goods exports. In 2015, PanAust paid US\$161 million to Lao suppliers via the procurement of goods and services, and contributed through taxes, royalties and dividends, more than US\$50 million to the Government of Laos.

## COMMUNITY DEVELOPMENT FUND

PanAust's community development programs aim to make meaningful contributions to building community capacity to enable people to determine and progress their own development priorities. Development focus areas are: education, healthcare, agriculture development, microfinance and infrastructure.

In 2015, Community Development Funds (CDFs) were in place in Laos for Phu Kham, Ban Houayxai and the KTL Project, with Memoranda of Understanding between PanAust and the Government of Laos defining coordination and management arrangements and to ensure alignment with national development goals.

Since PanAust took ownership of the Frieda River project, the Company has provided support for a range of community programs, commensurate with the project lifecycle stage. Programs focus on access to health and education services for the seven land-owning communities of the proposed mine area, and in 2015 contributions totalled US\$63,000.

## SUPPORTING INTERPLAST

As part of a sponsorship arrangement spanning four years, in 2015 PanAust again partnered with Interplast Australia and New Zealand to provide life-changing, free-of-charge surgery for people in Laos who would otherwise not have access to such services. The 2015 program provided medical consultations for 196 people and surgical treatment for 86 people for conditions such as cleft lip, cleft palate, burn scar contractures or mild deformities. Since the partnership's inception in 2012, PanAust has contributed US\$200,000 to the program.

### Photo captions: (L-R)

School students at Ban Phonekeo Primary School in Laos where PanAust has contributed to facility improvements  
Frieda River Project Community Affairs Officer, Ms Alice Golo purchasing local produce for the camp PNG

## SUSTAINABILITY MATTERS AT PANAUST



*PanAust is part of an industry that has a role to play in improving the standard of living for current and future generations through meeting the global demand for copper and precious metals in a responsible manner.*

### ENVIRONMENTAL PERFORMANCE

PanAust respects the natural environments in which it operates by: preventing and minimising pollution and promoting the efficient use of natural resources; reusing and recycling waste; minimising the release of contaminated emissions into air, land and water; and progressively rehabilitating land.

PanAust assess and manages key environmental risks associated with all business activities from exploration through to closure through its Environmental Management System. Key environmental issues are also subject to external audits and/or detailed reviews to monitor performance. The Company recognises that an environmentally aware workforce is integral to achieving high standards based on continual improvement. Each year, PanAust delivers environmental awareness training programs to employees and contractors working at operations in Laos including through inductions.

PanAust encourages the reporting of all incidents to reinforce a safety culture, identify trends and ensure all issues are investigated and appropriately addressed.

In 2015, PanAust had no significant environmental incidents, complaints, spills, penalties, fines or non-monetary sanctions for any legal non-compliance.

### HEALTH AND SAFETY

PanAust works within a Zero Harm health and safety philosophy whereby all workplace incidents and injuries are considered preventable. PanAust views the health and safety of employees and people in its host communities as the foundation for its economic and social success. Safety is a key element in the Company's Vision, Values and code of conduct.

2015 safety indicators achieved up to 50 per cent better than targets set for the year and continue to be significantly better than industry averages: total recordable injury frequency rate, 0.62 (target 1.35); lost time injury frequency rate, 0.16 (target 0.23).

### INTERNATIONAL RECOGNITION

- Most Profitable Carbon Reduction Activity at the 2015 CDP Australian Climate Leadership Awards for energy efficiency initiatives in Laos that have delivered significant cost savings
- The Sustainability Leadership Award at the 2013 Asia Mining Congress in Singapore for small-business development in Laos
- Labour Order Class 1 Medal from the Government of Laos for outstanding contributions to rural socio-economic development and poverty eradication between 2006 and 2010
- The 2011 Ethical Investor Magazine's 11th Australian Sustainability Award (social and community category)
- Best Community Development Initiative (Southeast Asia category) at the 2011 Asia Mining Congress in Singapore
- Best Community Development Initiative at the 2010 Asia Mining Congress in Singapore for the Livelihood Improvement Program

#### Photo captions: (L-R)

Phu Kham tailings storage facility discharge is monitored and tested regularly

An excavator backing in to the Ban Houayxai Mobile Maintenance Workshop for scheduled maintenance