



— *for a better future* —

Why ESG Matters?

The Aurukun Bauxite Project
Aurukun, Cape York

It's 2021 & the world is talking about ESG

Its all about performance, accountability and transparency

Why?

Environmental-Social-Governance (ESG)

Investors, communities and general public demanding greater accountability & transparency

Driven by:

- Societal shift in attitudes to environment & climate
- Regulators reacting to community concerns
- Economic drivers: finance industry at risk due to above factors
- Investor (Superfunds) reaction to the Juukun Gorge destruction in Western Australia

The evolution of ESG in the mining industry

Environmental reporting (1990s)

- Flowed as a response to the UN World Commission on Environment & Development Report (1987) & as preparation for the 1992 UN Conference on Environment & Development
- United Nations Environment Program (UNEP) (1994)
- World Industry Council for the Environment (WICE) (1994)
- ISO standards started to be developed
- Global Reporting Initiative (GRI) (1997)
- By 2002, most major mining companies providing stand alone environment reports

Corporate Social Responsibility & Sustainability (2000s)

- Business model that allows companies to integrate social and environmental responsibility directly into their operations
- Voluntary model, allowing business to identify metrics and determine success in achieving metric

ESG

- Developing prior to COVID 19
- Accelerated by pandemic and Juukun Gorge
- Towards Sustainable Mining (TSM) guideline adopted by Minerals Council of Australia (MCA) 2021

ESG demands increasing



Demands for ESG reporting increasing as calls for social progress grow

Stakeholders want more focus on ESG through:

- Embedding ESG into core strategy
- Transparent reporting



Multiple ESG reporting frameworks exist

Challenging, confusing,
variable value

ESG frameworks

ESG Frameworks

- Carbon Disclosure Project (CDP)
- Climate Disclosure Standards Board (CDSB)
- Global ESG Benchmark for Real Assets (GRESB)
- Global Reporting Initiative (GRI)
- International Integrated Reporting Council (IIRC)
- Science Based Targets initiative (SBTi)
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD)
- UN Global Compact
- UN Guiding Principles (UNGPs) on Business and Human Rights
- UN Principles for Responsible Investment (PRI)
- Walker Guidelines for Disclosure and Transparency in Private Equity
- World Economic Forum (WEF) Stakeholder Capitalism Metrics
- Towards Sustainable Mining (TSM)
- Enduring Value (MCA)

Laws & regulations

- Environmental Protection and Biodiversity Conservation Act
- Australian Modern Slavery Act
- State Laws – Qld Environmental Protection Act, Qld Strong and Sustainable Resource Communities Act

Other frameworks

- Dow Jones Sustainability Index (DJSI)
- International Organisation for Standardisation (ISO):
 - Environmental Management (ISO 14000)
 - Energy Management (ISO 50001)
 - Social Responsibility (ISO 26000)
- UN Sustainable Development Goals (SDGs)

Publicly listed company?

A member of the Minerals Council of Australia (MCA)?

You need to be compliant with Towards Sustainable Mining (TSM) framework:

A globally recognised performance system

Developed by the Mining Association of Canada

Helps mining companies manage their environmental and social responsibilities

TSM is all about performance!

Where does performance matter?

At the Mine Site!

TSM: overview

What is TSM?

- A globally recognised performance system
- Developed by Mining Association of Canada
- Helps mining companies:
 - Manage their environmental and social responsibilities

TSM is all about performance!

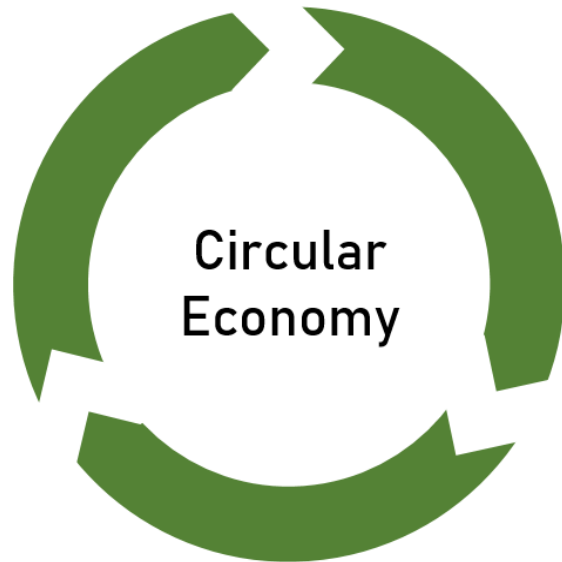
Where does performance matter?

- At the Mine Site!

Performance must be:

- **Accountable:**
 - onsite assessments
- **Transparent:**
 - public reporting
- **Credible:**
 - overseen by an Advisory Board

Guiding principles



- Aligned with priorities of host communities
- Protect the health and safety of employees, contractors, communities
- Protect the natural environment
- Produce, use and recycle metals and minerals in a safe and environmentally responsible manner
- Minimise impact from **exploration to closure**
- Work with communities to address concerns, opportunities and legacy issues
- Continuous improvement

Aurukun Bauxite Project

Aurukun

The community of Aurukun is located on the north-west coast of the Cape York Peninsula, 178km (2hrs 30mins) by road south of the mining town of Weipa and 811km (11hrs) north from Cairns.



- Nearly the entire population of 1200 (99.6%) lives within the township.
- Its community is among the most disadvantaged in Australia, but it has outstanding potential for growth and prosperity.
- Possession of alcohol within the shire is illegal and Family Income Management is applied to families who do not satisfy certain criteria related to childcare, home maintenance and good order.

(Source: Aurukun Shire Council, website)

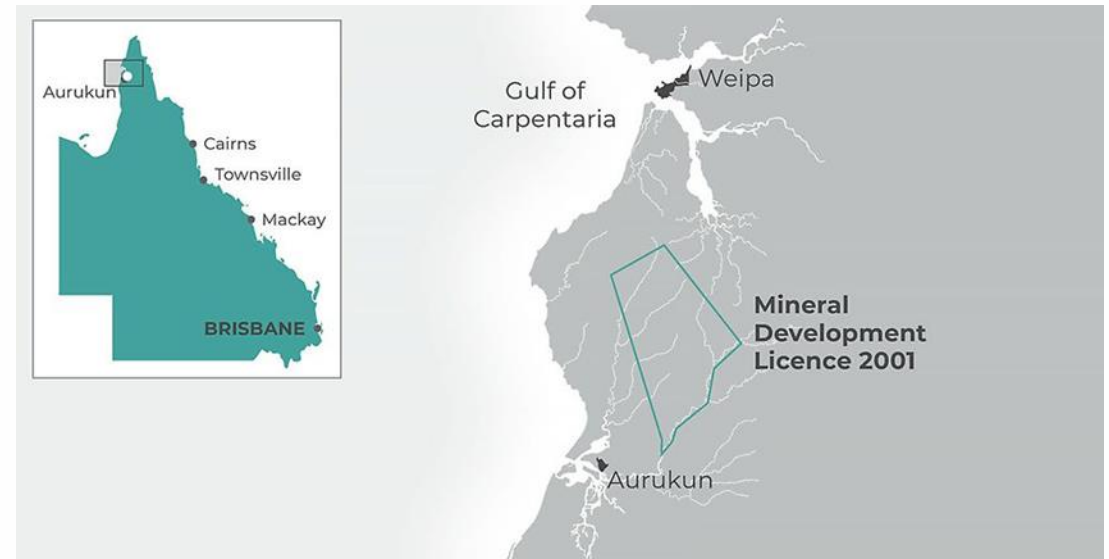
Aurukun Bauxite Project

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History

1955	Geologist Harry Evans identifies bauxite at Weipa.
1958	The Queensland Government gives Comalco the rights to mine the best bauxite deposits.
1961	Comalco starts bauxite mining at Weipa.
1969-1972	Geologists explore the Aurukun bauxite deposit to determine its size and understand the quality of the bauxite.
1975-2004	During these years, the lease over the Aurukun bauxite deposit was held by a group of companies called the Aurukun Associates. Many people called the area during this time "the Pechiney lease" because Aluminium Pechiney Holdings was one of the companies in this group. Aurukun Associates did not develop the lease and the Queensland Government took the lease back.
October 2004	The Federal Court recognises Wik native title.
2007-2011	Following a bidding process run by the Queensland Government in 2006, Aluminium Corp of China (Chalco) is awarded the rights to the resource. Chalco are required to both develop the mine and build an alumina refinery in Queensland. Following an extensive feasibility study it is concluded that a refinery is not viable and the Queensland Government decided to terminate the lease in 2011. (Glencore, website)

Source: www.glencore.com.au



Aurukun Bauxite Project



Source: www.glencore.com.au

November 2012	The Queensland Government asks for proposals from companies who want to develop the Aurukun Bauxite Project. Proponents are not required to build an alumina refinery as well.
April-September 2013	Five companies are shortlisted to participate in the tender process. Only two companies - Glencore and Australian Indigenous Resources - make proposals.
August 2014	Glencore is chosen by the Queensland Government to develop the Aurukun Bauxite Project.
January 2015	Glencore enters into a Development Agreement with the Queensland Government. This allows Glencore to apply for a Mineral Development Licence over the resource.
2015-2017	Following review of the selection process by the new Queensland Government as well as resolution of challenges to that process, Glencore's selection is endorsed.
2017-18	With Traditional Owner permission and involvement, Glencore assess the feasibility of the Tcharawopin bauxite deposit, a small resource within the larger Aurukun bauxite resource. After an initial assessment and consultation, Glencore decides it is not feasible to proceed with the small-scale development.
January 2018	Glencore is granted a Mineral Development License by the Queensland Government over the Aurukun bauxite resource. This allows Glencore to start its feasibility and environmental studies on the main project proposal, namely the development of the Coconut and Tapplebang bauxite deposits. These are located close to what is known locally as Beagle Camp.
2018-2019	A variety of field work programs are undertaken with Traditional Owner involvement as part of the collection of baseline environmental and resource information that will be part of Glencore's studies.
July 2019	The Aurukun Bauxite Project Working Group is established to start discussions about an agreement between NAK, Wik Waya families and Glencore to enable the mining of the Aurukun Bauxite deposit.
February 2020	Glencore submits its application to prepare a Voluntary EIS to the Queensland Department of Environment and Science.

Aurukun Bauxite Project

ESG considerations in the 2013 Selection Process

- Ngan Aak-Kunch (NAK) Aboriginal Corporation representing the Traditional Owners and Aurukun Shire Council(ASC) as the elected representatives were involved in the interviewing and selection of candidates
- NAK and ASC appointed technical experts to assist and represent them in the process
- ASC prepared video footage and gathered information from the community to inform the candidates of their aspirations for the project
- The two shortlisted candidates were the companies most aligned with the values of the Aurukun community



Aurukun Bauxite Project



Source: www.glencore.com.au

Next Steps

The project requires government and regulatory approvals in addition to an agreement with the Traditional Owners before an investment decision can be considered.

Key approval requirements are expected to include:

- agreement with Traditional Owners
- mining lease and appropriate land tenure for mine and infrastructure requirements
- environmental approvals from both State and Commonwealth governments including preparation of an [Environmental Impact Statement \(EIS\)](#)
- a Progressive Rehabilitation and Closure Plan (PRCP)
- water approvals to provide security of supply for bauxite processing
- a port declaration as part of maritime operations

Q & A's