As a modern mining company, we actively share the benefits of our business to contribute positively to society.
As a modern mining company, we see the value of creating and sustaining a safe place to work for our people, responsibly managing our impact on the environment and contributing to society in a positive way.

As part of our strategic business review that we commenced in early 2015, we reviewed our commitment to Zero Harm. We have decided that it correctly reflects our belief that hurting people in the course of doing business is unacceptable. We continue to improve our strong safety culture within our sphere of influence.

As a modern mining company, we see the value of creating and sustaining a safe place to work for our people, responsibly managing our impact on the environment and contributing to society in a positive way.

In 2014 we had no fatalities or serious disabling injuries. Our safety performance in 2014 did not improve compared to previous years and we recognised that we must make a step change in our performance going forward. At the close of 2014, our total recordable injury frequency rate per million working hours stood at 8.18 (2013: 7.69). Our lost time injury frequency rate also increased to 2.47 (2013: 1.20*).

A working group of senior managers is reviewing our safety performance in detail and identifying opportunities to improve safe working practices at every level of the business to achieve a significant improvement in our future safety performance.

Our behavioural based safety program, refreshed in 2014 as the MATES program, works to improve communication between employees to identify and remove hazards before incidents occur.

Our Culture Development Strategy continues to provide a consistent framework for the multitude of organisations working at Prominent Hill. This aims to maintain a ‘one site culture’ focused on sharing knowledge and promoting continuous improvement. More detail on these initiatives can be found in the Safety section of this report.

At the 2014 Mines Emergency Response Competition, OZ Minerals’ Prominent Hill Emergency Response Team was awarded the South Australian Chamber of Mines and Energy (SACOME) Perpetual Trophy for best overall team.

During the year, OZ Minerals continued the successful Leading My Career program run in conjunction with Beach Energy, an Adelaide-based oil and gas company, and Thiess, our mining contractor at Prominent Hill. We strive to support women during every stage of their career to increase progression to senior management positions. The Leading My Career program provides training and mentoring to women from senior executives. There have now been 56 women who have completed the program. A high percentage of participants have moved into more senior positions following the program.

OZ Minerals is an active participant in the local communities surrounding Prominent Hill and Carrapateena and support community run initiatives. We continue to support Remote and Isolated Children’s Exercise INC., the Royal Flying Doctors Service, the School of the Air and the South Australian Living Arts Festival through the OZ Minerals Copper Sculpture Award as well as specific clubs and local community events.

In 2014, OZ Minerals was highly commended through the South Australian Premier’s Community Excellence Awards in Mining and Energy for our achievements in actively pursuing gender diversity, social inclusion and community participation.

I would like to thank our stakeholders, including our employees and contractors, for their support and contribution to OZ Minerals and I look forward to working together in future years.

I welcome any feedback on this report so that we continue to improve our sustainability performance and reporting.

* The lost time injury frequency rate for 2013 has been restated (from 0.96) following a reclassification of an incident that occurred in November 2013.

Andrew Cole
Managing Director and Chief Executive Officer
2015 COMMITMENTS

SAFETY AND HEALTH

› No fatalities or serious disabling injuries.
› An improvement in the total recordable injury frequency rate against the 2014 reporting period.
› Quarterly reviews of significant incidents with senior leadership.
› Effective risk management with critical control review across extreme and high risks.

ENVIRONMENT

› No significant environmental incidents.
› Continue to demonstrate identification of resource efficiency initiatives.
› Continue progressive rehabilitation and closure planning.
› Continue to support environmental research and development initiatives for improved environmental management.

OUR PEOPLE

› Demonstrate development of our high performing women.
› Include at least one female in one third of succession plans.
› Increase numbers of females in all bands that do not currently have a representation of at least 25 percent.

COMMUNITY

› No significant community incidents.
› Continue to support community-led initiatives.
› Manage the impacts of demobilisation in line with our social impact strategy.

PERFORMANCE SUMMARY 2014

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Performance</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SAFETY AND HEALTH</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No fatalities or serious disabling injuries.</td>
<td>There were no fatalities or serious disabling injuries in 2014.</td>
<td>![Achieved]</td>
</tr>
<tr>
<td>An improvement in the total recordable injury frequency rate against the 2013 reporting period.</td>
<td>The total recordable injury frequency rate (TRIFR) per million hours worked increased during 2014 to 8.18 (full year 2013: 7.69) after a strong downward trend in previous years. OZ Minerals continues to focus on improving the health and safety of its workforce.</td>
<td>![Progress]</td>
</tr>
<tr>
<td>Quarterly review of high potential incidents to ensure implementation and functioning of controls.</td>
<td>Quarterly reviews were undertaken by senior management.</td>
<td>![Achieved]</td>
</tr>
<tr>
<td>All significant occupational risks monitored and action plans put in place.</td>
<td>Monitoring of occupational exposure risks is ongoing and action plans are documented.</td>
<td>![Progress]</td>
</tr>
<tr>
<td><strong>ENVIRONMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No significant (level three or above) environmental incidents.</td>
<td>There were no significant environmental incidents in 2014.</td>
<td>![Achieved]</td>
</tr>
<tr>
<td>Continue to demonstrate assessment of resource efficiency initiatives in line with the Energy Efficiency Opportunities framework.</td>
<td>The Australian Government’s Energy Efficiency Opportunities program ended in 2014. OZ Minerals continues to assess potential resource efficiency initiatives. A low emission fuel alternative trial was undertaken in 2014 to assess potential savings.</td>
<td>![Progress]</td>
</tr>
<tr>
<td><strong>OUR PEOPLE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase numbers of females in all bands that do not currently have a representation of at least 25 percent.</td>
<td>The representation of female employees did not increase in 2014. Our individual contributor and senior leadership levels (job bands A and E/F) continue to have greater than 25 percent female representation.</td>
<td>![Not achieved]</td>
</tr>
<tr>
<td>At least one female or Indigenous candidate in 60 percent of all job vacancies.</td>
<td>At least one female candidate was interviewed in 42 percent of all job vacancies. A system to track Indigenous applicants was implemented in late 2014. We had low numbers of Indigenous candidates applying for positions and subsequently no Indigenous candidates received interviews for positions.</td>
<td>![Progress]</td>
</tr>
<tr>
<td><strong>COMMUNITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No significant (level three or above) community incidents.</td>
<td>There were no significant community incidents in 2014.</td>
<td>![Achieved]</td>
</tr>
<tr>
<td>Develop strategies to mitigate community impacts in regard to the demobilisation of the open pit.</td>
<td>OZ Minerals has facilitated a strategic approach to the management of community impacts associated with demobilisation.</td>
<td>![Progress]</td>
</tr>
</tbody>
</table>
Our successes as a modern mining company are created by positively contributing to our people, our community and the environment.
ABOUT THIS REPORT

This report details OZ Minerals’ sustainability performance for the calendar year to 31 December 2014. We produce a sustainability report annually, with our previous report covering the 2013 calendar year.

This report covers the Prominent Hill copper-gold operation and the Carrapateena advanced exploration project, both of which are located in South Australia. Our offices in Melbourne and Adelaide are also included in the report.

In 2014, OZ Minerals conducted small scale exploration in Jamaica, Chile and Canada. Global exploration projects are covered in the governance section of this report. Due to the small scale of these activities, additional performance data is not included in this report.

In November 2014, OZ Minerals withdrew from the joint venture ROK Coyote project in British Columbia, Canada, as initial drill results were below expectations.

Our report has been prepared in accordance with the Global Reporting Initiative (GRI) G4 ‘Core’ Reporting Guidelines. We believe the ‘Core’ reporting guidelines are fit for purpose for the size of our organisation. We have focused on core indicators and covered off supplementary indicators where they present a material topic to our stakeholders and are of significant relevance to our business. For further information, see the Materiality Assessment section of this report.

We have also reported against indicators from the Mining and Metals Sector Supplement from the GRI G3.1 Guidelines, as these indicators were developed by representatives from our industry and interested stakeholders.

Topics (referred to by GRI as ‘aspects’) that have been addressed in this report are listed within the GRI content index. Under G4 guidelines, topics that are not reported or not material do not need to be disclosed within the GRI content index.

Our safety performance includes OZ Minerals’ employees, contractors and visitors working at our sites.

In the ‘Our People’ section, data relates to permanent full-time and part-time OZ Minerals employees only and are calculated using the head count methodology, unless otherwise specified.

All monetary amounts in this report are in Australian dollars unless otherwise stated.

Data for this report is collected through a combination of accessing information from databases, interviews and written questionnaires.

Ernst and Young conducted limited assurance for information contained within our performance summary table. Limited assurance was also provided for our greenhouse gas emissions as part of our submission for the Australian Government’s National Greenhouse and Energy Reporting Scheme (NGERS). The assurance report can be found in the Independent Assurance section of this report. An independent third party check has been conducted on the GRI indicator table and the preparation of the report in accordance with the Global Reporting Initiative’s G4 guidelines.

This report gives priority to issues that have been identified as having material significance to our sustainability performance, including the impact our business has on our stakeholders.

We have determined these material sustainability issues based on a range of internal and external considerations. Our materiality process involves reviewing aspects identified in previous years’ reports against a range of reference documents.

This includes reviewing previous years’ sustainability reports, key events during the year, Sustainability Committee of the Board papers, external commitments in 2014 and previous years, analyst and media calls as part of quarterly production and financial reports, peer company reports, sustainability analyst coverage of OZ Minerals, daily media monitoring, international sustainability reporting initiatives and sustainability topics raised by key stakeholders, including government and local communities.

These topics have then been assessed as to their impact on our business and on our stakeholders. Material topics prioritised as having a medium or high impact to both the business and stakeholders are disclosed through the Sustainability Report.

In 2014, we received external feedback from a number of sustainability specialists on our previous years’ report and have sought to include their recommendations where feasible.

OZ Minerals’ materiality process is ‘fit for purpose’ in line with our organisation’s size. Regular engagement, including face-to-face consultation is undertaken with key stakeholders in the local communities and in government.

We believe this report may be of most interest to shareholders, the financial community, governments, non-government organisations and academics. We communicate our economic, social and environmental performance to additional stakeholders, such as local communities, pastoralists and traditional owners regularly through other communication mediums.

Our material issues are those that have a significant impact on our stakeholders and our business.
Our management strategies and performance against our material impacts are detailed throughout the report.

**OUR PEOPLE**
- Local employment
- Working with our contractors
- Increasing female representation

**SAFETY AND HEALTH**
- Safety and health of our workforce
- Emergency preparedness

**GOVERNANCE**
- Risk management
- Corporate governance and ethical conduct

**ECONOMIC**
- Economic contribution to local economies

**COMMUNITY ENGAGEMENT**
- Maintaining our social licence
- Cultural heritage management
- Mitigating impacts on community
- Sponsorship of community initiatives

**ENVIRONMENT MANAGEMENT**
- Closure planning
- Maintaining environmental compliance
- Resource efficiency
- Effective environmental management
## STAKEHOLDER ENGAGEMENT

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th>Stakeholders</th>
<th>Interests and concerns</th>
<th>Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Smelters, refiners and downstream copper products fabricators.</td>
<td>Product quality, price, reliability of supply, timely delivery of monthly orders.</td>
<td>Regular formal and informal communication with marketing department staff. Personal visits by marketing department and process management staff. Site visits to customers’ plants and customers’ representatives encouraged to visit OZ Minerals’ operations.</td>
</tr>
<tr>
<td>Employees</td>
<td>Employees</td>
<td>A wide variety of interests and concerns.</td>
<td>Regular communication with staff through presentations and discussions, through the intranet, email alerts, hard copy newsletters, ‘noticeboard items’ and a weekly letter from the CEO.</td>
</tr>
<tr>
<td>Governments</td>
<td>Local, state and national regulators and government agencies.</td>
<td>Regulator compliance, land use, access permits, licences, closure provisions and plans, product stewardship, environmental performance, community relations, socio-economic benefits.</td>
<td>Regular formal and informal communications with external relations, operational senior management and staff through site visits, meetings, events and reporting (including Annual and Sustainability Reports).</td>
</tr>
<tr>
<td>Industry associations</td>
<td>Mining and minerals industry.</td>
<td>Representation of industry interests.</td>
<td>Representative on boards and committees, engagement on specific projects.</td>
</tr>
<tr>
<td>Investment community</td>
<td>Mainstream brokers, financial analysts and fund managers, sustainability and ethical investment analysts, retail investment advisors, existing and potential shareholders, both domestically and internationally.</td>
<td>Financial returns, growth, governance, risk management.</td>
<td>Annual General Meeting, Annual and Sustainability Reports, Quarterly Reports and webcasts, ASX releases, Company website, direct phone contact with investor relations, presentation at industry conferences, briefings and site visits.</td>
</tr>
<tr>
<td>Local communities</td>
<td>Individuals and groups local to our operations, including pastoralists, traditional landowners, local Aboriginal groups, development groups, local businesses.</td>
<td>Employment, business development, infrastructure, land access, cultural heritage, sponsorship and donations, environmental performance, transparency.</td>
<td>Location-specific community relations personnel, community meetings, formal and informal communication.</td>
</tr>
<tr>
<td>Media</td>
<td>Print, radio, TV and interactive.</td>
<td>Financial and operational related queries.</td>
<td>Dedicated media relations function. Regular engagement with business and regional media through six teleconferences per year, regular ad-hoc one-on-one discussions, interviews, ASX releases, media releases and site visits.</td>
</tr>
<tr>
<td>Non-government organisations</td>
<td>Local, regional and international environmental, human rights, development, corporate social responsibility and sustainability organisations.</td>
<td>Governance, risk management, socio-economic contributions, human rights, environmental performance, compliance.</td>
<td>Liaise directly with operational management, environment and community relations departments on specific issues. Annual and Sustainability Reports, media releases.</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Retail and institutional shareholders.</td>
<td>Financial returns, growth, governance, risk management.</td>
<td>Annual General Meeting, Annual and Sustainability Reports, quarterly report and webcast, website (where all releases and other information on OZ Minerals is maintained and regularly updated), direct phone contact with investor relations and share registry.</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Local businesses to large international organisations.</td>
<td>Supply agreements, reliable payment processes, social and environmental requirements.</td>
<td>Regular meetings with commercial and operational staff.</td>
</tr>
<tr>
<td>Other mining companies and academics</td>
<td>Other mining companies, mining regulators, industry associations and minerals industry academics, Industry Alliance with representatives of resource companies in the Coober Pedy region and Coober Pedy council.</td>
<td>Company updates, project information.</td>
<td>Papers and presentations given by executives at various industry-related conferences.</td>
</tr>
</tbody>
</table>
OZ Minerals is an Australian-based modern mining company focused on copper.

OZ Minerals' business model is to generate shareholder value through the discovery and development of copper deposits and production and sale of copper concentrate.

As of 31 December 2014, OZ Minerals' market capitalisation was $1.05 billion. OZ Minerals is listed on the Australian Stock Exchange.

A modern mining company.

OZ Minerals owns and operates the Prominent Hill copper-gold mine and the Carrapateena advanced exploration project, both located in South Australia.

Prominent Hill consists of the Malu Open Pit, the Ankata Underground and the Malu Underground. It is located 650 kilometres north-west of Adelaide and 130 kilometres south-east of Coober Pedy.

Prominent Hill produces a high-grade copper concentrate. This is a fine-grained material that contains a percentage of copper, gold and other minerals, which has been concentrated to increase its copper content through the removal of waste materials. Copper concentrate is used by smelters to produce copper in its metal form.

The Carrapateena project is located 250 kilometres from Prominent Hill and 160 kilometres north of Port Augusta. Carrapateena is an iron-oxide copper-gold deposit of a similar style to Prominent Hill.

During 2014, the Pre-Feasibility Study was completed for Carrapateena, demonstrating the technical and financial viability for the project and the potential for a long life operation.

Exploration activities were undertaken at the Khamsin and Fremantle Doctor prospects, located two kilometres and 10 kilometres, respectively, from Carrapateena.

In 2014, a maiden Mineral Resource estimate was released for the Khami Mine deposit.

OZ Minerals has strategic interests in a number of listed resource companies. Further information can be found on our website, www.ozminerals.com/operations/equity-investments.html.

OZ Minerals employs a direct workforce of 370 people. Prominent Hill has a workforce of approximately 1,400 people, of which the majority are contractors.

OZ Minerals is a member of numerous organisations, including the Australian Mines and Metals Association and the South Australian Chamber of Mines and Energy (SACOME).

OZ Minerals is a participant in the Extractive Industries Transparency Initiative pilot program with the Australian Government.

OZ Minerals discloses its sustainability performance as part of the Australian Government’s National Greenhouse and Energy Reporting Scheme and the National Pollution Index.


In 2014, OZ Minerals was the recipient of a number of awards, including:

**2014 Awards**

- Highly Commended for work on Social Inclusion, Supporting Communities and Leadership – Women in Resources from the South Australian Premier’s Community Excellence Awards in Mining and Energy.
- Bronze Award for the OZ Minerals Business Review and Annual Report from the Australasian Reporting Awards.
- Bulk Handling Facility of the year 2014 from the Australian Bulk Handling Awards.
ABOUT OZ MINERALS CONTINUED

OZ MINERALS ASSETS

75 percent of our workforce lives in South Australia.

OZ Minerals Sustainability Report 2014
In 2014, the Prominent Hill operation produced 92,615 tonnes of copper and 148,192 ounces of gold, exceeding guidance (2014 guidance 85,000–90,000 of copper; 130,000–140,000 ounces of gold).

In 2014, a range of productivity improvements were undertaken in the Malu Open Pit, leading to a sustained improved performance and returning Prominent Hill to a ‘run rate’ of 100,000 tonnes per annum. Improvements included larger working areas for excavators, efficient truck scheduling and high excavator utilisation.

Strong mining rates in the Malu Open Pit across 2014, along with consistently good contribution from Ankata Underground and high mill availability, drove higher than expected production leading to revised guidance during the year, with material movement requirements now well past their peak.

CARRAPATEENA

The Carrapateena copper-gold project in South Australia continues to demonstrate its quality.

In 2014, a pre-feasibility study for Carrapateena was completed. This demonstrated that the Carrapateena project is both technically and financially viable and offers the potential of multi-decade production at low operating costs. An initial Ore Reserve estimate, which underpins a 24-year mine life, was also declared. (1)

Key project points include: (2)

- Average annual production rate of 114,000 tonnes of copper and 117,000 ounces of gold.
- Long mine life of 24 years based only on Reserves.
- Ore-body will cave with pre-conditioning, as confirmed by three independent geotechnical consulting firms.
- Demonstrated ability to produce a high quality copper-gold concentrate averaging 30–35 percent copper over life of mine with uranium and fluorine below typical penalty levels and no arsenic.
- High metal recoveries of 92 percent and 70 percent for copper and gold, respectively.

OZ Minerals has committed to undertake two key initiatives aimed at maximising the value of its Carrapateena copper assets. In early 2015, OZ Minerals announced an infrastructure partnership with the South Australian Government to open up future opportunities through joint development of infrastructure. A scoping study completed in 2014 identified significant potential benefits, including potential lower development costs, from the development of new rail infrastructure to transport Carrapateena ore to the existing high-quality processing plant at Prominent Hill.

Following on from this, a rail infrastructure pre-feasibility study has been commissioned to develop this concept. As part of this work, an evaluation of third party build/own/operate financing of the rail will be undertaken, which could see significantly lower upfront capital required to develop Carrapateena. The study is expected to be completed during 2015.

The second project will investigate the concentrate treatment process. The Carrapateena pre-feasibility study anticipates a high-quality concentrate grade of 30–35 percent. A pilot plant hydrometallurgical process, conducted in 2014, successfully demonstrated the ability to substantially increase copper in concentrate to 55–60 percent copper, along with a significant reduction in deleterious elements, making it an even higher quality premium-carrying concentrate for smelters. To test the scalability of this process, a demonstration plant trial will be undertaken in 2015 by OZ Minerals. The demonstration plant trial will cost $18 million, some of which will be funded through the partnership with the South Australian Government.

Both the rail infrastructure project and hydrometallurgical demonstration plant initiatives have the potential to improve the value or composition of any partnership stake in the development of Carrapateena. As such, the data room and partnering process run in 2014 has been suspended until these initiatives are completed and the results then integrated in the Pre-Feasibility Study.

(1) The information in this report that relates to the Ore Reserve estimate for Carrapateena at 15 August 2014 is extracted from the report entitled ‘Ore Reserve for Carrapateena underpins low operating cost, long life operation’, released on 18 August 2014 and is available to view at www.ozminerals.com/operations/resources–reserves.html. OZ Minerals confirms it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. OZ Minerals confirms that the form an context in which the Competent Persons’ findings are presented have not been materially modified from the original market announcement.

(2) All amounts are projected as detailed in the Carrapateena Pre-Feasibility Management Summary, released on 18 August 2014 and is available to view at http://www.ozminerals.com/news/asx-releases.html.
During 2014, significant regional exploration was undertaken at the Khamsin and Fremantle Doctor prospects, located ten kilometres and two kilometres north-east, respectively, from Carrapateena.

On 26 May 2014 an initial Mineral Resource estimate as at 23 March 2014 was released for Khamsin, a deposit located only 10 kilometres from Carrapateena. The initial Mineral Resource estimate is 202Mt at 0.6 percent copper, 0.1g/t gold, released on 26 May 2014.\(^{(3)}\)

With the discovery of the Khamsin resource and some very significant early intersections at Fremantle Doctor, the high prospectivity of the Carrapateena district to host further economic copper deposits is now well established. Therefore the exploration program around Carrapateena will be suspended upon completion of the current three-drill hole program.

\(^{(3)}\) The information in this report that relates to the Khamsin Mineral Resource (as at 23 March 2014) is extracted from the report entitled ‘Khamsin Mineral Resources Statement as at 23 March 2014’, which was released to the market on 26 May 2014 and is available to view on www.ozminerals.com/operations/resources--reserves.html. OZ Minerals confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. OZ Minerals confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

### GLOBAL EXPLORATION

#### JAMAICA – BELLAS GATE PROJECT JOINT VENTURE

In Jamaica, at the Bellas Gate project, drilling is targeting copper-gold porphyry-style systems.

OZ Minerals is in joint venture with a private Canadian Company and is earning up to 80 percent equity in the Bellas Gate project through a staged earn-in at OZ Minerals’ election.

OZ Minerals successfully completed Phase two of its exploration activities at the Bellas Gate exploration joint venture in Jamaica and returned encouraging drill results from its initial drill program at the Connors prospect. By completing Phase two commitments, including meeting a minimum expenditure of C$600,000, OZ Minerals has now earned a 51 percent interest in the Bellas Gate joint venture.

#### CHILE – GUAMANGA PROJECT JOINT VENTURE

OZ Minerals has entered into a joint venture with Herencia Resources. OZ Minerals can earn an initial 51 percent stake by funding US$3 million over 20 months and can increase this stake to 80 percent by sole funding an additional US$5 million over 24 months.

The Guamanga Project is located within the Atacama Iron Oxide Copper Gold district, approximately 750 kilometres north of Santiago, Chile. The target is Iron Oxide Copper Gold systems similar to Anglo American’s Manto Verde mine, which is located 15 kilometres north of the Guamanga project.
OZ Minerals’ current strategy is based on delivering superior shareholder returns built upon a foundation of Governance and Zero Harm, with the following five key elements: a focus on copper, maximising current assets, building a project pipeline, investing in exploration and exercising disciplined capital management. With an experienced team, a strong balance sheet and quality assets, OZ Minerals is well positioned for the future. The strategy has been reviewed regularly, both at management and Board level, taking into account changes in market conditions and outlook and activities of OZ Minerals. The key pillars of the strategy have remained largely unchanged since the strategy was first presented in 2009, although some detail adjustments in terms of scale and geographic focus were made in subsequent years.

Following the appointment of a new Managing Director and CEO, OZ Minerals has announced in January 2015 several key changes to meet the challenges of a changing resources sector and to position OZ Minerals for further growth.

This included the announcement that OZ Minerals is conducting a whole of business strategic review, to be completed in April 2015. The review encompasses optimising costs, reviewing the organisational structure to ensure it is appropriate for OZ Minerals, examining opportunities for a sustainable long-term business and working to continuously improve safety performance.

The strategic review is to be completed in April 2015. Throughout the process any significant changes resulting from the review will be disclosed as they are determined and approved. Until such time as the review is complete, the business will continue to be run under the existing strategy.

Two early decisions have been made and announced as part of the strategy.

On 28 January 2015, OZ Minerals announced a decision to reduce the size of the corporate office, to restructure the corporate functions and to move the location of the corporate office from Melbourne to Adelaide.

OZ Minerals is conducting a whole of business strategic review, to be completed in April 2015.

Associated with both of these announcements, an agreement has also been reached with the South Australian Government to work together to facilitate the development of copper projects in South Australia – a key economic imperative for the South Australian Government.

On 11 February 2015, the Company announced a number of initiatives towards leveraging greater value from its collection of assets in South Australia. These initiatives include a pre-feasibility study of rail infrastructure to transport ore to be produced at Carrapateena to Prominent Hill for processing into concentrate, and secondly, conduct of a demonstration plant for a hydrometallurgical process that, based on pilot plant results, can significantly upgrade copper concentrate, improving its value and reducing costs.

Associated with these initiatives, which have the potential to significantly enhance the value of the Carrapateena project, OZ Minerals has decided to suspend the process currently underway to identify partners for that project until these studies are complete. Also, following successful exploration at both Khamsin and Fremantle Doctor, which has established the prospectivity of the Carrapateena district, OZ Minerals will suspend further exploration at Fremantle Doctor.

These changes do not alter OZ Minerals’ strategy of actively seeking growth options in other locations around the world.
VALUES AND GOVERNANCE

We are committed to maintaining a high standard of corporate governance, underpinned by our core values of respect, integrity, action and results.
Our approach to corporate governance is to have a set of values and behaviours that ensure transparency and fair dealing and protect stakeholder interests.

Our company values are Respect, Integrity, Action and Results and it is expected that all of our employees act in accordance with these values.

Our commitment to ethical corporate governance is underpinned by our company values.

Our codes and policies support our people in understanding specific requirements as part of our everyday activities. Employees undertake mandatory training in our policies as part of our company inductions and at regular intervals. These include the OZ Minerals Code of Conduct, Whistleblower Policy, Securities Trading Policy, Anti-Bribery and Corruption Policy, Continuous Disclosure Policy, Shareholder Communication Policy and Risk Management Policy. These are made available to our workforce through employee inductions, the intranet and are publicly available on our website.

These policies describe standards for appropriate ethical and professional behaviour for all directors, employees and contractors working at OZ Minerals. For more information, please refer to our Corporate Governance Statement in the OZ Minerals Annual Report and on our website.

The Australian Federal Police (AFP) advised OZ Minerals in September 2014 that it is now conducting an investigation of OZ Minerals’ 2009 acquisition of the remaining holding in the Okvau joint venture in Cambodia in relation to foreign bribery claims. OZ Minerals understands that the AFP is continuing its investigation.

OZ Minerals is the Respondent in a Federal Court proceeding claiming that certain former Zinifex shareholders, who received shares in OZ Minerals on 1 July 2008 as a result of the merger between Oxiana and Zinifex, suffered loss or damage because OZ Minerals engaged in misleading or deceptive conduct on a number of occasions before the merger and/or breached its continuous disclosure obligations. The class action was filed against OZ Minerals on 25 February 2014. A Further Amended Statement of Claim was filed on 4 July 2014. OZ Minerals has not filed its defence to the class action. OZ Minerals denies that it engaged in misleading or deceptive conduct or breached its continuous disclosure obligations.

OZ Minerals’ organisational and management structure*
Responsibility for our strategic approach to sustainability lies with the OZ Minerals Board.

The Board is committed to following the Corporate Governance Principles and Recommendations as set out by the ASX Corporate Governance Council, detailed in full in the Corporate Governance section of our Annual Report.

Responsibility for our strategic approach to sustainability lies with the OZ Minerals Board.

OZ Minerals’ Board currently comprises seven Directors, including one female Director. Apart from the Managing Director and CEO, all Directors are independent non-executive Directors.

On 3 December 2014, Andrew Cole was appointed as Managing Director and CEO of OZ Minerals.

Profiles of each Director, including their skills, experience, relevant expertise and special responsibilities are detailed on our website.

During 2014, to facilitate the execution of its responsibilities, the Board’s Committees provide a forum for further detailed analysis of key issues. The four committees are the Sustainability Committee, the Audit Committee, the Nomination and Board Governance Committee and the Human Resources and Remuneration Committee.

The Board Sustainability Committee’s role is to assist the Board in the effective oversight of its responsibilities in relation to safety, health, environment and community issues across OZ Minerals and the management of risks relating to these issues.

Sustainability related initiatives, performance against key performance indicators and identified issues related to our operations and stakeholders are raised to the Sustainability Committee of the Board through quarterly meetings.

Responsibility for OZ Minerals’ business processes and sustainability performance lies with the Managing Director and CEO, supported by the Executive Committee and the executive management team.

The Managing Director and CEO’s performance is measured against detailed key performance indicators relating to financial and operational performance, investment in growth performance and sustainability performance. This forms the basic remuneration and short-term incentives. These key performance indicators cascade to all direct reports.

Sustainability metrics are included in company key performance indicators, which form 50 percent of employee short-term incentives.

All OZ Minerals’ general managers are accountable for upholding OZ Minerals’ values and maintaining strong governance, economic and sustainability performance within their particular area of responsibility.

OZ Minerals regards compliance with all relevant regulations and legislation as the minimum performance standard for all operations and activities. No fines or non-monetary sanctions were imposed during the reporting period.

OZ Minerals conducts regular audits to systematically and objectively verify conformance with our sustainability standards and legal requirements, as well as provide recommendations to improve our sustainability performance.
SUSTAINABILITY MANAGEMENT

The OZ Minerals Sustainability Policy details our commitments to sustainability management and responsible corporate governance.

The Sustainability Policy is supported by our core values that underpin the behaviour of all OZ Minerals’ employees and contractors. The policy describes our commitment to Zero Harm by Choice, which requires us to embed a culture that ensures the management of safety and health, environment and community comes naturally to our workforce and is a foremost consideration in every decision we make.

The Sustainability Policy is available on our website.

OZ Minerals applies a comprehensive set of sustainability management standards to manage the safety, health, environmental and social aspects of our business. These standards apply to all phases of mine life and are subject to periodic review to ensure we continue to meet the needs of OZ Minerals, are aligned to relevant legislation and reflect industry best practice standards.

Our Sustainability Standards are divided into four sections:

› Integrated Management Standards, which provide an overall management framework.
› Safety and Health Standards, which detail our management of safety and health risks.
› Environment Standards, which detail our management of environmental risks.
› Social Standards, which detail our management of social and security risks.

A full list of our Sustainability Standards can be found on our website.

RISK MANAGEMENT

Our Risk Management Policy outlines our commitment to effective risk management, which is central to our continued growth and success. Our aim is for risk management to become embedded into all our business systems, mining operations and exploration activity.

Our policy is aligned to the ISO Standard 31000 for risk management and is used as a common methodology to identify, assess, evaluate, treat, monitor and communicate risks for all aspects of OZ Minerals. A risk register is maintained and the Executive Committee reviews the risks each quarter, including the status of action items identified to mitigate the risks.

The Board Sustainability Committee monitors OZ Minerals’ non-financial risks as they relate to safety, health, the environment and the community.

Utilising the same integrated management processes, the Audit Committee reviews and assesses the adequacy of OZ Minerals’ internal control and financial management systems and accounting and business policies. The Audit Committee is given further assurance in regard to OZ Minerals’ financial management systems through OZ Minerals’ internal audit function.
CONTRACTOR MANAGEMENT

All of our contractors are subject to a pre-qualification process. Each business is comprehensively evaluated against criteria including safety, health, environment and community aspects and management of risk, internal auditing processes and employee management. Our contractors, are also measured on their processes for evaluating potential third party contract services. There are minimum performance criteria (safety, environment, governance) applied to all contractors, plus performance criteria (including operating performance and site management) developed and applied for each contract.

Our major contractors have requirements in their contracts consistent with the OZ Minerals Code of Conduct and Sustainability Standards. Our contractors are required to undertake a comprehensive program of OZ Minerals and work site inductions to develop a clear understanding of the requirements of working at our sites.

All high-value, high-risk contractors are required to submit a Safety, Health, Environment and Community Management Plan that describes the operational controls that are to be implemented to manage significant risks. We require our contractors to adhere to OZ Minerals’ values and maintain behaviour that ensures the safety of our workforce.

Our contractors working at our sites have an OZ Minerals representative managing their contract. This provides us with a direct opportunity to maintain ongoing engagement with regards to sustainability management.

PROCUREMENT

We support economic development in the communities in which we operate by seeking to buy locally first and then regionally, within the state, nationally or internationally where local procurement is not available or is not competitive.

We assist local businesses through pre-qualification processes and our Procurement Policy outlines a consistent approach to procuring goods and services.

Our greatest supply impact is through the contracting of mining and other services. Our largest material inputs include diesel fuel, explosives, grinding media used in our processing plant and cement, for use within our underground mine. These materials are sourced from large, reputable organisations with operations within Australia.

CLOSURE PLANNING

Closure planning is a consideration during all stages of operations. It is OZ Minerals’ intention that through careful and proactive planning the social and environmental impacts of eventual mine closure is mitigated. Our Sustainability Standards incorporate requirements that aim to ensure potential closure and post-closure risks and opportunities are effectively identified and managed through the mining life cycle.

The potential impacts of closure are an ongoing consideration in our engagement with governments and local communities and our support for community development initiatives, including development of local businesses not related to mining activities.

The Prominent Hill operation has a Life of Mine Working Closure Plan as well as a Mining and Rehabilitation Program, which outlines closure planning for the site. The Closure Plan is annually reviewed and independently audited every second year in accordance with our internal accounting policy.

Provisions are made for the estimated cost of rehabilitation, decommissioning and restoration relating to areas disturbed during the mine’s operation. Further details on provisions, including labour transitions, amount and type of financial provision and stakeholder engagement processes, are available in our Annual Report.

Over the next four to five years, we are undertaking a progressive demobilisation of the open pit in line with our mine plan. For more information, see the Demobilisation of the Open Pit case study in the Our People section of this report.
FLINDERS LOGISTICS AND OZ MINERALS AWARDED BULK HANDLING FACILITY OF THE YEAR 2014

In 2014, Flinders Logistics and OZ Minerals were awarded the national award for Bulk Handling Facility of the Year 2014.

The award acknowledged our significant improvements in the storage and loading of copper concentrates in Berth 29 in Port Adelaide, including the use of rail, a more efficient fan misting system for dust suppression, the elimination of high-risk manual handling and major improvements to storm water management at the facility.

The judges singled out OZ Minerals’ and Flinders Logistics’ approach to environmental management and safety for special praise. The use of new technology to provide clever solutions across the supply chain, and the continuous improvement of the dust suppression system at the Berth 29 facility were considered as exceptional in the bulk handling sector.
2014 was a year of strong performance from the Prominent Hill asset, with improved efficiencies in the open pit delivering higher than expected material movement and copper production.
ECONOMIC PERFORMANCE

2014 FULL YEAR FINANCIAL RESULTS

2014 was a year of strong performance from the Prominent Hill asset, with improved efficiencies in the open pit delivering higher than expected material movement and copper production. The development of the Malu Underground mine continued with ore production from stopes achieved in the fourth quarter as expected. Full production rates from Malu Underground are expected to be achieved by Q4 2015, as originally anticipated.

Higher production has been successfully converted into higher sales, leading to a 29 percent increase in revenue, despite lower US dollar prices for copper and gold. This has been the main contributor to OZ Minerals’ return to profit, with statutory Net Profit After Tax of $48.5 million.

2015 commences with the Prominent Hill open pit in an improved condition with the higher material movement from higher productivity in 2014 having accelerated waste removal from later years at a lower unit cost.

OPERATING AND FINANCIAL PERFORMANCE

SUMMARY

2014

- Safety performance trends indicate improvement is required.
- Copper and gold production exceeded guidance, and C1 costs were below guidance.
- Development of the new Malu Underground mine continues, with first ore production achieved in Q4 2014, with full production rates to be achieved by Q4 2015.
- Excellent drilling results achieved at Fremantle Doctor and Khamsin.
- Carrapateena pre-feasibility study demonstrates project net present value of $1.1 billion.
- Increased production, lower material volumes and costs contributed to:
  - Revenue: $831.0 million
  - Underlying EBITDA(1): $341.1 million
  - Underlying NPAT(1): $30.3 million
  - Statutory NPAT: $48.5 million.
- Cash as at 31 December 2014 was $218.5 million and OZ Minerals has an undrawn debt facility of US$200 million.

A detailed analysis of the operations and financial results of OZ Minerals for the year ended 31 December 2014 is provided in the OZ Minerals Annual Report.

<table>
<thead>
<tr>
<th></th>
<th>2014 $m</th>
<th>2013 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group revenue</td>
<td>831.0</td>
<td>644.0</td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td>341.1</td>
<td>115.8</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(296.1)</td>
<td>(218.5)</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>45.0</td>
<td>(102.7)</td>
</tr>
<tr>
<td>Net financing income</td>
<td>3.6</td>
<td>7.0</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>(18.3)</td>
<td>33.2</td>
</tr>
<tr>
<td>Underlying NPAT</td>
<td>30.3</td>
<td>(62.5)</td>
</tr>
<tr>
<td>Non-underlying items net of tax</td>
<td>18.2</td>
<td>(231.9)</td>
</tr>
<tr>
<td>NPAT</td>
<td>48.5</td>
<td>(294.4)</td>
</tr>
</tbody>
</table>

(1) OZ Minerals Financial results are reported under International Financial Reporting Standards (‘IFRS’). This summary is an extract from the Annual Report and Results for Announcement to the Market. These statements include certain non-IFRS measures including Underlying EBITDA, Underlying EBIT, Underlying EBT and Underlying NPAT. These measures are presented to enable understanding of the underlying performance of the Consolidated Entity without the impact of non-trading items such as write-down of assets and results from discontinued operations. Non-IFRS measures have not been subject to audit or review. Underlying EBITDA, Underlying EBIT, Underlying EBT and Underlying NPAT are included in Note 3 Operating Segments, which form part of the Consolidated Financial Statements. Refer Note 3 Operating Segments to the Consolidated Financial Statements for further details.
SOCIO-ECONOMIC CONTRIBUTIONS

OZ Minerals actively seeks to generate long-term and sustainable benefits for the local region. We define local as the areas close to the operation from which employees and suppliers may be drawn.

OZ Minerals makes significant contributions to local, regional and national economies directly through the payment of taxes and royalties to governments, as well as payments to our workforce and suppliers. In 2014, Prominent Hill contributed approximately $23.5 million in royalties to the South Australian government.

Our operations preferentially purchase goods and services locally wherever feasible. During the 2014 reporting period, our activities at Prominent Hill and Carrapateena made significant contributions to local and regional economies, totalling $155.3 million to South Australian suppliers and contractors.

From activities based at our Prominent Hill operation and Carrapateena project, a total of approximately $10.5 million was spent on goods and services in the Coober Pedy and Port Augusta region, while $2.35 million was spent in the Upper Spencer Gulf region.

These figures do not include wages and salaries paid to our major contractors or expenditure by our contractors, such as our catering contractor who predominantly sources food from South Australia.

The benefits from investment made by OZ Minerals include improvements in infrastructure, health, safety awareness, education and training, and local business development. These direct and indirect benefits are illustrated in the OZ Minerals’ benefits model, below.

Our operations also add significant value through indirect employment and investments in community development initiatives and programs. For information on our community support, please see the Community Engagement section of this report.

Breakdown of 2014 expenditure
By origin

For more information on local employment, local businesses, community investment and training, please see the Our People section of this report.
### Economic Value Generated and Distributed for Year Ended 31 December 2014 (for continuing operations)

**All amounts in A$ millions**

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue, other income and financing income</th>
<th>Operating expenses</th>
<th>Employee benefits expenses</th>
<th>Shareholders</th>
<th>Providers of funds</th>
<th>Income taxes paid</th>
<th>Royalties</th>
<th>Community investments</th>
<th>Economic value retained</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Australia</td>
<td>831.0</td>
<td>(380.7)</td>
<td>(49.2)</td>
<td>(1.2)</td>
<td>(23.5)</td>
<td>(23.5)</td>
<td>0.3</td>
<td>376.6</td>
<td></td>
</tr>
<tr>
<td>Victoria</td>
<td>18.6</td>
<td>(7.6)</td>
<td>(20.0)</td>
<td>(2.5)</td>
<td>0.8</td>
<td></td>
<td>0.1</td>
<td>(71.3)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Australia</strong></td>
<td><strong>849.6</strong></td>
<td><strong>(388.3)</strong></td>
<td><strong>(69.2)</strong></td>
<td><strong>(3.7)</strong></td>
<td><strong>0.8</strong></td>
<td><strong>(23.5)</strong></td>
<td><strong>0.4</strong></td>
<td><strong>305.4</strong></td>
<td>**</td>
</tr>
<tr>
<td>Other</td>
<td><strong>(8.9)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(8.9)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Overseas</strong></td>
<td><strong>0.0</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>0.0</strong></td>
<td><strong>0.0</strong></td>
</tr>
<tr>
<td><strong>Total OZ Minerals</strong></td>
<td><strong>849.6</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>296.5</strong></td>
<td>**</td>
</tr>
</tbody>
</table>

**Notes**

(a) Amounts are divided into the regions identified below based on where the segment is located (i.e. Prominent Hill is located in South Australia).

(b) Revenue includes sales adjusted for discounts, treatment charges, refining and distribution costs, other income and financing income as disclosed in the income statement in the OZ Minerals audited financial statements for the year ended 31 December 2014, as reconciled below.

(c) Operating expenses include changes in inventories, raw materials, consumables and other direct costs, contracting and consulting expenses, freight expenses and other expenses as disclosed in the income statement of the OZ Minerals audited financial statements for the year ended 31 December 2014.

(d) Employee benefit expenses of $69.2 million are as per the consolidated income statement of the OZ Minerals audited financial statements for the year ended 31 December 2014.

(e) Payments to shareholders relates to dividend payments of $60.6 million.

(f) Payments to providers of funds relates to financing expenses of $3.7 million as per the income statement in the OZ Minerals audited financial statements for the year ended 31 December 2014.

(g) Received tax refund of $0.8 million.

(h) Royalty expenses of $23.5 million as per the income statement in the OZ Minerals audited financial statements for the year ended 31 December 2014.

(i) Community investments of $0.4 million includes voluntary contributions, sponsorships, donations, education and training.
We strongly believe that fostering a diverse workforce results in a better workplace for our employees and leads to a better company overall.

SOCIAL PERFORMANCE

- Safety and health of our workforce
- Emergency preparedness
- Local employment
- Working with our contractors
- Increasing female representation
- Maintaining our social licence
- Cultural heritage management
- Mitigating impacts on community
- Sponsorship of community initiatives
WORKFORCE PROFILE AND DIVERSITY

At the close of 2014, our workforce, including contractors, was approximately 1,600, with approximately 1,400 based at Prominent Hill. OZ Minerals directly employs approximately 370 people, with the majority based at Prominent Hill. We have a corporate office in Melbourne and a satellite office in Adelaide. Approximately 75 percent of our workforce lives in South Australia.

In February 2015, OZ Minerals announced the decision to relocate its head office from Melbourne to Adelaide. The decision was made as part of a broader strategic business review that encompasses optimising costs, reviewing our organisational structure to ensure it is appropriate for our business, examining opportunities for a sustainable long-term business and working to continuously improve our safety performance.

An early decision reached as part of this process is to reduce the size of OZ Minerals’ corporate office, to restructure the corporate function and to move the location of the corporate office to Adelaide where OZ Minerals currently has an operational satellite office. This has an impact on 45 employees based in Melbourne. The transition of our corporate office to Adelaide will be staged over the six months to July 2015. We are providing support to our affected employees through outplacement and associated support services.

A key factor in the relocation decision has been an agreement reached with the South Australian Government to partner on technical and infrastructure projects. For more information, see the About OZ Minerals section of the report.

We strongly believe that fostering a diverse workforce results in a better workplace for our employees and leads to a better company overall. We have internal targets to increase gender diversity at all levels in our company.

In 2014, we set a target to interview at least one female or Aboriginal candidate in 60 percent of all job vacancies. In September, we added an additional question to our recruitment pre-application process so that we could track the number of Aboriginal candidates. Between the time of implementation and the end of the year, we advertised 14 positions. Out of more than 700 applicants, only 14 applicants indicated that they were of Aboriginal or Torres Strait Islander descent. One applicant was unable to be contacted for an interview. In light of this, we did not interview or subsequently appoint any Aboriginal candidates. We will continue to look at alternate strategies to encourage Aboriginal participation within our workforce.

In a year with relatively low recruitment, approximately half of our vacant positions did not have any females apply for the position. As a result, we interviewed at least one female for 41 percent of vacant roles.

In an industry with historically low numbers of women, OZ Minerals is actively pursuing increasing female representation to 25 percent across each job level.

Women comprise approximately 22 percent of the workforce directly employed by OZ Minerals and 13 percent of employees within the Prominent Hill workforce. Our job bands A and E/F, reflecting our individual contributors and functional leadership areas, have more than 25 percent female representation.

We recognise that an important aspect of promoting gender diversity is to provide opportunities for women to move into key decision-making roles within the business. For more information, see the Leading My Career case study.

OZ Minerals offers equal remuneration for all our employees, reflective of the type of job, years of experience and the period for which employees have held the position. We annually review the earnings of our employees by gender and job band level to provide assurance that our employees’ remuneration remains equitable and in line with market trends.

### Female representation

<table>
<thead>
<tr>
<th>%</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>57</td>
<td>18</td>
</tr>
<tr>
<td>79</td>
<td>71</td>
<td>9</td>
</tr>
<tr>
<td>84</td>
<td>16</td>
<td>67</td>
</tr>
<tr>
<td>82</td>
<td>18</td>
<td>33</td>
</tr>
</tbody>
</table>

0 10 20 30 40 50 60 70 80 90 100

Female representation

<table>
<thead>
<tr>
<th>%</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>75</td>
<td>21</td>
</tr>
<tr>
<td>84</td>
<td>16</td>
<td>82</td>
</tr>
<tr>
<td>33</td>
<td>67</td>
<td>2</td>
</tr>
</tbody>
</table>

- Female Job Band A (individual contributors)
- Female Job Band B (tertiary/supervisors)
- Female Job Band C (superintendents/senior specialists)
- Female Job Band D (departmental managers)
- Female Job Band E/F (functional leadership)
LEADING MY CAREER

The Leading My Career program is OZ Minerals’ flagship diversity program, which has been held annually since 2012.

The Leading My Career program was implemented to specifically assist the development of high performing women in the early to mid-stages of their career.

Leading My Career is run as a joint collaboration with Beach Energy and, from 2013, with Thiess (Prominent Hill).

The 2014 program focused on providing participants with skills and tools to develop resiliency within their careers.

Leading My Career involves participants undertaking a series of externally facilitated interactive workshops. Topics are focused on developing leadership and a focus on behavioural and communication skills that enable women to articulate and act on their future career objectives.

Participants are also matched with a senior executive from outside their organisation as a formal mentor. The mentor provides an opportunity for participants to engage with challenging and affirmative role models and learn from their professional and personal experiences.

There have now been 56 women who have completed the program, including 24 women from OZ Minerals.

A large proportion of participants of Leading My Career have progressed into more senior positions.

WORKING WITH OUR CONTRACTORS

The majority of our workforce at Prominent Hill are contractors.

We aim to ensure the management systems and procedures of contractors engaged by OZ Minerals are consistent with our Values, Code of Conduct and Sustainability Standards. In developing a consistent and aligned approach to safety and health management, our aim is to remove duplication of effort and develop shared safety cultures.

The Site Leadership forum provides an opportunity for OZ Minerals and contractor managers to progress site-wide initiatives relating to the functional operation of Prominent Hill.

The Culture Development Strategy was developed in 2012 to provide a consistent framework for the multitude of organisations working at Prominent Hill to identify and continuously improve aspects of their organisational culture.

The strategy places into context a wide range of existing initiatives that are necessary to build and maintain an effective ‘one site culture’.

There are eight key focus areas, including Critical Risk Management, People Development, Employee Leader Engagement, Behavioural Based Safety (through Prominent Hill’s MATES program), Fair Culture, Roles and Accountabilities, Incident Management, and Business Improvement.

As part of the strategy, individual organisations and/or functional areas are required to develop and act on targeted action plans that progress aspects of their culture. A framework is used to self-assess performance and identify areas for improvement.

The process is iterative, and with each successive self-assessment, organisations gain greater awareness and make positive improvements to systems, leadership behaviour and management strategies.

A core part of the strategy is a focus on sharing knowledge and promoting continuous improvement across organisations at Prominent Hill.

This process has been particularly valuable for smaller organisations working at Prominent Hill, as they have been able to leverage off larger organisations to develop robust processes within their own businesses.
SAFETY AND HEALTH

SAFETY PERFORMANCE AND MANAGEMENT

OZ Minerals fundamentally believes that it is unacceptable for people to be hurt in the course of doing business.

In 2014, we did not meet our commitment of further reducing our total recordable frequency injury rate, and we acknowledge that we must make a step change in our performance.

It is unacceptable for people to be hurt in the course of doing business.

There were no fatalities or serious disabling injuries in 2014. Our total recordable injury frequency rate ended 2014 at 8.18 (2013: 7.69), while the lost time injury frequency injury rate (LTIFR) stood at 2.45. Our comparison LTIFR for 2013 has been restated to 1.20 (from 0.96) due to the reclassification of a restricted work injury to a lost time injury in early 2014.

We report safety statistics for our entire workforce, including employees, contractors and visitors working on our sites. Our statistics are calculated per one million working hours.

OZ Minerals has a number of initiatives to develop a robust safety culture as part of our holistic safety management. We believe effective safety management involves providing a safe working environment that has supportive processes and systems, empowering our workforce to raise safety issues before there is potential for an incident as well as thoroughly investigating incidents and implementing controls to prevent the likelihood of their reoccurrence using sound risk management practices. We are continually focused on strengthening safety leadership across OZ Minerals and our contracting partners working on our sites. We empower our employees and contractors to cease operations if necessary to ensure the safety of our workforce.

We monitor lead indicators to reduce workplace hazards and injuries. Each area of the operation has its own set of lead indicators that are measured monthly. Potential and actual significant safety incidents are thoroughly investigated using the Incident Cause Analysis Method. We regularly review our incidents to ensure we learn from these events and implement additional controls where necessary.

Incidents with potential or actual consequences are internally rated against a five scale rating (level one to level five), assessing their impact against safety, health, environment, community and financial metrics. This classification enables the identification of significant incidents that warrant in depth review and analysis. Significant incidents are those that are deemed to have potential or actual consequences that are rated as level three or above.

In early 2015, a working group of senior managers from across the business are reviewing our safety performance in detail and identifying opportunities to improve safe working practices at every level of the business to achieve a significant improvement in our future safety performance.
OZ Minerals runs a behaviour based safety program at Prominent Hill to provide our workforce with the tools to constructively approach each other, have a conversation about routine tasks and identify ways to make them safer. These are known as safety observations.

Previously known as the Peer Observation Program, this was refreshed as MATES Observations in 2014. The program was renamed following an employee and contractor survey. A competition was held at Prominent Hill to rename the program, and many suggestions identified that an important part of safety is ensuring we look after each other. The acronym MATES stands for Making All Teams Even Safer.

We have trained observers who conduct safety conversations with colleagues as part of their day to day activities. A key aspect of the process is sharing the observation findings so these can be applied in other areas of the operation.

Case Study

SAFETY AND HEALTH CONTINUED

BEHAVIOURAL BASED SAFETY – MATES OBSERVATIONS

Safety conversations between teammates helps make the workplace safer.

MANAGING POTENTIAL SIGNIFICANT INCIDENTS

Our intention is to promote the identification and elimination of high-risk situations, educate our workforce of these risks and prevent incidents that can cause harm.

In the event of a significant incident, a summary of the incident is communicated to all employees and contractors. An incident investigation is undertaken using the ICAM methodology.

Each quarter, a review of significant incidents is undertaken with senior management from OZ Minerals and relevant contractor partners, including OZ Minerals’ Managing Director and CEO. Outcomes from the reviews are communicated to the Sustainability Committee of the Board.

The incidents are reviewed several months after their occurrence to verify that implemented controls remain in place and are functioning as expected.

The incident reviews are an active demonstration of leadership. The participation and serious response from the contractors demonstrates that this process is seriously regarded and strengthens the safety culture on site.

Incidents with significant potential are reviewed in detail to prevent the likelihood of reoccurrence.
Case Study

SHARING SAFETY INFORMATION

A fundamental part of effectively managing safety is sharing information in timely and meaningful manner.

Before the start of every shift, every person at Prominent Hill and Carrapateena meets with other members of their team to discuss safety-related information from the previous shift, along with upcoming safety information. We call these Pre-Start Information (PSI) meetings. A daily PSI newsletter is produced detailing all hazards and events recorded in the past 24 hours.

In the event of a significant incident, an alert is generated and communicated across the site so the incident can be discussed and learnings shared. We also produce ‘Snapshot on Safety’ alerts that discuss topics, hazards or events that are relevant for people to remain aware of situations that could have an impact on safety.

A Site Safety Forum at Prominent Hill provides a platform for safety professionals from OZ Minerals and our contracting partners to discuss issues and identify strategies for better safety outcomes across Prominent Hill.

We actively communicate safety-related information.

Case Study

EMERGENCY PREPAREDNESS

Prominent Hill was awarded the Best Overall Team award as part of the 2014 South Australian Mines Emergency Response competition.

This annual event sees emergency response teams from across Australia compete in a series of challenges that reflect necessary skills and training to be prepared for real-life crisis events. Events included underground search and rescue, rope rescue, breathing apparatus/confined space, road crash rescue skills, first aid and fire fighting.

The Mines Rescue Competition is an opportunity for mine rescue teams across the state to hone their skills and share their knowledge with other emergency responders. It also strengthens the relationships between emergency response teams, giving greater confidence in the ability to offer mutual aid in the event of a serious emergency.

Prominent Hill’s emergency response team comprises four full-time emergency service officers and two full-time nurses. It also includes a large group of volunteers that include employees and contractors working at Prominent Hill. The team members volunteer their own time for training and practice and are also on standby when they are on site.

The team members are trained to respond to a number of incidents, including injuries, fires, mass casualty, heights rescue and vehicle rescue. They are also able to respond to incidents in the local community such as Coober Pedy.

In 2014, the response team responded to approximately 130 incidents, the majority relating to activation of alarms on site or medical emergencies.
AUDIOMETRIC TESTING

A formal monitoring plan is in place to measure exposure to noise across our operation where there is potential for it to exceed regulatory levels.

Under the Workplace Health and Safety Regulations, an audiometric testing program must be in place for personnel that are at risk of hearing loss from noise.

In addition to audiometric tests conducted as part of pre-employment health checks, an ongoing audiometric testing program is in place. This year, a total of 573 people have had audiometric testing, maintaining progress against the schedule.

An air conduction test is used to identify changes to sensitivity to noise at a particular frequency and intensity. A reduction in sensitivity to noise is referred to as a threshold shift. The shift may be temporary, chronic or permanent.

To date, nine OZ Minerals Maintenance personnel have been identified as having a change in their hearing threshold shift, compared against pre-employment hearing tests. Of these results, four have been confirmed as non-occupational hearing loss. At the time of writing, the remaining results were awaiting further review to determine what kind of hearing loss is present and identify the likely cause.

We actively monitor occupational hazards and implement controls to reduce the exposure of our workforce.
SAFETY AND HEALTH CONTINUED

Case Study
REDUCING WORKFORCE EXPOSURE TO DIESEL PARTICULATE MATTER

In 2014, an extensive monitoring campaign was introduced in order to determine airborne concentration of diesel particulate matter for similar exposure groups in the underground operations and maintenance workshops.

Results showed that the average exposure results to diesel particulate matter was below the exposure standard; however, some upper limit results exceeded the exposure standard. In line with our standard practice, results that are equivalent or greater than half of the exposure standard trigger further management actions. An action plan was put in place to investigate the contributing factors and assess suitable control measures.

To reduce diesel particulate exposure, a ceramic filter was installed on each bogger exhaust system. The exhaust gas flows through a ceramic honeycomb-like structure, which traps the particulate matter. These filters reduce diesel particulate emissions by up to 95 percent (manufacturer’s specifications), as well as significantly reducing carbon monoxide and hydrocarbon emissions. A catalyst enables the particulates to burn off at normal exhaust temperatures.

Following the installation of the filters, there has been a clear reduction in the exposure to particulate matter. The average exposure to operators reduced by 63 percent to date. We will continue to monitor exposure throughout 2015.

Case Study
IMPROVING THE WELLBEING OF OUR WORKFORCE

It is important that our workforce leaves our site in the same or better condition in which they arrived.

OZ Minerals’ sites have fitness-for-work programs in place to ensure that all persons at our operations present for work in a condition that will not pose a safety risk to themselves or others.

At OZ Minerals, the fitness-for-work program includes a wide range of activities and education, including fatigue management, employee assistance programs, functional assessments, access to fitness centres or activities, along with drug and alcohol programs.

OZ Minerals is committed to educating our people on matters relating to alcohol and drugs. This education is supported by testing programs for both alcohol and drugs at our administration offices and operations. OZ Minerals conducts daily alcohol tests at our operations, and the acceptable blood alcohol limit is 0.00 percent for anyone working at OZ Minerals sites.

We are encouraging our workforce to make healthy food choices, and in partnership with our catering contractor, we provide lighter options and assist people in making informed food choices. This is supported by access to fitness coaches, centres and activities to encourage a healthy lifestyle.

Working on a remote site on a fly-in fly-out basis means that people are away from their friends and family regularly for an extended period of time. We have site counsellors who regularly attend site to provide advice and counselling services to our workforce.
COMMUNITY ENGAGEMENT

As part of our normal business practices, we want to create opportunities for our local communities to receive real benefit from our activities.

We actively support and participate in the local community.

Our community engagement programs are targeted to the areas close to our operations. Prominent Hill has our most extensive engagement program. In a remote area, the closest town to Prominent Hill is Coober Pedy, located approximately 130 kilometres away.

We regularly meet with the local community in Coober Pedy and surrounding areas to discuss our activities and the needs of the community. Our Stakeholder Engagement section of this report outlines our methods to engage with key community stakeholders as well as their main interests and concerns.

OZ Minerals is an active member of the Coober Pedy Industry Alliance, a representative group of local mining companies and the local council. The Alliance allows for a collaborative and extended engagement program. In a remote area, the closest town to Prominent Hill is Coober Pedy, located approximately 130 kilometres away.

We actively invest in the community, through sponsorships, in-kind donations and participation by OZ Minerals employees. Our preference is to support locally organised initiatives that provide long-term benefits to our host communities and are aligned with the wishes of these communities. Our sponsorship guidelines, available on our website, detail our approach to investing in community development.

OZ Minerals contributed to a broad range of local and regional programs in 2014, including the sponsorships of the Coober Pedy Area School year 11 and 12 graduates, the Prominent Hill Copper Workshop as part of the South Australian Living Children’s Exercise and the Copper Sculpture Award and Copper Workshop as part of the South Australian Living Arts festival.

Our total sponsorship of local organisations and programs for 2014 was approximately $360,000. Our community investment initiatives are detailed in the following case studies.

Case Study

DEMOBILISATION OF THE OPEN PIT

OZ Minerals has made a commitment to employing local people since the commencement of Prominent Hill. Approximately 70 percent of the Prominent Hill workforce, including contractors, lives and works in South Australia.

In line with our mine plan, Prominent Hill is undertaking a progressive demobilisation of equipment within the open pit from the beginning of 2014 until the end of the open pit mine life in 2018–19.

As we move into the later stages of the mine plan, the quantity of waste rock relative to the amount of ore (known as the strip ratio) will decrease, which means that we will require less equipment to move material. As our equipment needs decrease, this will have an impact on the size of the open pit workforce. This quantity of roles will not be able to be absorbed as Prominent Hill transitions to an underground-only operation.

At its peak, the open pit workforce consisted of approximately 1,000 people. A high proportion of this workforce comes from South Australia, including from the Upper Spencer Gulf area and nearby towns such as Coober Pedy.

In late December 2013, the first excavator, five haul trucks and one production drill rig were demobilised, leading to a reduction in approximately 60 operational roles from some of our main contractors.

In 2014 and early 2015, there were a following two demobilisation rounds, leading to the cessation of two excavators and associated trucks. This led to a further reduction in approximately 120 operational roles, bringing the total affected roles to 180 to date.

In 2014, OZ Minerals commissioned a study by external social impact researchers into the impacts of demobilisation on regional communities.

By conducting a demographic breakdown, the study evaluated the potential consequences of demobilisation to regional areas. As the income of workers at Prominent Hill is high compared to average wages in the local community, the impact of a reduction in a small number of jobs can result in a substantial reduction in the total income of the town.

A series of presentations were given to local communities regarding the demobilisation process and associated impacts. As the majority of our affected workforce is contract personnel, OZ Minerals has been liaising with relevant contracting partners on an ongoing basis. A core aspect of this is proactively working with our open pit contractors to ensure that the demobilisation process is understood by our workforce and appropriate services are provided to support our people through this transition.
OZ Minerals has been a proud and ‘major’ partner of the Royal Flying Doctor Service since 2007 when the Prominent Hill mine was still in construction. The RFDS provides both emergency and essential primary health care to people working, living and travelling in rural and remote areas in Australia.

OZ Minerals renewed its sponsorship of the RFDS in 2014 for $300,000 over a three-year period. The RFDS uses funds to purchase new aircraft and medical equipment.

As a remote site, Prominent Hill and our surrounding communities rely on the services provided by the RFDS. The RFDS conducts over 200 landings, an average of four times per week, in the remote communities surrounding Prominent Hill.
SUPPORTING COMMUNITY RACES

OZ Minerals has been supporting important local community events since the commencement of Prominent Hill.

We have ongoing sponsorships of gymkhanas and community races held in rural areas of South Australia, including the towns of Coober Pedy, Glendambo, William Creek, Maree, Marla, Oodnadatta and Carrieton.

These are highly important social events that are highly anticipated and enjoyed by the local community.

OZ Minerals has a three-year $90,000 sponsorship supporting local gymkhanas and country horse races around Prominent Hill.

SUPPORTING OUTBACK FAMILIES

Living in remote areas presents challenges for raising young children, such as providing opportunities for social interaction. As rural South Australia encompasses 650,000 square kilometres, many outback children are only able to spend time with playmates outside their family at larger community events.

OZ Minerals continued its partnership with the Remote and Isolated Children’s Exercise (RICE) in 2014. RICE is a community-led organisation providing support to families with young children in outback South Australia, including hosting social events that provide opportunities for children to make friends and learn how to play within groups.

Parents can also benefit from the activities by forming relationships with other parents, learning new ideas for activities when back at home and gaining confidence and skills in parenting.

We have a sponsorship of $20,000 per year for three years to enable RICE to confidently deliver programs that increase community connection. Our sponsorship has enabled RICE to almost double the amount of children’s activity fun days they hold during the year.

COOBER PEDY INDUSTRY ALLIANCE

OZ Minerals is an active member of the Coober Pedy Industry Alliance. Established in 2013, the Alliance comprises representatives of local mining companies, the Coober Pedy Council and Regional Development Australia Far North.

The Alliance allows for a collaborative strategic approach to supporting the local community through alignment of common goals and objectives, and enables the discussion of regional activities, impacts, projects and initiatives.

An outcome of the Alliance is the community funded Community Adaptability Assessment of the Coober Pedy community in order to identify the trends, opportunities and challenges facing the community. This work will assist the community and Alliance in provided targeted community investment and development strategies that align with company values and project profiles.

We are an active member of the Alliance to collaborate with local councils and neighbouring mining companies.
COMMUNITY ENGAGEMENT CONTINUED

Case Study

COOBER Pedy Area School Scholarships

OZ Minerals has an academic scholarship program with the Coober Pedy Area School to encourage students to complete their education.

The scholarships aim to relieve financial pressures associated with future studies to motivate students to complete their final years of secondary school education and drive academic success. Each of the scholarships is valued at $4,000.

In 2014, two scholarships were awarded to two students in Year 11 and 12 in recognition of the students’ school participation and academic achievement.

The money is held in trust by the school and is dedicated for use by the student to assist with their future education.

Case Study

Copper Sculpture Award

OZ Minerals has an ongoing partnership with the South Australian Living Arts (SALA) Festival through the OZ Minerals’ Copper Sculpture Award.

In 2014, two copper sculptures created by joint winners husband and wife Anna Small and Warren Pickering titled Metamorphosis.

Describing the award as the highlight of their career to date, Anna and Warren looked to scientific illustration drawings as inspiration for their work.

The sculptures are three dimensional abstractions of shapes of plant life, with the name Metamorphosis representing the conversion of the copper sheeting into organic shapes that seem to be growing and moving.

The sculptures form the cover images of the 2014 Sustainability Report and Annual Report.

Metamorphosis was exhibited during the SALA Festival in the main terminal of the Adelaide Airport. With 20,000 travelling through Adelaide Airport daily, the airport is an ideal place to showcase the artwork to the community.

Most of OZ Minerals’ workforce passes through the airport on their way to work at Prominent Hill.

The Copper Sculpture Award is similar to a commission. South Australian artists are given the opportunity to submit a proposal of their idea and apply for financial assistance for copper and production costs. Artists are then able to sell their works after the SALA Festival.

In response to artists’ demands, OZ Minerals held a free two-day copper workshop in 2014 to give local artists experience in working with the beautiful material. As a relatively soft metal, artists require specialised techniques to mould and shape the copper.

The workshop was led by Chris Ormerod, the 2014 recipient of the award and Metal Fabrication Lecturer at TAFE SA.

A group of twelve local visual artists were invited to participate in the workshop and learn copper sculpting techniques to create their own take home piece of art.

Supporting talented South Australian artists.
COMMUNITY ENGAGEMENT CONTINUED

Case Study

SACOME DIRT TV COMPETITION FOR HIGH SCHOOL STUDENTS

OZ Minerals was a proud sponsor of the 2014 South Australian Chamber Of Mines and Energy (SACOME) Dirt TV competition.

This is a video competition in which Years 7 to 12 students produce a short video clip on what 'mining means to me'. The competition aims to encourage students to raise awareness of the resources industry in South Australia and promote science to students, particularly those more oriented to the arts, complementing additional activities such as school visits undertaken by SACOME.

Entries for the 2014 Dirt TV competition focused on a range of topics, including the use of mined materials, the key economic role the industry plays in South Australia, employment opportunities and the industry's effect on livelihoods and lifestyles.

OZ Minerals sponsored the Best Writing Award, which was awarded to Mining makes your house by Alicia Del Corso. The judging panel included representatives from South Australian media organisations and industry representatives, including OZ Minerals. An awards ceremony was held in Adelaide.

Case Study

OZ MINERALS’ DONATES TO THE COOBER PEDY TOY LIBRARY

In 2014, OZ Minerals delivered eight boxes of toys to the Coober Pedy Toy Library, part of the Coober Pedy School Community Library. The toys were donated by employees based at Prominent Hill, Adelaide and Melbourne, and were enthusiastically received by the librarians.

Opening the boxes revealed a range of items including games, puzzles, toy trucks and books by well-known and popular authors. The majority of the donations were new with many in their original packaging.

The toy library provides an opportunity for families or carers to borrow toys, books and educational material and encourage them to spend time playing with their children. By borrowing toys rather than buying new toys, families are able to save money while still accessing quality toys.

Toys donated from OZ Minerals’ offices were flown to Prominent Hill free of charge by Alliance Airlines.

The toys held within the library are able to be borrowed by community members and are also used by many of the students during recess and lunch breaks.

Case Study

THE GREAT BREAKAWAYS BOLT

The Great Breakaways Bolt is a long-standing marathon-style fundraising event held in Coober Pedy.

OZ Minerals has been participating in the event since its inception in 2009.

The Great Breakaways Bolt encompasses a 35-kilometre track that stretches between the Breakaways Reserve, along the Dog Fence down the Oodnadatta Track and finishes at the Coober Pedy town oval. The route takes in the beautiful scenery of the area and takes around four hours to complete.

OZ Minerals sponsored participating Prominent Hill employees and contractors for each kilometre they completed, raising approximately $2,000 towards the community initiative. OZ Minerals also contributed to prize money for the race winners.

Supporting local events that increase community connection.
COMMUNITY ENGAGEMENT CONTINUED

CULTURAL HERITAGE AND TRADITIONAL RIGHTS

OZ Minerals adheres to all relevant Australian acts and regulations regarding local communities, land and customary rights under the Pastoral Land Management and Conservation Act and the Mining Act, including those of Aboriginal people. Native Title rights for the Antakirinja Aboriginal group were identified through the Native Title Agreement Act.

OZ Minerals has a Native Title Agreement with the Kokatha people. In 2014, the Kokatha Aboriginal Corporation were granted Native Title Determination for their traditional lands. For more information, see the Native Title recognition of the Kokatha people case study.

In 2013, there were no incidents or violations involving rights of Aboriginal people.

Any disturbances around culturally significant areas are reported internally and significant disturbances, such as unintended land clearances are reported to the relevant authorities.

Prominent Hill is located on the traditional lands of the Antakirinja Aboriginal community. An Antakirinja Matu-Yankuntjatjarra Aboriginal Corporation (AMYAC) ANZ Bank Trust fund is in place to assist the sustainable use of production payments. The trust includes an advisory council made up of representatives from the Antakirinja traditional owners. Production payments from Prominent Hill are paid into the fund and distributed into the community in areas such as education and cultural and community development.

We regularly meet with representatives of this group in relation to the OZ Minerals funded Antakirinja Scholarship Disbursement Fund. This fund is ongoing and is opened twice a year to students for funds to assist them with their studies. Typically, funds are used to purchase books, laptops, uniforms, fees and for other education expenses.

We have also contributed to an Accumulation Trust, of which an annual payment of $100,000 is held in trust for ten years. The interest component may be accessed after that period for ongoing education expenses. This is designed so that OZ Minerals can continue to support future generations of the AMYAC Aboriginal community.

We actively engage with the traditional owners of the land surrounding Prominent Hill and Carrapateena.

Case Study

CULTURAL AWARENESS PROGRAM

The traditional owners of the land surrounding Prominent Hill, the Antakirinja Malu-Yankuntjatjarra people, assist with the running of a two-day cross-cultural awareness program for all OZ Minerals employees and Prominent Hill-based contractor supervisors.

The focus of this program is learning about the traditions, culture and history of the Aboriginal people from this area. One of the highlights of the course is the significant and active contribution by men, women and elders of the Antakirinja people, providing participants with a unique opportunity to hear stories and gain an insight into the lives of these people.

It focuses on educating people about Aboriginal culture, particularly Antakirinja culture, including their beliefs, connection to the land and areas of cultural significance, as well as looking at Aboriginal ways of life and challenges that persist.

The program has been an important part of creating an inclusive, supportive culture at Prominent Hill.

The program is mandatory for all OZ Minerals employees working at Prominent Hill and managers of our contracting partners.
COMMUNITY ENGAGEMENT CONTINUED

Case Study

NATIVE TITLE RECOGNITION OF THE KOKATHA PEOPLE

In 2014, the Kokatha people were granted Native Title Determination for their traditional lands, including the land on which the Carrapateena advanced exploration project is situated.

OZ Minerals and the Kokatha people have built a strong relationship since the acquisition of the Carrapateena project. OZ Minerals was invited to attend the determination ceremony and celebrate the formal recognition of the Kokatha people's connection to country. The ceremony was held on clay pans, a traditional meeting ground for the Kokatha people.

OZ Minerals’ CEO and Managing Director, Terry Burgess (2014), was asked to speak at the event.

This is an acknowledgement of the proud history of the Kokatha people. We look forward to continue working with the Kokatha people now and into the future.

OZ Minerals has a native title agreement with the Kokatha people with respect to OZ Minerals’ retention lease activities at the Carrapateena project.

A liaison committee, made up of members of the Kokatha people and OZ Minerals representatives, has been established to enable ongoing consultation in regards to training and employment opportunities, and to develop and implement guidelines for the management of culturally sensitive areas.

OZ Minerals has also appointed an Aboriginal Liaison Officer from the Kokatha people to act as an off-site facilitator and mentor to Aboriginal employees.

Case Study

SUPPORTING NAIIDOC WEEK

NAIDOC week celebrations were held at Prominent Hill in 2014 to recognise the history, culture and achievements of Aboriginal people.

Celebrations at Prominent Hill included a live musical performance by the Indigenous band The MERRg and an art exhibition showcasing local Aboriginal art from Coober Pedy. Many people at Prominent Hill took the opportunity to visit the exhibition and purchase original artworks.

NAIDOC stands for National Aborigines and Islanders Day Observance Committee, and it is a week of celebration of Aboriginal and Torres Strait Islander cultures.

We are proud of our diverse workforce.
We are committed to responsible stewardship of natural resources to minimise our impact on the environment.
Environmental Performance

As a mining company, our activities require energy and water to extract, move and process ore into saleable concentrate. We look to maximise the efficiency of our natural resource use as part of our business improvement processes. Prominent Hill and Carrapateena are located in remote arid desert regions that have low annual rainfall and typical arid ecosystem vegetation. Our management practices are designed to avoid land disturbance and minimise our impacts where this is not possible through progressive rehabilitation of the land. As part of our environmental management, our activities are governed by conditions detailed in our mining approvals, lease conditions and environmental licences set out by environmental regulatory authorities.

We actively engage with regulatory bodies, government agencies, communities and land owners during the environmental permitting and approval process to ensure the community and government have actively participated and understand the environmental, social and economic impacts of the project. For more information, see the Engaging with our stakeholders case study.

All environmental incidents and near misses are reported through our incident reporting system. Investigations are undertaken to determine the underlying cause in order to eliminate the potential for failures and to apply effective company-wide controls. Significant environmental incidents are defined as any occurrence within OZ Minerals’ operational control that has resulted in, or had the potential to cause, at least moderate environmental impact. This year, there were no significant environmental incidents, spills or discharges. In 2014, OZ Minerals had no fines or prosecutions relating to environmental performance.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2014 performance</th>
<th>2013 performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant (Level 3 or above) reportable environmental incidents</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Spills or discharges</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Regulatory environmental non-compliances</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Fines and prosecutions relating to environmental performance</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energy use in gigajoules</td>
<td>4,509,933</td>
<td>4,063,853</td>
</tr>
<tr>
<td>Total greenhouse gas emissions (CO₂ equivalent emissions)</td>
<td>427,285</td>
<td>400,175</td>
</tr>
<tr>
<td>Water input (megalitres)</td>
<td>5,982</td>
<td>6,227</td>
</tr>
<tr>
<td>Water discharged off site (megalitres)</td>
<td>0</td>
<td>3.7</td>
</tr>
<tr>
<td>Waste rock mined (million tonnes)</td>
<td>88.9</td>
<td>74.2</td>
</tr>
<tr>
<td>Tailings produced (million tonnes)</td>
<td>9.3</td>
<td>9.4</td>
</tr>
<tr>
<td>Potentially acid forming waste rock (tonnes)</td>
<td>557,500</td>
<td>4.4 million</td>
</tr>
<tr>
<td>Total land holding (square kilometres)</td>
<td>Tenements of approximately 9,300</td>
<td>Tenements of approximately 8,000</td>
</tr>
<tr>
<td>Footprint (square kilometres)</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td>Land disturbance (hectares)</td>
<td>22</td>
<td>123</td>
</tr>
<tr>
<td>Land rehabilitated (hectares)</td>
<td>26</td>
<td>53</td>
</tr>
</tbody>
</table>

(1) Covers the reporting period of 1 January to 31 December 2014 for Prominent Hill and Carrapateena (see footnote 6 for exclusions).
(2) Level 3 or above significant incidents are internally classified as those that cause or have the potential to cause moderate to major environmental impact within OZ Minerals’ operational control.
(3) Incidents that typically involve the loss from containment of poor quality mine water or a hazardous chemical or fuel, internally classified as a level 3 or above significant incident.
(4) Incidents that, among other consequences, also result in a legal requirement to report to a regulatory authority.
(5) As detailed in our annual compliance report for Prominent Hill, four pastoral wells have declined below agreed limits. Discussions with the affected pastoral leaseholder are continuing to agree upon a long-term water management strategy. There has been a limited effect on the regional groundwater and there has been no recordable effect on the Great Artesian Basin.
(6) OZ Minerals’ energy use and greenhouse gas emissions are reported for the financial period of 1 July 2013 to 31 June 2014 in line with Australian Government’s National Greenhouse and Energy Reporting scheme. Greenhouse gas emissions relate to scope 1 and scope 2 emissions only.
(7) Water discharged is from the Carrapateena waste water treatment plant, which is discharged into an irrigation field.
ENVIRONMENTAL PERFORMANCE

Case Study

ENGAGING WITH OUR STAKEHOLDERS

Engaging with stakeholders during project design, approval, operation and closure phases assists in the development of streamlining processes, reducing capital and delivering mutually beneficial results. Proactive engagement ultimately leads to better environmental and social outcomes.

OZ Minerals believes that a partnership approach and transparent communication with key stakeholders helps us maintain our social licence to operate and gives stakeholders confidence that environmental and social impacts are minimised.

While undertaking the pre-feasibility study for Carrapateena, OZ Minerals invested in a parallel approval process and developed relationships with stakeholders as early as possible in the project development.

Throughout these two processes, stakeholders were actively engaged, and the community and government maintained dialogue around the development of the environmental, social and economic impacts of the various project options being assessed.

In collaboration with the South Australian Department of State Development, OZ Minerals has developed an Impact Assessment Framework for use in risk-based regulatory environments. This framework reflects the South Australian regulatory framework and is designed to manage community expectation.

The framework will support the process to effectively communicate potential impacts and measure real impacts. This will also improve the ongoing compliance systems used at the operations.

We actively build relationships with our key stakeholders for better environmental and social outcomes.

ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

The majority of OZ Minerals’ energy use occurs at the Prominent Hill operation. Our two main areas of energy consumption are at our plant, which uses electricity from the main grid and the diesel that we use to operate mining vehicles.

In line with our mine plan from Prominent Hill, our mining activities have moved to deeper areas of the pit, which increases the haulage distances of our trucks. This has led to a corresponding increase in energy use and greenhouse gas emissions.

We report our energy use and greenhouse gas emissions in line with the methodology under the National Greenhouse and Energy Reporting Scheme.

In the 2013–14 financial period, OZ Minerals’ total energy consumption was 4.5 petajoules. Diesel and purchased electricity are the dominant energy sources, contributing 74 percent and 26 percent of our total energy use, respectively.

Over the same period, we generated approximately 400,000 tonnes of carbon dioxide equivalent emissions. Approximately half of our greenhouse gas emissions are derived from electricity, due to the higher emissions intensity of electricity compared to diesel.
Case Study

LOW EMISSION DIESEL FUEL ALTERNATIVE

As diesel forms one of our largest energy sources, reducing our fuel use provides a significant opportunity for energy efficiencies, a reduction in carbon dioxide emissions and associated cost savings.

In 2014, a comprehensive comparative assessment was undertaken to establish if a low emission diesel fuel alternative could be utilised at Prominent Hill.

OZ Minerals has been working with our diesel fuel supplier to procure a diesel product that can deliver fuel savings. The fuel is formulated to keep the engine running at peak efficiency, helping to save fuel by up to 3 percent lower carbon dioxide emissions. An alternative diesel fuel product was chosen, with additives that maintains engine performance and protects engines from corrosion.

The baseline assessment established the usage of fuel per hour of operation in a standard truck. As haul routes, distances, speeds and gradients change, depending on the mine plan and individual operation, a system was required to be able to accurately measure fuel use.

Flow meters were installed in trucks, allowing for fuel use to be calculated in ten-second increments. A designated path used routinely by trucks was chosen, allowing for standardisation in route, distance and gradient.

The trucks were tracked using our high precision GPS system. This GPS system is used as part of our open pit fleet management system.

The results of their trial are under evaluation. A robust data analysis will be completed in the first quarter 2015 to prove fuel efficiencies. In collaboration with our diesel provider, and past trials undertaken at different sites, this fuel type is estimated to potentially save approximately two million dollars in the first two years of implementation. Reducing our fuel use means that we are reducing our associated carbon dioxide emissions for the same activities.
AIR QUALITY MANAGEMENT

Outside of greenhouse gas emissions, the main emission relevant to our operations is dust, generated by stockpiling, moving materials and from vehicles driving on unsealed surfaces. We use a range of control measures to reduce the amount of dust generated through our activities, including undertaking regular road maintenance and implementing speed restrictions. Recycled water is applied on frequently used roads to reduce dust creation.

We undertake systematic sampling of air quality in and around Prominent Hill to understand our impacts on the environment. We measure the quantity of total suspended particulates and particles less than 10 parts per million, which is used as a leading indicator measure for occupational hygiene monitoring and control. From our comprehensive sampling undertaken since the commencement of operations at Prominent Hill, we are able to verify that our air quality management is effective in preventing impact from the operation.

Air quality is affected by the generation of sulphur and nitrogen oxides through the burning of fuels. Data for key air emissions from stationary and mobile sources are reported annually to the Australian Government’s National Pollutant Inventory (NPI) and are available for public viewing at www.npi.gov.au.

There are no ozone-depleting substances, persistent organic pollutants, stack emissions or hazardous air pollutants produced at Prominent Hill. Air emissions by type and weight for Prominent Hill are provided below.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Prominent Hill (1)</th>
<th>Carrapateena (2)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water input</td>
<td>5,919</td>
<td>60</td>
<td>5,979</td>
</tr>
<tr>
<td>Water discharged off site</td>
<td>0</td>
<td>2.9</td>
<td>2.9</td>
</tr>
</tbody>
</table>

(1) All water used at Prominent Hill is sourced from groundwater.
(2) Water at Carrapateena is sourced from dams, groundwater and water cartage.

WATER MANAGEMENT

The efficiency of water extraction and the containment of waste water are key aspects of operational performance. Water is used in most aspects of operations, including exploration, mining and processing.

Situated in a location with a relatively low average annual rainfall of less than 200 millimetres per year, the Prominent Hill site is dependent on the supply of groundwater to sustain its operation. Prominent Hill draws its water from the Boorthanna Formation geological unit of the Arckaringa Basin. This groundwater system is discrete from the Great Artesian Basin aquifer system that feeds the Great Artesian Basin springs, and no influence on these springs has been detected. The operation’s well field is located approximately 30 to 40 kilometres south-east of the mine and is operated under a miscellaneous purpose licence.

OZ Minerals’ water management plan incorporates standard groundwater monitoring as well as opportunistic sampling. A key focus for OZ Minerals is our relationships with pastoralists, with respect to water use. Our operational well fields are located on nearby pastoral stations.

In the majority of cases, the pastoralists draw water from a different, shallower aquifer than that used by the mine well field. We have a water sampling program to monitor water levels and quality in previously agreed pastoral bores on neighbouring stations. We continue to closely monitor the surrounding groundwater sources and report on our results to relevant stakeholders.

We have had ongoing concerns that one area of our well fields, also utilised by neighbouring pastoralists, is experiencing a reduction in water depth below specified limits. We are maintaining ongoing discussions with the pastoralist to determine a long-term water management strategy and undertaking investigations to better understand the hydrology of the area.

OZ Minerals’ total water use during 2014 was 5,982 megalitres. The majority of water was used at Prominent Hill and sourced from groundwater bores.
ENVIRONMENTAL PERFORMANCE CONTINUED

WASTE MANAGEMENT

Mining and ore processing waste

The largest forms of waste in mining operations are waste rock and tailings. At the Prominent Hill operation, waste is managed on site in disposal facilities in accordance with our standards related to waste rock and tailings management. These standards define the requirements for the management of waste rock to prevent environmental impacts, promote beneficial post-mining land uses and reduce post-mining rehabilitation and closure liability.

To prevent or minimise the potential environmental impacts associated with waste rock and tailings disposal, a range of strategies are implemented during operations. These include:

› Geochemical characterisation of potentially acid-forming materials.
› Resource modelling.
› Selective handling and encapsulation of waste rock.
› Disposal of tailings into specially designed and engineered facilities.
› Linking operational planning to long-term closure management.
› The containment and treatment of mine waters to meet regulatory discharge criteria.

Over the reporting period, Prominent Hill produced 88.9 million tonnes of waste rock, with approximately 580,000 million tonnes considered to be potentially acid forming.

Most of the waste rock generated is placed in rock dumps within the mining areas with a proportion of non-acid forming rock used for the construction of mine infrastructure, such as the tailings storage facility and roads.

We encapsulate potentially acid forming rock within the integrated waste landform stockpiles and prevent surface water runoff using physical control measures to prevent impact to the environment. To ensure our control measures are effective, we conduct ongoing monitoring of surface water to detect any potential changes in downstream surface water quality from baseline values, including metal concentrations and acidity.

In 2014, approximately 9.3 million tonnes of tailings were produced. All tailings are contained within the tailings storage facility.

Non-mineral waste

Prominent Hill has an on site waste recycling station, which enables us to significantly reduce the amount of waste sent to landfill and recycle stockpiled steel, cans, bottles and other materials on site. Recycling is undertaken at Carrapateena and all non-mineral waste generated at Carrapateena is transported off site.

Case Study

EFFECTIVE CLOSURE PLANNING: WASTE ROCK MANAGEMENT

Waste rock is the material that lies above an economic orebody. At Prominent Hill, this material is disposed of within waste rock dumps.

A component of waste rock removed from the Malu Open Pit at Prominent Hill contains sulphides that can lead to acid rock drainage if not managed appropriately. This material is known as potentially acid forming waste rock. Acid rock drainage refers to the acidic water that is created through a natural chemical reaction when sulphide materials are exposed to air and water.

Potentially acid forming material is actively managed at Prominent Hill by encapsulating material within non-acid forming material. This minimises the exposure of potentially acid forming rock to air and water, preventing the formation of acid rock drainage.

In preparation for the closure of the waste rock dumps at Prominent Hill at the end of the mine life cycle, a Conceptual Closure Plan is used to identify and plan for closure management practices. In 2014, this plan was updated to reflect changes in site operational practices and current best practice closure standards.

As part of this, a study was undertaken to confirm that we are able to meet our closure commitments. A waste rock materials balance was conducted to reconcile the closure rock material requirements against the remaining waste rock that is still to be mined from the open pit. The analysis confirms that less than two percent of the waste rock that is still to be extracted from the open pit is classified as potentially acid forming, and our existing waste rock dumps are sufficient to encapsulate this material.

A review of current waste rock dump closure standards and practices was undertaken in 2014, confirming that our current approach to managing potentially acid forming waste rock material remains best practice.
LAND MANAGEMENT AND BIODIVERSITY

At the end of 2014, OZ Minerals held mining leases and exploration tenements of approximately 4,000 square kilometres at Prominent Hill. During the year, OZ Minerals relinquished approximately 3,500 square kilometres of tenements relating to the IMX joint venture around Prominent Hill. The total footprint of the mine at Prominent Hill is approximately 78 square kilometres, as detailed in our mining lease agreement.

In 2014, OZ Minerals increased its tenement ownership surrounding Carrapateena to approximately 5,300 square kilometres. This includes the Stuart Shelf tenements of approximately 2,500 square kilometres.

During the year, 12 hectares were disturbed at Prominent Hill, while 10 hectares were disturbed and 26 hectares were rehabilitated at Carrapateena.

In early 2015, a decision was made to suspend exploration drilling at Carrapateena and regional prospects. Subsequently, activity at Carrapateena will reduce to care and maintenance levels following the finalisation of three remaining drill holes at Fremantle Doctor, until the completion of initiatives specified in the Strategy section of this report.

The area surrounding Prominent Hill is comprised of an arid lands ecosystem, primarily consisting of low lying saltbush vegetation. Prominent Hill experiences extreme temperatures and periodic rainfall. Common wildlife seen in the region around the mine, including kangaroos, snakes, lizards, birds of prey, as well as small mammal and bird species. The mining lease area, outside of the mine footprint, is used by pastoralists for stock grazing.

Flora and fauna monitoring is undertaken twice a year by external specialists to examine potential changes to the environment as a result of mining operations. The monitoring results continue to indicate mining activities have a minimal effect on the surrounding natural environment.

The Significant Environmental Benefit (SEB) offset area involves the ongoing protection of land within the Mount Eba Pastoral Lease. Through management of the SEB offset area, OZ Minerals aims to protect and enhance habitat for two bird species, the chestnut-breasted whiteface and the thick-billed grasswren (eastern subspecies). Both of these species are listed on the International Union for Conservation of Nature’s (IUCN) Red List of Threatened Species.

OZ Minerals uses a Biodiversity Management Plan (BMP) to effectively manage biodiversity and minimise adverse effects on flora and fauna throughout the mine life cycle. Our BMP details our strategy for effectively managing the local environment, including our commitments to improving local biodiversity through fox baiting and cat trapping, and ensuring any land clearance is effectively rehabilitated.

An annual flora and fauna monitoring survey was conducted at Carrapateena during the year to develop an understanding of the existing biodiversity. The survey identified a number of species listed by the IUCN, primarily classified as species of least concern. Two vulnerable species, the malleefowl and the Plains rat, were identified and one species listed as endangered, the Pernatty knob-tailed gecko.

Prominent Hill and Carrapateena are located on arid lands with low lying vegetation, extreme temperatures and periodic rainfall.

Case Study

IMPRESSING NON-MINERAL WASTE MANAGEMENT AT PROMINENT HILL

As Prominent Hill is a remote site, the appropriate waste management practices are important to effectively manage non-mineral waste.

In 2014, further advances were made to the waste and recycling program at Prominent Hill. A large variety of materials are used at Prominent Hill that require different management. Waste types are classified as general, industrial and recyclable.

Recyclable material is separated and transported off site to a resource recovery centre. Cardboard, glass bottles, aluminium cans and plastic bottles are handled, sorted, bailed and stockpiled onsite before transporting to the resource recovery centre.

In 2014, recycling of additional plastic materials, including food grade buckets, polypipe (used for cabling and drainage systems) and integrated bulk containers, was trialled. These were sent off site to a plastics recycler in Adelaide.

Industrial recyclables, such as steel, aerosols, fluorescent tubes and batteries, are collected before transport off site to recycling depots for recycling or further treatment.

A bioremediation pad is used as a holding area for waste hydrocarbons, oils, greases, and contaminated or impacted soils. Stockpiled soils are collected and sent off site via a licensed waste contractor.
INDEPENDENT ASSURANCE STATEMENT


We have carried out a limited assurance engagement in relation to selected Subject Matter contained in OZ Minerals’ 2014 Sustainability Report (‘the Report’) in order to state whether anything has come to our attention that causes us to believe that the Subject Matter has not been reported and presented fairly, in all material respects, in accordance with the Criteria described below.

SUBJECT MATTER

The Subject Matter for our limited assurance engagement included the following for the year ended 31 December 2014:

› Subject Matter 1: OZ Minerals’ ten sustainability performance commitments (contained in the ‘Performance Summary’ table on page 2 of the Report) and the total recordable injury frequency rate (‘TRIFR’) and lost time injury frequency rate (‘LTIFR’) for the 2014 reporting period, as listed in Table 1

› Subject Matter 2: OZ Minerals’ reported alignment to the self-declared Global Reporting Initiative’s (‘GRI’) G4 “in accordance” requirements (‘core’).

The scope of our work did not include:

› Any assessment of OZ Minerals’ management’s process for selecting the areas for our limited assurance engagement or the materiality or relative significance of the Subject Matter

› Assessing the accuracy, fairness or balance of data sets, statements, information, systems or approaches relating to areas other than the Subject Matter

› Management’s forward looking statements

› Any comparisons made against historical data.

CRITERIA

Subject Matter 1: For the purposes of this engagement, the specific Subject Matter and Criteria were defined in Table 1 below:

| TABLE 1: OZ MINERALS PERFORMANCE DATA FOR ASSURANCE, FOR THE PERIOD 1 JANUARY 2014 TO 31 DECEMBER 2014 |
| Description | Relevant criteria |
| SAFETY AND HEALTH | |
| No fatalities or serious disabling injuries. | As per OZ Minerals glossary and GRI G4-LA6, and associated DMA |
| An improvement in the total recordable injury frequency rate against the 2013 reporting period. | |
| Total Recordable Injury Frequency Rate. | |
| Lost Time Injury Frequency Rate. | |
| All significant occupational exposure risks monitored and action plans put in place. | |
| Quarterly review of high potential incidents to ensure implementation and functioning of controls. | |
| ENVIRONMENT | As per OZ Minerals glossary and GRI G4-EN34 and associated DMA |
| No significant (level three or above) environmental incidents. | GRI G4-EN6 and associated DMA |
| Continue to demonstrate assessment of resource efficiency initiatives in line with the Energy Efficiency Opportunities framework. | |
| OUR PEOPLE | |
| Increase numbers of females in all bands that do not currently have a representation of at least 25 percent. | GRI G4-LA12 and associated DMA |
| At least one female or Indigenous candidate interviewed in 60 percent of all job vacancies. | |
INDEPENDENT ASSURANCE STATEMENT CONTINUED

<table>
<thead>
<tr>
<th>Description</th>
<th>Relevant criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMMUNITY</td>
<td></td>
</tr>
<tr>
<td>Have no significant (level three or above) community incidents.</td>
<td>As per internal guidelines (Level 3 and above significant incidents are internally classified as those that cause or have the potential to cause moderate to major community and/or external impact and are within OZ Minerals’ operational control)</td>
</tr>
<tr>
<td>Develop strategies to mitigate community impacts in regard to the demobilisation of the open pit.</td>
<td>Development of strategies and approaches for the demobilisation of the open pit, focusing on the mitigation of community impacts</td>
</tr>
</tbody>
</table>

Subject Matter 2: The GRI’s G4 “In accordance with Core” Guidelines.

MANAGEMENT’S RESPONSIBILITY

The management of OZ Minerals (‘Management’) is responsible for the preparation and presentation of the Subject Matter in accordance with the above Criteria, and is also responsible for selecting the methods used in the Criteria. No conclusion is expressed as to whether the selected methods used are appropriate for the purpose described above. Further, OZ Minerals’ management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

ASSURANCE PRACTITIONER’S RESPONSIBILITY

Our responsibility is to express a conclusion on the Subject Matter against the stated criteria based on our limited assurance engagement. We conducted our limited assurance engagement in accordance with the International Federation of Accountants’ International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (“ISAE 3000”). This Assurance Standard requires that we comply with relevant ethical requirements, plan and perform the assurance engagement to obtain limited assurance whether the specific activity data is free from material misstatement.

WORK PERFORMED

Our procedures included, but were not limited to:

- Checking that calculation criteria have been correctly applied as per the methodologies outlined in footnotes throughout the Report
- Undertaking analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations
- Testing, on a sample basis, underlying source information to check the accuracy of the data, and
- Testing, on a sample basis, the accuracy and balance of the sustainability performance commitments within the Report
- Reviewing and agreeing OZ Minerals’ self-assessment of the Report’s alignment with GRI G4 “in accordance” requirements through checking OZ Minerals had reported against the relevant GRI standard disclosures and performance indicators.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion. These procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures performed depend on the assurance practitioner’s judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our limited assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT system, which would have been performed under a reasonable assurance engagement. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

USE OF OUR REPORT

We disclaim any assumption of responsibility for any reliance on this assurance report, or on the Subject Matter to which it relates, to any persons other than management and Directors of OZ Minerals, or for any purpose other than that for which it was prepared.

INDEPENDENCE, COMPETENCE AND EXPERIENCE

In conducting our assurance engagement we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.

LIMITED ASSURANCE CONCLUSION

Subject Matter 1

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that OZ Minerals’ specified performance information, relating to the performance commitments and safety data, has not been reported and presented fairly, in all material respects, in accordance with the criteria listed above.

Subject Matter 2

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that OZ Minerals’ self-declared “in accordance” level of ‘core’, has not been reported and presented fairly, in all material respects, in accordance with the criteria listed above.
Acid rock drainage
When rock surfaces are exposed to air and rain, a reaction can occur with the elements in the rock which results in a change in the characteristics of the water that drains off. If the rock contains sulphides, oxidation processes can acidify the water. This process is known as acid rock drainage.

Biodiversity
Biodiversity is the variety of plants, animals and micro-organisms, their genetic variation and the different ecosystems of which they inhabit.

Carbon dioxide equivalent (CO₂-e)
Carbon dioxide equivalent is a standard measurement used to indicate the impact of various greenhouse gas emissions on global warming relative to the same amount of carbon dioxide (CO₂).

Copper concentrate
The Prominent Hill operation produces copper concentrate. This is a fine grained material that contains a percentage of copper, gold and other minerals which has been concentrated to increase its copper concentrate through the removal of waste materials. Copper concentrate is used by smelters to produce copper in its metal form.

Footprint
The area covered by OZ Minerals’ operations and activities.

Global Reporting Initiative
An international multi-stakeholder process aimed at producing and disseminating globally applicable sustainability reporting guidelines. These guidelines are for voluntary use by organisations for reporting on the economic, environmental and social dimensions of their activities, products and services. For more information, see www.globalreporting.org.

Greenhouse gases
Gases in the earth’s atmosphere that absorb and re-emit infrared radiation, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydro fluorocarbons, perfluorocarbons and sulphur hexafluoride (SF₆).

IUCN Red List
The International Union for Conservation of Nature’s (IUCN) Red List provides information about the characteristics, conservation status and distribution of flora and fauna species facing the risk of global extinction.

Kilolitre
One kilolitre is equal to one thousand litres.

Leading My Career
A training and mentoring program for high-performing females, run collaboratively between OZ Minerals, Beach Energy and Thiess Mining (Prominent Hill).

Lost Time Injury Frequency Rate (LTIFR)
A Lost Time Injury is a work-related injury or illness resulting in an absence from rostered work of at least one full day or shift any time after the day or shift on which the injury occurred. The LTIFR is the number of LTIs per million hours worked.

Megalitre (ML)
One megalitre is equal to one million litres.

Peer Observation Program
A behavioural based safety program that involves employees observing colleagues while they undertake job tasks to identify possible risks and hazards.

Petajoule
One petajoule is equal to 1,015 joules.

Significant community incidents
Level 3 and above significant incidents are internally classified as those that cause or have the potential to cause moderate to major community and/or external impact within OZ Minerals’ operational control.

Significant community issues
Key concerns raised by local community stakeholders that are a result of or strongly influenced by OZ Minerals’ activities within operational control.

Significant incidents
Any occurrence that has actually resulted in or had the potential to result in consequences that have moderate to major impacts on safety, health, environment or the community. These are internally classified as Level 3 and above. In previous reports, safety-related significant incidents were referred to as high potential incidents.

Significant occupational exposures
Substances that potentially may present a significant health risk from exposure to OZ Minerals Prominent Hill employees and similar exposure groups.

Site Culture Development Strategy
A Prominent Hill initiative that enables employee and contractor management to define, assess and improve key areas to improve the overall safety culture.

Stakeholders
Any person, group or interested party that may be impacted by OZ Minerals’ operations, activities or performance.

Tailings
Finely ground materials from which valuable minerals have been largely extracted.

Tailings storage facility
Facility designed for the storage of tailings material produced during ore processing.

Total Recordable Injury Frequency Rate (TRIFR)
TRIFR is the total number of recordable injuries per million working hours. ‘Recordable Injuries’ include those that result in lost time, medical treatment and restricted work injuries. First aid injuries are not included.

Waste rock
Material such as soils, barren or uneconomic mineralised rock that surrounds a mineral orebody and must be removed in order to mine the ore.
Husband and wife Warren Pickering and Anna Small were the joint winners of the 2014 OZ Minerals Copper Sculpture Award. Warren and Anna’s complementary copper sculpture designs were inspired by nature. Warren’s dazzling blue copper sculpture design is reminiscent of a rolling wave in the ocean. Anna’s intricate copper sculpture is reminiscent of a native Australian flower. The large copper sculptures were oxidised, which produces the blue/green patina. ‘Metamorphosis’, was exhibited inside the main terminal of Adelaide Airport during the 2014 South Australian Living Arts Festival (SALA).

OZ Minerals has an ongoing partnership with SALA and has offered the Copper Sculpture Award since 2010. The Copper Sculpture Award is similar to a commission. South Australian artists are given the opportunity to submit a proposal of their idea and apply for financial assistance for copper and production costs. Artists are then able to sell their works after the SALA Festival.

Previous winners include Chris Ormerod with ‘This Vital Arc’, Rachel and Mark Young with ‘After the Rain’, Victor Harbor High School with their copper school signage, print artist Mei Sheong Wong and Nicholas Uhlmann with ‘Dream Voyager’.

2.30 pm (Adelaide time)
Monday 25 May 2015
Adelaide Oval
William Magarey Room,
Level 3, Riverbank Stand
North Adelaide
South Australia 5006