



PALADIN ENERGY LTD

ACN 061 681 098

SUSTAINABILITY REPORT

2019

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ABOUT THIS REPORT

Paladin Energy Ltd (hereafter referred to as 'Paladin' or 'the Company') presents the Company's sixth annual Sustainability Report (Report) covering the period from 1 July 2018 to 30 June 2019 (reporting period). The Report summarises Paladin's key sustainability issues, its approach to managing them and its related performance across the Company's two operations; the Langer Heinrich Mine (LHM) in Namibia and the Kayelekera Mine (KM) in Malawi.

Information on Paladin's exploration projects, which are excluded from the scope of this Report, complementary financial statements, operating information and further details on aspects within this Report can be found on the Company's website¹ and in Paladin's Annual Report 2019.

The 2019 Sustainability Report has been prepared in accordance with the Global Reporting Initiative² (GRI) Reporting Standards, Core Option. These Standards were released by GRI in October 2016 and superseded the previous GRI G4 guidelines, which Paladin have reported under previously.

Paladin's Sustainability Reporting Journey

Sustainability reporting reflects Paladin's commitment to be accountable to its internal and external stakeholders with regard to the Company's sustainability performance and future direction.

Paladin has been reporting on its approach to sustainable development within its Annual Reports since 2008. Paladin produced its first stand-alone annual Sustainability Report for 2012. Paladin now has an established comprehensive process to systematically collect data for various sustainability metrics at its mining operations in Namibia and Malawi. The process involves the collection and consolidation of site-level data in accordance with the GRI Standards.

Stakeholder Feedback on this Report

Paladin strives to continue to improve its sustainability-related performance and its reporting process. The Company welcomes feedback on whether this Report meets your needs as a stakeholder of the Company. Details on how to contact Paladin can be found at the end of this Report.

¹ www.paladinenergy.com.au

² www.globalreporting.org

MESSAGE FROM THE DEPUTY CHAIRMAN

I am pleased to present Paladin's 2019 Sustainability Report, the cornerstone reporting as part of our commitment to transparency and accountability to our stakeholders.

Paladin, through its Board of directors, senior management and indeed all employees, is highly conscious of the fact that, as a uranium miner, it comprises part of the nuclear electrification industry. The various components of the nuclear industry (uranium mining, conversion, enrichment, fabrication, reactor builds and operation) are carried out under the strictest, internationally regulated compliance regime. Sustainability is a critical component of this regime.

The Board and management regard the work required to prepare the Company's annual Sustainability Report as an important tool to assist in the ongoing analysis of the effectiveness of its sustainability practices. It also enables the Company to modify such practices, where required, in line with emerging global standards and stakeholder expectations.

Both the Langer Heinrich Mine in Namibia and the Kayelekera Mine in Malawi remain on care and maintenance. The important aspects of the care and maintenance programmes at both sites are to ensure the security of the mine, facilities and personnel, and the protection of the environment.

The market conditions for uranium miners continues to present challenges for all producers. However, Paladin's Board and management expect the uranium market to undergo a fundamental restructure in the short to medium term, presenting the Company with the opportunity to recommence uranium production.



DAVID RIEKIE
Deputy Chairman
Paladin Energy Ltd



ABOUT PALADIN

Paladin Energy Ltd is a uranium production company with exploration projects in Australia and Canada, and with mines and exploration projects in Namibia and Malawi. The Company's head office is located in Perth, Australia. Paladin is limited by shares, and is incorporated and domiciled in Australia. The Company is listed on the Australian Securities Exchange and Namibian Stock Exchange. During the year the LHM in Namibia was placed on care and maintenance (C&M) with KM in Malawi placed on care and maintenance (C&M) in mid-2014 due to the low uranium price.

Paladin's value is based on five key drivers: producing mines; quality project pipeline; proven team; industry positioning; and the sustainability of its operations. The Company has a proven track record in mining and processing innovation, establishing in-house technical strength and consolidating a unique geographically diversified asset base. Paladin's ongoing focus remains on technical innovation and cost optimisation as well as having a business strategy to establish key partnerships to strengthen the Company.

For more information on Paladin's exploration sites and mining operations, please refer to Paladin's website.³

Langer Heinrich Mine (LHM)

LHM, located in Namibia in the Namib Desert, is a surficial, calcrete type uranium deposit, with ore treated using an alkaline leach and ion exchange process. Paladin currently owns 75% of LHM through its subsidiary Langer Heinrich Uranium (Pty) Ltd (LHUPL). The remaining 25% is owned by CNNC Overseas Uranium Holding Limited, a wholly owned subsidiary of China National Nuclear Corporation.

In 2005, Paladin commenced construction of LHM with operations commencing in 2007 and reaching Stage 1 nameplate of 2.7Mlb of uranium oxide in 2008/2009. Construction on the Stage 2 expansion commenced in 2009 and was completed in 2010, increasing production to 3.7Mlb per annum (pa). The Stage 3 expansion, commenced in 2011 and completed in 2012, further increasing production to 5.2Mlb pa. In 2016 due to the continuing low sales price for uranium a mining curtailment strategy was introduced at LHM as a cost cutting initiative. Mining of the various open pits ceased and ore feed for the process plant was sourced from a series of medium grade stockpiles. The ore throughput rate was maintained but at a lower feed grade. The production for the reporting period was 2,977,961lb but due to the ongoing low uranium price a decision was taken by the Paladin Board to prepare the mine for care and maintenance that commenced on 13 May 2018. The expected remaining project life of LHM is around 20 years.

During the reporting period, there was nil production, however 5,447.94kg (12,010.64lb) of May 2018 production was drummed and the full amount was shipped and sold.

The key focus at LHM during care and maintenance will be the safety of personnel and the security of the project assets. The key care and maintenance activities include maintaining plant and equipment in a state of readiness to facilitate a restart of operations, complying with legal and social obligations, conducting environmental and radiological monitoring and managing the tailings facility water management.

Paladin is currently conducting a Prefeasibility Study (PFS) to define and assess the potential for a restart of the LHM operations. The PFS commenced on site and includes targeted exploration drilling work, focused surveying, considering resource definition, limited processing testing work as well as consideration of license to operate obligations.

Kayelekera Mine (KM)

KM, located in northern Malawi, is a sandstone-hosted uranium deposit. KM is owned by Paladin (Africa) Limited (PAL), a subsidiary of Paladin. The Government of Malawi holds 15% equity in PAL within the terms of a Development Agreement signed in 2007 between the Company and the Government of Malawi. KM was officially opened in 2009 and ramped up to its production rate of 3.3Mlb of uranium oxide per annum, just prior to the mine being placed on care and maintenance.

Due to the sustained low uranium price, mining ceased in February 2014 with processing of the ore and reagent rundown continuing to May 2014 at which time the site was placed on care and maintenance.

³ <http://www.paladinenergy.com.au/>

Therefore no mining or processing was undertaken during the reporting period. The key focus at KM during care and maintenance is the safety of personnel and the security of the project assets. The key care and maintenance activities include maintaining plant and equipment in a state of readiness to facilitate a restart of operations, complying with legal and social obligations, conducting environmental and radiological monitoring, progressively rehabilitating disturbed areas, and treating and discharging rain water collected in the on-site ponds to reduce KM's water inventory prior to the onset of the next rainfall season.

During 2019 Paladin announced the sale of its Kayelekera Mine to Lotus Hylea Metals. Paladin expects to conclude the sale before the end of 2019.

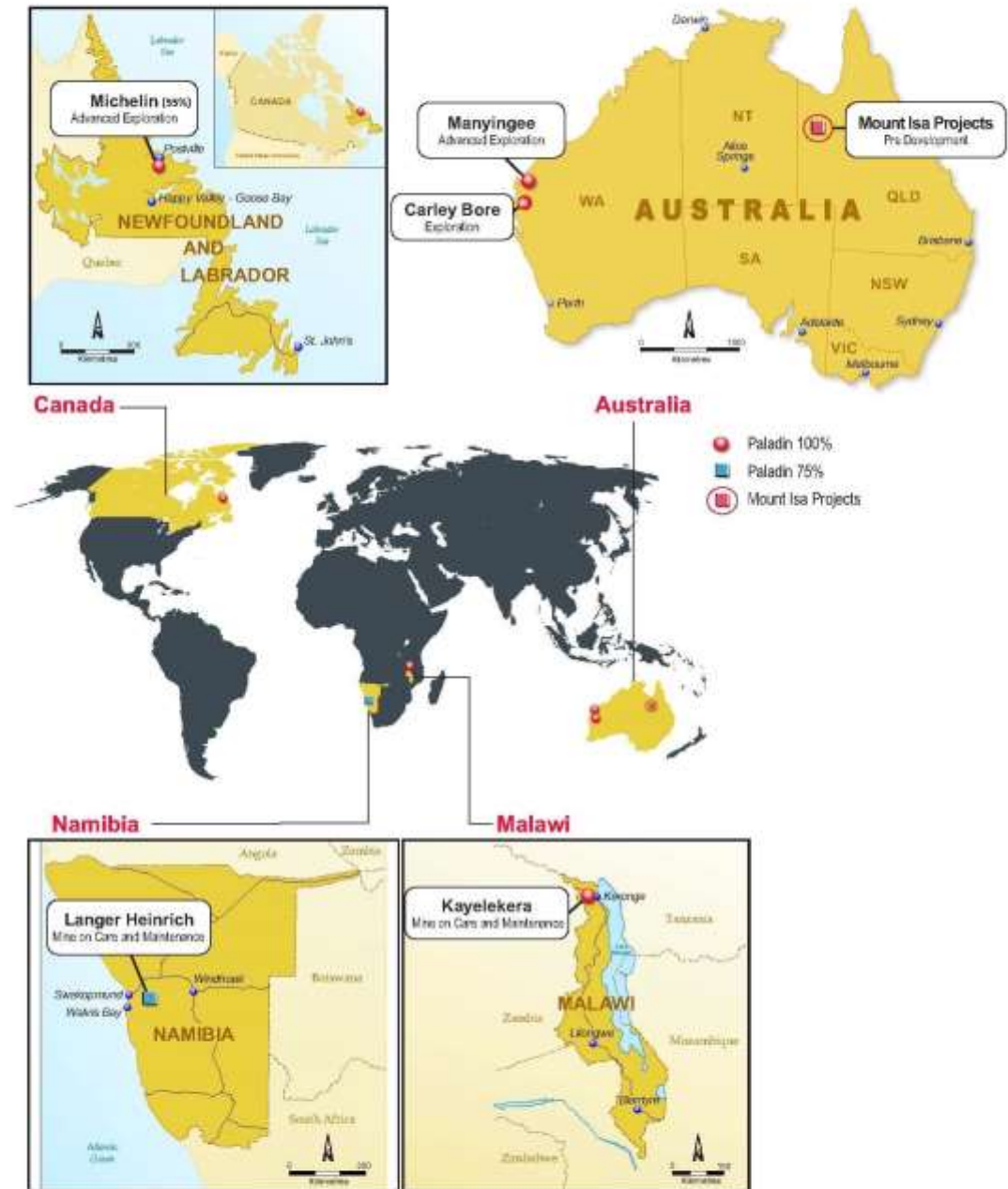


Figure 1. Project Locations

SUSTAINABILITY AND GOVERNANCE AT PALADIN

Paladin is committed to the goal of sustainable development which is reflected in its corporate values. The Company's values include the promotion and creation of shared wealth, becoming a major uranium supplier, operating at global best practice, safety and environmental stewardship, employee welfare and recognition, and the contribution and response to the attitudes and expectations of local communities in the countries in which Paladin operates. Paladin is also cognisant of the extra diligence that is required by those in the uranium industry. The Company has therefore established an in-house team with extensive knowledge on uranium and the stringent requirements related to the commodity. Paladin also emphasises acting with integrity, honesty and cultural sensitivity in all its dealings. In support of this commitment, the Company applies and adheres to established and internationally-recognised principles of sustainable development across its global activities.

In implementing its sustainable development programme, Paladin aims to achieve a balance between economic, environmental and social needs in all phases of its projects, and takes into consideration its employees, communities, shareholders and other key stakeholders. Paladin ensures that its high standards are not compromised despite the current difficult economic climate it is operating in.

Sustainability Governance

Sustainability at Paladin is governed through the Company's Sustainability Committee which provides the Board with an overview of its performance in the areas of health, safety, radiation, environment, social responsibility and sustainable development. The Committee also advises and makes recommendations to the Board where significant sustainability-related issues arise. The Sustainability Committee currently comprises three members: a Non-executive Independent Director who is Chairman of the Sustainability Committee, the Chairman of Paladin's Board and Paladin's Chief Executive Officer (CEO). The Sustainability Committee's Charter is available in the corporate governance section on Paladin's website⁴.

The Sustainability Committee meets at least twice a year. Paladin's Management Team and external consultants are invited when appropriate to brief the Sustainability Committee and attend its meetings. The Committee reviews Paladin's relevant policies and guidelines to ensure that they reflect current and emerging international standards. In addition, the Committee monitors Paladin's performance on sustainability aspects and the operational effectiveness of its policies and guidelines. The Committee also considers reports related to significant accidents, environmental incidents, community concerns, policy breaches or systems failures, and reviews internal and external audit reports to ensure that Paladin's operations are in compliance with relevant legislation. Any significant areas of concern are escalated from the Committee to the Board.

All of Paladin Policies were reviewed, revised where necessary and approved by the Board. The Policies are now to be rolled out to all Paladin Group personnel through comprehensive briefings and interactive sessions that addressed each policy in detail. The Company's policies will all be reviewed again in the 2020 reporting period.

During the period, a thorough ground up review of the companies' enterprise risk management system was undertaken through August and September 2018 ensuring that all material risks were identified and adequate controls were in place and to conform as far as is reasonable with the appropriate Australian Standards AS ISO 31000:2009. The companies' risk process was also updated with the procedure being aligned to this standard and the consequence and risk matrix tables were updated to reflect the current business position.

Workshops were held with the Corporate, Langer Heinrich mine and Kayelekera mine teams producing three risk registers with a combined eight material risk classifications and 21 individual risks. Under Paladin's Risk Management System, the General Managers and the CFO of each business unit are accountable for the day to day execution of the risk controls and will be required to report monthly to the CEO on the status of the controls and control implementation and this information will be presented quarterly to the Board.

⁴ To view Paladin's corporate governance or other policies and procedures, including codes, committee charters and other relevant documentation, please refer to: <http://www.paladinenergy.com.au/corporate-governance/>

INDUSTRY PARTICIPATION

LHUPL is a member and active participant in many industry bodies related to the mining industry. This enables LHUPL to contribute to the discussions and development of public policy initiatives, codes of practice, stewardship and key industry issues. This also allows LHUPL to understand and remain abreast of key challenges and opportunities for the uranium sector, and to assist in the development of LHUPL's strategies, plans and policies so they better reflect and respond to market needs and stakeholder expectations. During this review period, the following external engagement sessions took place.

Key LHPL government engagements sessions includes:

- The Governor of Erongo Region – Hon. C. Matjivikua
- The Chief Inspector of Labour – Mr. Sebastian Kapeng
- The Chief Inspector of Mines – Mr. Matthew Amugehta
- Delegation of the National Radiation Protection Authority of Namibia, Department of Water Affairs and the Ministry of Environment and Tourism

Key LHUPL industry engagement includes:

- The Chamber of Mines and Energy of Namibia, which contributes to policy debate to promote safe, efficient and productive mining development and to enhance stakeholder and public confidence in the industry.
- Namibian Uranium Association (NUA), which is an advocacy body that represents the uranium industry in Namibia. NUA members work cooperatively to ensure that the Namibian uranium, exploration, mining and exporting industry is able to operate, expand and thrive safely and efficiently. The NUA Board of Directors, of which the LHUPL Managing Director serves as a trustee, governs the NUA. LHUPL, is represented on a number of internal working groups which include amongst others:
 - Sustainability Committee
 - Air and Water quality working group.
 - Radiation Safety working group
 - Swakopmund River Farmers Group
 - Services Working Group
 - Communication working group

Paladin played an instrumental role in the establishment of the Australia-Africa Minerals & Energy Group (AAMEG), an industry body that promotes best practice in corporate social responsibility amongst Australian mining companies with African interests.

STAKEHOLDER ENGAGEMENT

Paladin considers its stakeholders⁵ to include both those who have the potential to be impacted by and those that could impact on a project. As such, and reflective of the diverse range of environments and communities where Paladin operates or has interests, the Company has a broad range of stakeholders, including the following:

- Community members and groups
- Non-Government Organisations, Environmental Groups and Civil Society Organisations
- Government Ministers and Departments in host countries
- Indigenous organisations and representatives
- Employees and their representative organisations
- Paladin shareholders and employees
- Industry Groups

Paladin regularly consults and engages with its stakeholders, recognising the importance of listening to and understanding the issues raised by them so that the Company can respond effectively. Stakeholder consultation is undertaken through formal and structured meetings as well as through informal and *ad hoc* communication. Both LHM and KM have established and maintain stakeholder registers that were initially developed during the Environmental Impact Assessment (EIA) processes conducted for both operations. The registers are reviewed and updated on a regular basis.

Table 1 presents the number of formal stakeholder meetings that LHUPL (LHM) and PAL (KM) held during the reporting period. In addition, numerous *ad hoc* meetings are held between Paladin personnel and various stakeholders that are informal in nature and, hence, not captured in Table 1 below. Consultation is discussed in relevant sections of this Report, such as in the Local Communities section.

Table 1. Frequency of Formal⁶ Stakeholder Meetings by Stakeholder Group

Stakeholder Group	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Community	0	0	7	10
Environmental Forum/Groups	4	4	1	3
Civil Society Organisations	4	4	0	0
Government inclusive of Ambassadors and High Commissioners	30	12	6	9
Employees	30	16	0	0
Other	159	40	0	0
Total	227	75	14	22

LHM

Employee consultation during the reporting period included employee engagement sessions where feedback on the Company's performance was provided on a quarterly basis, as well as engagements related to the retrenchments as a result of LHM being placed on Care and Maintenance. Further to this, the Shareholders resolution to place LHM on Care and Maintenance and the commencement of the PFS required extraordinary stakeholder engagements Employee engagement sessions increased since

⁵ Stakeholders are people or institutions that are affected, or may be affected, by the Company's activities or can affect the activities of the Company.

⁶ Numerous *ad hoc* meetings are held between Paladin personnel and stakeholders that are not necessarily captured as formal meetings, hence the numbers of formal meetings vary somewhat from year to year.

C&M implementation to weekly engagements sessions. At national level the Governmental Ministries of Mines and Energy and Labour were approached in order to convey the Care and Maintenance plan. The Mine Workers Union of Namibia was also informed on both national and local level of the Care and Maintenance plan and the subsequent retrenchments. Local authority and role-players were informed of the change of operations as suppliers and other contractual obligations were affected.

KM

Consultation with the local community at KM is formalised by using the District Executive Committee (DEC) stakeholder meetings, which are organised by the Karonga District Commissioner's Office. The meetings are attended by local representatives of Government Ministries, traditional authorities, Karonga-based non-governmental organisations (NGOs), church organisations and local media. DEC meetings are used by PAL and other organisations as a community information and consultative forum and to answer stakeholder questions or concerns. The meetings have not been held for the past three years as there have been no major issues arising since entering care and maintenance. PAL will reengage with DEC if required or when production recommences.

Meetings are held on a regular but mostly informal basis with the Kayelekera village leadership, the Karonga District Commissioner, traditional authorities and their advisors. The consultation forums allow open communication between local stakeholders and the company community team representatives in the area. Community consultation during the reporting period discussed issues related to fast-tracking the opening of Kayelekera clinic, security, Exclusive Prospecting Licences (EPLs) and disposal of some redundant company property.

The numerous meetings held to discuss and brief various stakeholders were not all captured as formal meeting's and therefore not accounted for in Table 1. This information will be collected going forward.

MATERIALITY

Materiality Process

To identify those aspects that are most material to Paladin as a business and its stakeholders, and to define the content of this Report, Paladin has applied the GRI Principles for Defining Report Content. Paladin conducted an in-house materiality process, which involved input from Paladin's technical personnel, Senior Management, the Chairman and an independent Non-executive Director of the Board.

To identify its material aspects, Paladin considered all aspects and disclosures included in the GRI Standards across the economic, environmental and social categories. During the process, the interests of stakeholders were considered along with the issues being addressed by the uranium industry and the mining sector in general. Paladin also sought to capture a broad Company perspective on the importance of various performance outcomes. To prioritise and determine the materiality of each aspect they were ranked according to the following categories:

- Aspects of most significance/importance to Paladin and its stakeholders
- Aspects of moderate to low importance to Paladin and its stakeholders
- Aspects of minor importance to Paladin and its stakeholders

Aspects that are determined to be of most significance/importance to Paladin's business and its stakeholders are presented in Table 2. The related performance outcomes are discussed throughout this Report.

Table 2. Material Topics

Identified Material Topics	
CATEGORY: ECONOMIC	CATEGORY: ENVIRONMENTAL
Economic Performance (GRI 201) Market Presence (GRI 202) Indirect Economic Impacts (GRI 203) Procurement Practices (GRI 204) Anti-Corruption (GRI 205)	Energy (GRI 302) Water and Effluents (GRI 303) Biodiversity (GRI 304) Emissions (GRI 305) Effluents and Waste (GRI 306) Environmental Compliance (GRI 307)
CATEGORY: SOCIAL	
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK	SUB-CATEGORY: HUMAN RIGHTS
Employment (GRI 401) Occupational Health and Safety (GRI 403) Training and Education (GRI 404) Diversity and Equal Opportunity (GRI 405)	Security Practices (GRI 410) Human Rights Assessment (GRI 412)
SUB-CATEGORY: SOCIETY	
Local Communities (GRI 413) Public Policy (GRI 415)	

ENVIRONMENT

Approach

Paladin recognises that excellence in environmental performance is essential to business success and to achieving its sustainable development objectives.

Paladin aims to minimise its impact on the environment through:

- effective environmental management across all aspects of its operations;
- preventing, minimising, mitigating and remediating any adverse impacts of its operations on the environment; and
- achieving continuous improvement in environmental performance.

Environmental Governance

Paladin's environmental approach is managed through the Company's Environmental Policy,⁷ which focuses on:

- complying with applicable environmental legislation as a minimum and applying corporate and industry standards;
- ensuring that an Environmental Management System (EMS) is in place for its operations;
- identifying, assessing and managing environmental risks and impacts related to its activities;
- developing and implementing environmental objectives and targets;
- implementing and assigning accountabilities for its environmental standards and guidelines and procedures;
- striving to achieve continuous improvement in environmental performance;
- preventing and mitigating pollution from its operations;
- ensuring employees and contractors are fully aware of their environmental responsibilities;
- undertaking regular inspections and audits on environmental performance;
- reporting environmental performance openly and transparently;
- establishing grievance mechanisms for all stakeholders where environmental complaints can be received and addressed; and
- making the Policy available to the public.

The Environmental Policy is implemented through endorsing Paladin's environmental standards and conducting performance reviews and reporting. Environmental Managers at LHM and KM are responsible for site-based performance and report directly to their respective General Manager Operations. LHM and KM are also governed by site specific environmental requirements and associated management systems to further promote good environmental practice at site-level, taking into account the local operational environment.

To complement Paladin's Environmental Policy and to enhance environmental governance, each operating site is required to develop and implement an EMS that is consistent with the ISO14001:2004 EMS requirements.⁸ LHM has an Operational Environmental Management Plan (EMP) that has been submitted, as required, to the Namibian Government and other third parties. With both sites now being in care and maintenance, the EMPs at both sites will be reviewed and amended if appropriate for an operation in a care and maintenance phase.

Mine closure planning is a key component of Paladin's commitment to sustainable development, and a Corporate Closure Standard has been endorsed by the Paladin Board. This requires Paladin to leave its sites in a safe and stable manner at closure and to minimise environmental and social impacts. Both

⁷ All of Paladin's policies are reviewed and endorsed by the Board. To view Paladin's environmental or any other policy or internally developed codes please go to: <http://www.paladinenergy.com.au/corporate-governance>

⁸ LHM's EMS was originally certified in 2009, recertified in 2012 and recently recertified in April 2015. KM's Environment Department is in the process of developing an EMS.

LHM and KM revised their Closure Strategies on a regular basis. The closure cost provision estimates were reviewed during the reporting period.

Performance Assessment and Reporting

Paladin's Environmental Audit Standard ensures that the environmental performance of each operation is monitored and that audit findings are reported to Paladin's Board. Internal and external environmental audits are undertaken on a regular basis at both LHM and KM to ensure compliance with Company and regulatory requirements, as well as with environmental standards set by the World Bank's Equator Principles and other industry bodies, particularly those specified for the uranium industry.

ENVIRONMENT

During the reporting period, environmental inspections and audits were undertaken at LHM and management actions developed and implemented to manage the identified issues. During this period the National Radiation Protection Authority conducted audits to confirm if:

- Radiation Management Plan adequately address changes brought about by the Care and Maintenance Program of LHM.
- Radiation Management System adequately address changes brought about the Care and Maintenance Program of LHM
- Radiation Monitoring Program adequately address changes brought about by Care and Maintenance Program
- Implementation and full execution of the submitted C&M Radiation Monitoring Program.
- LHM continue to operate within regulatory requirements.
- The Department of Water Affairs & Forestry of MAWF carried out annual inspections of the sewage treatment plants. The required wastewater and effluent disposal permits were in place

Langer Heinrich Uranium reported that conditions are stipulated in the wastewater and effluent disposal exemption permit and were adhered to during this reporting period.

Both LHM and PAL prepare various environmental reports for the Namibian and Malawi Governments, respectively. Regulatory reporting for LHM is currently conducted bi-annually for general environmental reports and annually for specific aspects such as radiation. At the time of this reporting LHM submitted the 6-monthly report for the period 01 July 2018 to 31 December 2018. Regulatory reporting for KM is conducted on a monthly and quarterly basis for monitoring data and regulatory compliance, and on an annual basis for general environmental reporting.

A centralised environmental database, maintained at Paladin's Perth Office, enables the Company to continually monitor, report and evaluate data. Any anomalies in the data are investigated and the causes are addressed as they arise.

Performance

Environmental Impact Assessments

Environmental Impact Assessment (EIA) processes were conducted at the project development phase for both the LHM and KM in 2005 and 2006, respectively. EIAs were also undertaken at LHM for the Stage 3 and Stage 4 Expansion Projects in 2010 and 2012, respectively. All of the assessment processes involved extensive stakeholder consultation and the EIA reports were made available for public review and comment.

Water

Water is critical across every aspect of the mine lifecycle and as such, sound water management is essential to maintaining operations. Paladin's operations are located in very different environments which influences the water management approaches used at each site. LHM is located in a desert environment where natural surface water sources are scarce and evaporation is significantly higher than average rainfall. KM, in contrast, is located in a tropical climatic region with very high seasonal rainfall and a dry season.

Paladin applies a Water Use and Quality Standard at all of its operations to ensure efficient, safe and sustainable use of water and the protection of water resources and ecosystems around its sites. LHM and KM each have water management strategies in place and maintain whole of site water balances to ensure that the Company achieves its water usage, supply and resource protection objectives. A specific Care and Maintenance Water Management Strategy has been developed for the care and maintenance phase at KM. The KM Strategy focuses on reducing stored water in the water collection ponds on site to ensure sufficient capacity remains in the ponds to capture rainfall runoff from the mining and processing areas of disturbance. Water in the ponds is treated in an onsite water treatment plant to a quality suitable for discharge as per the licence criteria. A specific Care and Maintenance Water Management Strategy has been developed for the care and maintenance phase at LHM. As LHM operates in a desert environment the strategy unlike that of KM is predominantly the management of the existing tailings water system as no new tailings or water sources are generated. The existing strategy for water containment during rainfall events will be maintained and monitored.

Water Supply/Abstraction

New water is primarily from the Namibian Water Corporation (NamWater) (100% for the reporting period) sourced from a desalination plant and a smaller quantity is sometimes available from rainfall runoff captured in the mine pits during the occasional rain events that occur at LHM producing runoff, no runoff water was captured and used during this reporting period. The remaining water required for the process is recovered supernatant water from the Tailings Disposal Facility (TDF).

The licence limit for abstraction from the local borefield is 500,000m³ pa. LHM did not abstract any water from the Swakop River Groundwater during the reporting period. Water recycling and re-used at LHM involves using water returned from the Tailings Storage Facilities, recovery wells and interception trenches, and the treated effluent from the sewage treatment plant. The

During this reporting period 10,297m³ of freshwater was supplied by NamWater, whilst the total freshwater consumed was reported as 21,955m³. Re-used water from the Sewage Treatment Plant was reported as 4,026m³, whilst 166,763m³ of supernatant water was returned from the Tailings Storage Facilities (TSF #2 and TSF #3) to the Processing Pond. A total volume of water flowing into the Processing Pond was recorded as 154,863m³.

LHM being on Care and Maintenance resulted in the returned and recycled water being recirculated between the Processing Pond, the current TSF #5 and Pit F. The total volume of water re-send from the Processing Pond to the TSF#5 (106,506m³) and Pit F (11,779m³) was reported as 118,285m³⁹.

The estimated volumes of water withdrawn for the various sources of water supply are shown in Table 3. Total plant demand and the volumes of new and recycled water are presented in Table 4. No processing of ore was conducted at both LHM and KM during the reporting period.

Table 3. Total Water Withdrawal by Source (ML/year)

Source	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Surface Water	0	0	0	0
Ground Water	0	230	0	0
Rainwater ¹⁰	0	0	842.5	1198
Waste Water	0	0	0	0
Municipal Water Supplies	10	1447	0	0
Total Water Withdrawn	10	1,677	842.5	1198

⁹ Calculation as required by EN10 in the GRI Standards.

¹⁰ Rainfall is captured and included in the total water withdrawn as per GRI requirements but not all used in the plant.

Table 4. Total Plant Water Demand and Recycled (ML/year)

Source	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Total Plant Demand	165	3,114	62.76	20
Total New Water Plant Demand	10	1,677	0	0
Total Recycled Water	151	1,437	62.76	20
% Recycled of Total Plant Demand	91%	46.1%	0%	0%
% Recycled Compared to Total Water Withdrawn¹¹	1460%	85.7%	0%	0%

LHM has been placed on C&M and water previously been used inside the Processing Plant was recirculated inside TSF #5.

Operational Impacts on Water Quality

During the reporting period, no water bodies or associated ecosystems were significantly affected by the abstraction of ground or surface water at Paladin's operational sites. No groundwater was abstracted by LHU.

A comprehensive surface and groundwater monitoring programme is undertaken at both LHM and KM. Water level measurements, water extraction and sampling are routinely recorded and collected according to a monitoring schedule designed to meet regulatory requirements. Data are regularly assessed to identify any impacts of the operations on local water resources and to ensure licence limits are not exceeded. All water monitoring data are stored in a centralised database and collated in annual water reports that consolidate and summarise the key water aspects across all of Paladin's operations.

Local communities and ecosystems have the potential to be affected by the discharge of water. At LHM no water was discharged to the environment. Treated water was discharged at KM during the reporting period. Monitoring has shown that there were no significant impacts as a result of the discharge of treated water to the receiving water body (Sere River) at KM.

The use of water for processing ceased once the mine was placed on care and maintenance, therefore the onsite water inventory is required to be reduced to allow sufficient capacity in the ponds, for a 1:100 year 24 hour rainfall event, to avoid overflow and unplanned discharge during the rainfall season. The water in the ponds is treated prior to being control discharged. A section of the KM processing plant was modified to be used as a water treatment plant where contaminants are removed from the onsite stored water. The treated water is in-river diluted to meet the licensed discharge criteria prior to discharge to the local river system.

The licence to discharge treated on site water was issued to PAL by the Government of Malawi in January 2019 with conditions regulating specific water quality parameters, including the World Health Organisation (WHO) drinking water guideline for uranium concentrations. Comprehensive monitoring of the treated water being discharged and the water quality in the local river systems is undertaken at the discharge location and upstream and downstream from KM by both PAL and the Government of Malawi. The monitoring results are shared between the Company and the Government.

Water treatment at KM involves a lime and barium chloride process to remove metals and radium followed by solid/liquid separation, neutralisation of the water and filtration to control the suspended solid content. The treated water is not used by any other organisation.

The volume of water discharged for the reporting period is shown in Table 5, no discharge was required at KM for previous years. The average quality of the treated water discharged compared to the licence discharge criteria is shown in Table 6.

¹¹ Calculation as required by EN10 in the GRI Standards.

Table 5. Total Planned and Unplanned Discharges (ML/year)

Source	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Total Planned Discharge	0	0	541,482	1,187,293
Total Unplanned Discharge	0	0	0	0
Total Discharge	0	0	541,482	1,187,293
Destination	N/A	N/A	Sere River	Sere River

Table 6. Planned Discharge Water Quality at KM

	pH units	Uranium mg/L	Sulphate mg/L	TSS mg/L	COD mg/L	DO mg/L
Licence Discharge Criteria	6.5-9	<0.03	<800	<30	<60	>5
Average Discharge Water Quality	8.8	0.011	-*	6.0	<10	6.85

TSS: Total suspended solids

COD: Chemical Oxygen Demand

DO: Dissolved Oxygen

* Waiver for sulphate limit for the reporting period

Biodiversity

The key biodiversity aspects for Paladin's operations are water, air, flora, weeds, fauna, land use and rehabilitation; all of which are considered in the early stages of project development, right through operations, to eventual closure.

Paladin aims to conserve biodiversity by obtaining knowledge of local ecosystems, so as to avoid or minimise the impacts its activities may have on biodiversity. Prior to project development and expansion projects, environmental baseline studies are conducted, potential impacts assessed and environmental management plans and monitoring programmes established, to minimise impacts on biodiversity over the life of the mine.

Land Use and Management

Paladin's operations are located in very different land use and climatic settings. LHM is located within a National Park in a desert environment, while KM is situated within a subsistence agricultural region in a tropical climate. Prior to disturbance for project development or expansion projects, baseline studies are conducted to determine land use and land values, including the biodiversity, ecological, social and cultural heritage values of the area proposed for activity. Land clearance processes and procedures are in place at both LHM and KM.

Where impacts are unavoidable, rehabilitation measures are, or will be, undertaken to return disturbed land to a stable, self-sustaining landform compatible with the surrounding environment. Wherever practicable, progressive rehabilitation of disturbed areas is conducted at all of Paladin's exploration sites and mining operations. Areas disturbed and rehabilitated at LHM and KM are shown in Table 7.

Table 7. Areas of Disturbance and Rehabilitation (hectares)

Areas (ha)		LHM		KM	
		2018/19	2017/18	2018/19	2017/18
Leased		7374	7374	5,500	5,500
Impermeable Surface		86	86	15	15
Area Disturbed	Annual	0	0	0	0
	Total	980	980	233	233
Area Rehabilitated	Annual	0	5	4	4
	Total	39	39	29	25
Total area disturbed and not yet rehabilitated	Total	876	936	204	208

At LHM, approximately 980 hectares (ha) of land used for the mining and processing facilities are classified as 'disturbed'. Of this area, impermeable land¹² comprises approximately 86ha. No land were rehabilitated during the reporting period, bringing the total rehabilitated land to date to approximately 39ha.

At KM, approximately 233ha of land used for the mining and processing facilities are classified as 'disturbed'. Of this area, the impermeable land comprises approximately 15ha. There was no additional disturbance of land during the reporting period as the mine is on care and maintenance. Approximately 4ha of land were rehabilitated during the reporting period, bringing the total rehabilitated land to date to approximately 29ha.

Protecting Biodiversity

LHM has a Biodiversity Management Plan, with associated programmes and procedures, in place to address and manage potential impacts in areas where species were identified as needing protection. As LHM is located in the Namib Naukluft National Park (NNNP), extensive biodiversity studies have been conducted in the area to establish biodiversity composition, structure and processes. Using the results from these studies, analyses have been undertaken and management measures proposed to avoid areas ranked as high sensitivity and to minimise negative impacts on biodiversity in general. The entire 7,374ha Mining Lease Area can be considered a protected area as it is located within a National Park. The NNNP is classified as a desert biome that supports a high number of endemic plant, insect and reptile species. The NNNP is also a conservation area for the Mountain Zebra. Approximately 68 ha of the Mining Lease Area has been designated through biodiversity studies as sensitive and requires special management.

903 Flora and fauna species listed on the International Union for Conservation of Nature (IUCN) Red List and 1,159 listed on the Namibian 'special status' lists have been identified as likely to occur within the LHM Mining Lease Area. Of the species listed on the IUCN Red List considered to be potentially impacted by the mining activities twenty-eight species are endangered, nineteen are vulnerable and eight are near threatened and 841 of least concern. The species listed on the Namibian 'special status' lists that have been observed in the area total 1,159 comprise twenty-five classified as protected, six endemic protected, 213 as endemic least concern, two near endemic vulnerable, 71 near endemic of least concern, and 841 as least concern.

KM is located within an area that has been extensively modified by local agricultural and burning practices for subsistence farming. KM is not located within a protected area or an area considered of high biodiversity value and, as such, has no habitat protected areas. There are also no special habitats identified in the KM area. Seven species listed by Malawian legislation have been recorded in the KM area, three of which are listed on the IUCN red list. Two species, *Orchidaceae* and *Aloe vera*, are considered endangered and the other species *Pterocarpus angolensis* is near threatened. Management procedures are in place to ensure that searches are undertaken for plants of these species prior to

¹² Land covered by permanent facilities and not available for progressive rehabilitation.

disturbance and any listed plants identified are managed accordingly. KM's Environmental Management Plan includes a Biodiversity Management Plan.

Aquatic invertebrate monitoring is undertaken to assess the health of the rivers located in the vicinity of KM. One monitoring point, close to a village, is within the section of river used by village residents for domestic purposes such as bathing and washing using detergents, and also for fishing technique using poisonous leaves. Monitoring results during the reporting period indicated that this monitoring point was considered by the evaluation system being applied to be impacted with the most likely cause due to the use of detergents and poisonous leaves for fishing. Monitoring scores from other monitoring locations downstream of the mine indicated a warning of potential impact. However, low flows in the river affects habitat suitability and there was generally very low flow in the river due to low rainfall received during the reporting period.

Energy

Mining operations are energy intensive. The energy Paladin uses for its operations is principally derived from fuel-fired electricity sources. The fuel used by vehicles at both sites is predominantly diesel, with some vehicles using petrol. In addition, emulsion is used as the explosive for blasting at both sites, however no blasting has occurred since 2014 at KM and 2016 at LHM. All these fuel sources are considered non-renewable. Currently there is no consumption of renewable energy at either site, although this is an area that is continually being investigated and considered.

Electricity at LHM is purchased from the Namibian power grid and, if necessary, supplemented with power generated at the on-site diesel-fuelled power plant. At LHM 2,709,419kWh of electricity was purchased during the reporting period, which less than the 61,228,274kWh was purchased during the previous reporting period.

The total energy usage from indirect and direct sources (heating, vehicle fuel, power generation) at LHM is calculated as approximately 20TJ.

At KM, energy is generated using a diesel-fuelled power plant. The total energy consumption (vehicle fuel, power generation) at KM for the reporting period was estimated at 11TJ for the water treatment plant and care and maintenance requirements.

Energy consumption and the volume of the fuels used at each site are shown in Tables 8 and 9, respectively.

Table 8. Energy Consumption (TJ)

Energy Consumption (TJ)		LHM		KM	
		2018/19	2017/18	2018/19	2017/18
Total Direct Energy Consumption ¹³	Renewable	N/A	N/A	N/A	N/A
	Non-renewable	10	610	11.1	15.4
Total Indirect Energy Consumption ¹⁴	Renewable / Non-renewable	10	220	0.9	0.9
Total Energy Consumption		20	830	12	16.3

¹³ The conversion factor used for each US gallon consumed is 0.138GJ for diesel, 0.144GJ for HFO, and 0.125 for petrol. Sourced from <https://www.globalreporting.org/resource/library/G3.1-Environment-Indicator-Protocols.pdf>

¹⁴ Purchased from the Namibian electricity grid which currently does not provide a breakdown of renewable compared to non-renewable energy. A conversion factor of 0.0036GJ per kWh has been applied.

Table 9. Fuel Usage (L)

Fuel Usage (L)	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Diesel - Power Generation (L)	16,757	16,757	921,003	1,286,904
Diesel – Heat Generation (L)	0	0	N/A	N/A
Diesel – Borefield Generator (L)	111,358	111,358	N/A	N/A
Automotive Diesel (L)	2,949,448	2,949,448	85,914	70,652.23
Automotive Petrol (L)	12,513	12,513	N/A	N/A
Heavy Fuel Oil (L)	13,073,405	13,073,405	N/A	N/A
Emulsion (blasting) (t)	0	0	N/A	N/A

Greenhouse Gas Emissions

The current scope of the Sustainability Report is for Paladin's two mine sites LHM and KM, therefore the approach for the reporting of emissions is operational control. The efficient use of energy is central to reducing greenhouse gas emissions, as well as reducing the cost to Paladin associated with fuel and other energy uses. Energy usage at LHM was slightly lower than for the previous year due to less amount of ore being processed. This resulted in lower greenhouse gas (GHG) emissions at LHM in terms of CO₂ equivalent for Scope 1 direct site-generated GHG emissions and also for Scope 2 indirect GHG emissions from purchased electricity. Total direct and indirect greenhouse gas emissions at LHM and KM are shown in Table 10.

Table 10. Greenhouse Gas Emissions¹⁵

Source	LHM (t CO ₂ equivalent)		KM (t CO ₂ equivalent)	
	2018/19	2017/18	2018/19	2017/18
Diesel (Power)	45	45	2,505	4,551
Diesel (Heat Generation)	0	0	N/A	N/A
Diesel (Borefield Generators)	302	302	N/A	N/A
Automotive Diesel	7,988	7,988	234	624
Automotive Petrol	29	29	0	0
Heavy Fuel Oil (Heating)	36,729	36,729	N/A	N/A
Emulsion	0	0	0	0
Total Direct Emissions	45,156	45,156	2,739	5,175
Total Indirect Emissions (Public Electricity)	59,575	59,575	N/A	N/A
Total¹⁶	104,731	104,731	2,739	5,175

During the reporting period, indirect emissions from the purchase of off-site power generation contributed to around 57% of the total GHG emissions at LHM which was slightly higher than the previous year at 52%. The total (Scope 1 and Scope 2) CO₂ equivalent generated per tonne of ore processed remained at 0.039 for this reporting period.

The tonnes of CO₂ equivalent generated at KM were lower than those generated in the previous year due to the reduced operating time of the water treatment plant as compared to the previous year.

Diesel use for on-site power generation at KM constituted approximately 91% of the total GHG emissions during the reporting period.

¹⁵ All calculations are based on default values in Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2006) for global warming potential.

¹⁶ Total greenhouse gas emissions as the sum of direct and indirect emissions in tonnes of CO₂ equivalent.

Mineral Waste

Mineral waste generated by Paladin's mining and processing operations includes waste rock and tailings. Waste rock is the overburden material that must be removed to allow access to the ore. Tailings are generated from the processing of ore and comprise mineral residue, process water and reagents. All mineral waste remains on site and requires management to reduce its potential environmental impacts.

At both LHM and KM waste rock is removed to access the ore and then placed in waste rock dumps. The correct placement of waste rock is important in terms of cost and environmental considerations. A key consideration for the waste rock dumps is to establish a final stable landform that blends in with the surrounding landscape and is capable of supporting a self-sustaining ecosystem. Studies have been conducted to determine the best location for the waste rock dumps, taking haulage costs and environmental aspects into consideration.

The design of the dumps and the placement of waste rock also consider other factors such as the physical and geochemical properties of the waste rock and any low grade ore that may also be stockpiled. Geochemical studies have been undertaken on the waste rock and mineralised waste at both LHM and KM, with the findings being considered in the dump design and operating procedures for waste rock management. Risks associated with the waste rock dumps have been identified and are included in the site-wide risk assessments. Waste rock management is included in the Life of Mine Plan and also in the Waste Rock Management Plan included in the Environmental Management Plans.

The area of disturbance of the waste rock dumps remained unchanged from the previous reporting period at 327 ha for LHM. The area of the waste rock dumps at KM remain at approximately 68ha.

Tailings management continues to be a high priority at Paladin's operational sites. Paladin applies measures to ensure that its TDFs are appropriately designed, operated and managed according to internationally acceptable standards. Specialist engineers have designed the TDFs at both LHM and KM. The specialists also define the operational practice and management to ensure that tailings are appropriately managed and any potential environmental impacts are minimised. KM conducts monthly surveys and site inspections of the TDF.

The area of disturbance of the Run of Mine Ore Stock Piles has resulted in a footprint reduction of Ore Stock Piles at LHM of 104ha.

The footprint for TDF at LHM remained at 231ha for this reporting period. The footprint for the TDF at KM remained at 49ha for the reporting period.

The total volume of waste rock and tailings produced during this reporting period and the previous period, and the area the facilities cover at the sites are shown in Table 11.

Table 11. Waste Rock and Tailings

Mineral Waste Type	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Waste Rock Moved (t)	0	0	0	0
Fine Material to Waste Rock Dump	0	0	N/A	N/A
Waste Rock Dump Area total (ha)	327	327	68	68
Tailings – dry (solid) (t)	0	1,765,657	0	0
Fine Material to TSF	0	1,188,642	N/A	N/A
TDF Area total (ha)	231	231	49	49

Significant Spills and Environmental Incidents

Paladin aims to avoid and minimise environmental incidents and impacts related to their operations. In doing so, all incidents are recorded and full investigations are undertaken, where required, as to the cause. Actions are then taken to minimise a repeat of incidents.

To enable consistency across Paladin's business in terms of environmental incident classification and reporting, a standardised Incident Reporting Procedure is in place for all of Paladin's operations. In the Procedure, incidents are divided into those that are externally and internally reportable. Externally

reportable incidents are those reportable under Acts, Regulations or Licences, while internally reportable incidents are those within the categories reportable to Paladin's management. Table 12 outlines how Paladin classifies environmental incidents according to their impact.

Table 12. Paladin Environmental Incident Classification

Category	Impact
0	No Impact
1	Insignificant
2	Minor
3	Moderate
4	Major
5	Catastrophic

During the reporting period there were no significant¹⁷ incidence recorded at LHM.

There was no incidents at KM during the reporting period that were considered significant for reporting to the authorities.

¹⁷ Any incidents of Category 3 (moderate) and above, and those reported to the Authorities, are considered significant by Paladin and are included in this Report.

HEALTH, SAFETY AND RADIATION

Paladin believes that all major incidents, occupational injuries and illnesses are preventable. The Company is fully committed to provide and maintain a safe and healthy work environment with the aim of zero harm from occupational injuries and illness in the work place. Excellence in radiation management performance is an essential part of this commitment and Paladin aims to achieve minimum radiation exposure to its workers, members of the public and the surrounding natural environment.

Approach

Paladin's approach to health and safety management is guided by its Occupational Health and Safety Policy¹⁸, which enshrines the safety, health and wellbeing of employees, contractors and the community as a core value to business success. Paladin also has a Radiation Policy which sets out the overarching framework for the Company to achieve and maintain a high standard of radiation management performance.

Paladin fosters the safe behaviour of employees and contractors by establishing a mindset that injuries are preventable, providing regular safety education and training, and conducting safety risk assessments. All employees (100%) at both LHM and KM are covered by formal joint management-worker health and safety committees that monitor and advise employees on occupational health and safety programmes. Internationally recognised auditing and reporting processes are implemented at the operational sites to measure Paladin's health and safety performance on an ongoing basis.

Both LHM Safety systems are built on the internationally recognised National Occupational Safety Association (NOSA)¹⁹ Integrated Five Star System, which is a safety auditing system and the cornerstone upon which Paladin's safety system is based. Whilst in care and maintenance, both LM and KM continued to use the NOSA standards but are no longer members of NOSA and therefore are not audited.

Performance

Health and Safety Audits

No audits were conducted in the 2019 financial year

Safety

During the reporting period, LHM reported zero Lost Time Injuries (LTIs) resulting in an annual Lost Time Injury Frequency Rate (LTIFR) of 0.0 which is an improvement from the previous reporting period of 1.69. There were no LTI reported at KM during the reporting period, which resulted in an LTIFR of 0.0. The days lost to injury at KM was significantly lower for this reporting period compared to the previous reporting period. Days lost to injury (LTI's and RWI) at LHM was significantly lower at zero.

The Safety statistics at both LHM and KM for employees and contractors for the reporting period and the following year are shown in Table 13.

¹⁸ To view Paladin's Occupational Health and Safety, Radiation or any other policy and internally developed codes, please go to: <http://www.paladinenergy.com.au/corporate-governance>

¹⁹ NOSA (www.nosa.co.za) is a provider of occupational health, safety and environmental risk management services and solutions formed in 1951 by the South African Government to reduce injuries and fatalities in the workplace.

Table 13. Safety Statistics²⁰ for Employees and Contractors

Injury Type*	LHM				KM			
	2018/19		2017/18		2018/19		2017/18	
	Total	Frequency Rate	Total	Frequency Rate	Total	Frequency Rate	Total	Frequency Rate
Fatality	0	0	0	0	0	0	0	0
LTI²¹	0	0	2	1.6	0	0	0	0
MTI²²	0	0	3	2.5	1	2.6	1	2.6
FAI²³	4	19	42	35.5	5	13.0	7	18.23
Total	4	19	194	164.1	6	15.6	8	20.83
Days lost	0	0	237	200.4	0	0	0	

Emergency Response

Transport and Emergency Management Plans for Paladin's uranium product and hazardous materials are in place at LHM and KM and both sites have on-site Emergency Response Teams.

The LHM Emergency Management Plan refers to other external emergency response capabilities in the local area to assist. LHM's Emergency Management Plan was revised during the reporting period. LHM's main suppliers have their own emergency plans and procedures for the safe transport of materials and the clean-up of any spills that may occur. Monthly Fire Emergency drills were conducted on site..

KM's Transport and Emergency Management Plan addresses emergency procedures for spills. However minimal materials are transported for use during care and maintenance and KM provides assistance to the transport contractors in the event of a spill. Due to the lack of local emergency service capabilities near KM, the assistance of community emergency response is not included in the Plan.

Radiation

The 2018 Annual Radiation Report* was compiled and delivered to the National Radiation Protection Authority (NRPA) of Namibia. Radiation doses reported (excluding natural background) showed:

- The mean annual dose to individual Workers was 0.7mSv, compared with 1.2mSv in 2017;
- The mean annual dose to the Non-Designated Worker Group was 0.4mSv compared to 1.0mSV in 2017;
- The mean annual dose to Designated Workers (all SEG's) was 0.6mSv compared with 1.3mSv in 2017.
- The mean annual dose to a hypothetical group living on the boundary of the mine (Remote Gate) for the entire 2018 year would have been 2.2mSv (including natural background). This is less than the mean world member of public dose as reported by the United Nations Scientific Committee of Atomic Radiation (UNSCEAR) of 2.4mSv. Langer Heinrich Uranium commissioned anemometers at their environmental monitoring stations in 2016 to determine the origin of the long-lived radioactive dust and radon decay products being monitored. The anemometer results at the entrance gate indicate that most of the dust and assessed radiation dose comes from the surrounding desert. From an analysis of the specific activity in the collected dust and a full year's worth of anemometer data it has been determined that there is a small contribution to the radiation dose from the mining operation at the fence boundary. This contribution is from windblown LLRD and radon decay products and has been assessed as 0.1 mSv for 2018.

²⁰ For a further breakdown of safety statistics by employees, mine contractors and other contractors please refer to Paladin's 2016 Annual Report.

²¹ LTI: Lost Time Injury

²² MTI: Medical Treated Injury

²³ FAI: First Aid Injury

The 2018 Annual Radiation Report* for KM was compiled and submitted to Environmental Affairs Department in April 2019. An average dose of 1.20mSV to Designated Workers was reported in 2018 which is similar to that recorded in 2017. Dust suppression measures through watering are maintained at KM to ensure low radon gas concentrations.

* Calendar Year (1 January 2018 to 31 December 2018)

Health and Wellbeing

Paladin places significant importance on the health and wellbeing of its workforce without which the Company could not succeed. This emphasis is reflected in and formalised through Paladin's policies, codes of conducts as well as employment contracts which are implemented and rolled-out across the Paladin Group. Paladin's Code of Conduct states the Company's zero tolerance in relation to drugs and alcohol affected personnel on site, and breath testing is mandatory for every person entering the workplace.

At both LHM and KM, regular medical examinations are conducted pre-employment, annually during employment, and post-employment when leaving the company. The examinations are undertaken to monitor the health and wellbeing of employees, contractors and service providers, particularly with regard to their physical ability to undertake the work required of them on site. The number of medical examinations conducted for this and the last reporting periods are shown in Table 14.

Table 14. Medical Examinations of Employees and Contractors

Type of Examination	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Pre-employment (On-boarding Process)	158	220	41	8
During Employment (Annual)	58	440	16	18
Post-employment (Exit Process)	287	414	9	12
Total	503	1,074	66	38

LHUPL places significant importance on employee health and wellness. During the reporting period two information sessions were held at LHM that focussed on current National wide Health issues. Hepatitis E and Tuberculosis were the two topics that were discussed. All 503 employees were screened for lifestyle related conditions.

Membership to private health insurance is a condition of employment at LHM and the Medical Aid providers counsel employees on healthy lifestyle choices and in identifying the risks associated with unhealthy practices resulting in issues such as high blood pressure, elevated cholesterol, HIV and other themes common to Namibia..

At KM, primary responsibility for managing health and wellbeing rests with the Safety, Health, Environment and Radiation (SHER) team. There is a fully equipped clinic on site offering primary health care and 24hr emergency services. Daily medical consultations are provided to employees which include treating illnesses and chronic medical conditions, and providing health education and counselling. There is a considerable focus on the education and management of local infectious diseases such as malaria, Tuberculosis, respiratory infections, HIV and other sexually transmitted diseases. Various health education initiatives have been conducted during the reporting period including first aid training, weekly health related toolbox talks with different groups, women's health sessions and individual HIV education/counselling. Paladin encourages the workforce and their families to take responsibility for their own health to ensure a healthy well educated workforce.

Table 15 illustrates the coverage of the assistance programmes for serious illnesses at both sites, which remains unchanged from the previous reporting period. Due to the generally poorer economic situation and health services in the Kayelekera region and the proximity of the mine to where the workforce resides, there is a greater responsibility for health assistance to extend beyond the KM workforce and into the community as a whole.

Table 15. Health Assistance Programmes

	Education/ Training		Counselling		Prevention/ Risk Control		Treatment	
Programme Recipients	LHM	KM	LHM	KM	LHM	KM	LHM	KM
Workers	YES	YES	YES	YES	YES	YES	YES	YES
Workers' Families	NO	NO	NO	YES	NO	YES	NO	YES
Community Members	NO	NO	NO	YES	NO	YES	NO	YES

OUR PEOPLE

Paladin recognises that its people are the most important contributors to the business. During the reporting period Paladin focused on stabilising and retaining its workforce. Rationalisation and consolidation of organisational structures continued across the business which contributed to the decrease in total employee numbers across the Group.

Approach and Performance

Paladin is committed to upholding the principles contained in the International Labour Organisation's Core Conventions, and the Company's approach to managing human resources is guided by a suite of policies and codes²⁴ which set out the Company's people-related commitments and objectives. There are also specific internal practices in place to ensure the equitable recruitment, promotion, and remuneration of employees as well as policies to protect and promote individual privacy and ethical behaviour in Paladin's workforce. In addition, all employees and contractors have access to Paladin's Whistleblower Policy²⁵ through which they can raise concerns and make complaints without fear of intimidation or reprisal.

Responsibility for managing the human resources function at LHM and KM resides with the site-based Human Resource Managers who have direct reporting lines to the General Managers Operation and also liaise with the Human Resources Department in Paladin's Perth office.

Paladin works to develop its staff's skills and expertise on a continuous basis by ensuring the right management foundations are in place, particularly focusing on employee relations, communication and learning. Employees are supported to access a variety of training options including conferences, short training courses, seminars and professional studies.

LHM

The placement of LM onto care and maintenance in 2018 had a significant impact on both Namibian national and foreign expatriate employees. Successful management during care and maintenance depends upon having the appropriate people in the right roles. By the end of the reporting period the number of expatriate employees had been reduced to one. At the end of the reporting period, 18 Namibian employees remained employed on site. Three LHU employees resigned during this period, with two of these positions since been filled.

KM

At the end of the reporting period the number of expatriate employees remained at 2 and 117 Malawian employees remained employed on site.

During the current period, no employees participated in further development of their Personal Development Plans, as per previous periods. Personal Development Plans combine internal training and mentoring opportunities with formal study or training in the employee's relevant field. The focus of the reporting period was to continue to motivate the remaining workforce within a care and maintenance context.

Employee Turnover

Employee turnover at LHM and KM is presented in Tables 16 and 17, respectively.

²⁴ To view any of Paladin's policies or internally developed codes please go to:

<http://www.paladinenergy.com.au/corporate-governance>

²⁵ To view Paladin's Whistleblower Policy please go to: <http://www.paladinenergy.com.au/corporate-governance>.

Table 16 New Employee Hires

	LHM				KM			
	Number		As % of Total Full Time Employees		Number		As % of Total Full Time Employees	
Gender								
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Male	1	8	5.26%	4.85%	2	17	1.6%	13.9%
Female	1	8	5.26%	4.85%	1	3	0.8%	2.5%
Total	2	16	10.52%	9.70%	3	20	2.4%	16.4%
Age								
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
<30 years age	1	5	5.26%	3.03%	0	4	0%	3.3%
30–50 years	1	9	5.26%	5.45%	3	16	2.4%	13.1%
>50 years	0	2	0%	1.21%	0	0	0%	0%
Total	2	16	10.52%	9.69%	3	20	2.4%	16.4%
Region								
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Local ²⁶	2	16	10.53%	9.70%	3	10	2.4%	8.2%
National ²⁷	0	0	0%	0%	0	9	0%	7.4%
Inter-national	0	0	0%	0%	0	1	0%	0.8%
Total	2	16	10.53%	9.70%	3	20	2.4%	16.4%

Table 17. Employees Leaving

	LHM				KM			
	Number		As % of Total Full Time Employees		Number		As % of Total Full Time Employees	
Gender								
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Male	124	124	653%	75.15%	7	35	5.6%	27.2%
Female	24	32	126% %	19.39%	1	0	0.8%	0%
Total	148	156	779%	94.54%	8	35	6.4%	27.2%

²⁶ Local/national workforce combined for LHM

²⁷ Included in local workforce for LHM

Table 17. Employees Leaving (continued)

	LHM				KM			
	Number		As % of Total Full Time Employees		Number		As % of Total Full Time Employees	
Age								
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
<30 years age	41	34	216%	20.61%	1	2	0.8%	1.64%
30–50 years	92	116	484%	70.30%	7	31	5.6%	25.48%
>50 years	15	6	79%	3.64%	0	2	0%	1.64%
Total	148	156	779%	94.55%	8	35	6.4%	28.7%
Region								
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Local ²⁸	137	150	721%	90.91%	8	16	6.4%	13.1%
National ²⁹	-	-	-	-	0	15	0%	12.3%
Inter-national	11	6	58%	3.64%	0	4	0%	3.3%
Total	148	156	779%	94.55%	8	35	6.4%	28.7%

LHUPL and PAL both undertook exit interviews with those leaving the Company to determine the factors contributing to voluntary turnover. Termination of employment as result of retrenchment were the main reason for employees leaving LHUPL during the financial year.

As care and maintenance period continues, KM has continued reviewing its operations which has resulted in continued reduction in the number of both national and expatriate employees. The adaptation process to the change by the workforce has been going on at a very slow rate which has led to more employees leaving through resignations in the reporting period. At the end of the reporting period there were 119 full time, of which 53 are within the site security team and 2 expatriates remain. Total turnover for national employees for the rolling 12 months was 6.4%.

Turnover at LHM during the reporting period was high due to the retrenchments as a result of the Mine being placed on a Care and Maintenance Programme.

Diversity and Equal Opportunity

Diversity refers to all the things that make individuals different to one another, including, but not limited to the aspects of, gender, ethnicity, religion, culture, language, disability and age. Paladin values diversity within its workforce, and thus holds a commitment to the value of equality and treating one another with respect. Paladin has a Diversity Policy³⁰ which documents the Company's commitment to workplace diversity and recognises the benefits arising from the recruitment, development and retention of a talented, diverse and motivated workforce. Paladin's Board has responsibility for reviewing all matters contained within the Diversity Policy. No incidents of discrimination on diversity matters were reported during the reporting period.

Paladin is conscious of the importance of ensuring a gender balance in its workforce and providing employment opportunities locally and regionally wherever possible. Paladin's Australian operations had a total of 16 employees at the end of the reporting period, of which 37.5% are females. There is a low percentage of females employed at the African mine sites, particularly in Malawi (14.3%), due to the cultural and educational challenges and the mine being on care and maintenance. A breakdown of the workforce at LHM and KM is presented in Table 18.

²⁸ Local/national workforce combined for LHM

²⁹ Included in local workforce for LHM

³⁰ To view Paladin's diversity or any other policy or internally developed codes please go to: <http://www.paladinenergy.com.au/corporate-governance>

Table 18. Workforce Breakdown (as at 30 June 2019)

	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Employees				
# Total Employees	19	165	119	126
Employment Type and Contract				
# Full-time Employees	19	163	119	122
# Part-time Employees	0	2	4	4
Indicators of Diversity				
Females as % of Total Employees	21%	16	14.3	10.3
Nationals as % of Total Employees	95%	93	98.3	99.2
Contractors				
# Total Contractors	119	163	12	28
Short-term vs. Long-term				
# Short-term Contractors	NA	NA	12	25
# Long-term Contractors	NA	NA	0	3
Indicators of Diversity				
Females as % of Total Contractors	NA	NA	0	0

The ASX Corporate Governance Council's Principles and Recommendations require that companies set 'measurable objectives' for achieving gender diversity and report against them on an annual basis. Paladin has developed gender-related and other diversity objectives, as outlined in Table 19, which are reviewed and updated on a regular basis. The status as at the end of the reporting period of achieving the objectives is also shown in Table 19.

Table 19. Measurable Diversity Objectives

Objective	Outcome (as at June 2019)
Review Diversity Policy annually.	Reviewed and remained unchanged.
Undertake an annual gender pay audit to ensure equity in remuneration practices.	This was undertaken as part of the annual salary review process.
Report annual data across the Group on diversity in the workforce.	Commenced in 2012 and ongoing.
Encourage training and development to assist in furthering career goals.	Several females participated in educational initiatives during the reporting period, although a reduced number from previous years.
Develop and implement flexible working arrangements to support employees' personal or family commitments whilst continuing in employment.	The Company provides employees with flexible working arrangements and paid parental leave together with a financial incentive paid on return to work. Females participated in flexible work arrangements group wide.
When the Board next recruits for an independent Non-executive director, at least one woman must be included in the list of potential candidates.	Ongoing.
Initiate diversity training and awareness across the Group	No diversity training took place. There is a will be a renewed focus in this area going forward.

LHUPL continued to adhere to the regulatory compliance requirements and received recertification of the employment equity compliance practices in terms of the Affirmative Action Act in August 2018. Subsequently, due to the Care and Maintenance status of LM currently, LHUPL was granted a change in Relevant Employer Status by the Employment Equity Commission, releasing the mine from its obligation to submit an annual Affirmative Action Report, until such a time that the minimum threshold of 25 employees is reached once again. Additionally, the Labour Commissioner issued a Compliance Certificate for the collective retrenchment process implemented by LHUPL. LHUPL remained committed to, and fully supported, the policy of equal opportunity employment and non-discrimination

through its measurable Affirmative Action Plan. LHUPL's workforce demographics in terms of the Employment Equity Act categories as at 30 June 2019 is shown below in Table 20.

Table 20 LHUPL Affirmative Action Report Statistics

Employees	CY 2018	CY 2017
Female Employees	21.05%	16.36%
Historically Racially Disadvantaged Employees ³¹	57.89%	83.03%
Non-Namibians	5.26%	7.27%
Total Employees	19	360

CY- Calendar Year

LHUPL remains committed to moving towards a workforce with an improved gender balance as per the Company's Policies. During the reporting period, females made up 21.05% of the total number of employees (Table 18) and 20% of the Senior Management team (Table 21) at LHM.

Due to cultural and educational issues in Malawi, the percentage of female employees at KM is quite low at approximately 14.3% overall, with 0% of the Senior Management being female.

The breakdown of gender and age of the LHUPL and PAL Boards and the various employee categories at LHM and KM are shown in Tables 21 and 22, respectively.

Table 21. Governance and Employee Categories by Gender and Age at LHM

	LHUPL Board Number (%)		Senior Management ³² Number (%)		Management ³³ Number (%)		Professional ³⁴ Number (%)		Skilled ³⁵ Number (%)		Unskilled ³⁶ Number (%)	
	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18
Total	4	4	2	5	4	13	2	17	10	76	1	54
Gender												
Male	4 (100)	4 (100)	1 (50)	4 (80)	4 (100)	11 (85)	1 (50)	10 (59)	9 (90)	65 (86)	0 (0)	48 (89)
Female	0 (0)	0 (0)	1 (50)	1 (20)	0 (0)	2 (15)	1 (50)	7 (41)	1 (10)	11 (14)	1 (100)	6 (11)
Age												
<30 years of age	0 (0)	0 (0)	0 (0)	0 (0)	2 (50)	1 (8)	1 (50)	3 (18)	0 (0)	21 (28)	0 (0)	20 (37)
30–50 years of age	0 (0)	1 (25)	1 (50)	2 (40)	2 (50)	9 (69)	1 (50)	12 (70)	10 (100)	47 (62)	1 (100)	32 (59)
>50 years of age	4 (100)	3 (75)	1 (50)	3 (60)	0 (0)	3 (23)	0 (0)	2 (12)	0 (0)	8 (10)	0 (0)	2 (4)

³¹ As defined in the Namibian Affirmative Action (Employment) Act 1998.

³² **Senior Management:** Heads of Department, General Managers and above

³³ **Management:** Employees with Management, Superintendent roles and appropriate Principal roles (i.e. those who manage a team)

³⁴ **Professional:** Employees who are degree qualified and not included in the Senior Management and Management categories

³⁵ **Skilled:** Employees with trade certificates, supervisors and those with roles requiring a specific experience level

³⁶ **Unskilled:** Employees with all other roles

Table 22. Governance and Employee Categories by Gender and Age at KM

	PAL Board Number (%)		Senior Management Number (%)		Management Number (%)		Professional Number (%)		Skilled Number (%)		Unskilled Number (%)	
	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18
Total	4	4	3	3	5	5	11	10	30	38	69	70
Gender												
Male	4 (100)	4 (100)	3 (100)	3 (100)	4 (80)	4 (80)	8 (72.7)	9 (90)	29 (96.7)	35 (92)	62 (89.9)	63 (90)
Female	0 (0)	0 (0)	0 (0)	0 (0)	1 (20)	1 (20)	3 (27.3)	1 (10)	3 (3.3)	3 (8)	7 (10)	7 (10)
Age												
<30 years of age	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (9)	0 (0)	2 (6.7)	6 (15.8)	2 (2.9)	5 (7)
30–50 years of age	1 (25)	1 (25)	3 (100)	3 (100)	4 (80)	4 (80)	10 (91)	10 (100)	25 (73.7)	28 (73.7)	59 (85.5)	58 (83)
>50 years of age	3 (75)	3 (75)	0 (0)	0 (0)	1 (20)	1 (20)	0 (0)	0 (0)	3 (10)	4 (10.5)	8 (11.6)	7 (10)

LHM has a high percentage of local/national employees (95 %) with only one non-Namibian employed at LHPL. With the mine being placed on a Care and Maintenance Programme, only one expatriate will remain in the employment of LHM.

At KM there was a high proportion (98.3%) of local employees during the reporting period due to the reduced number of employees required for the care and maintenance phase. The breakdown of Senior Managers' and employees' place of residence (at the local/national level) is outlined in Table 23. KM has now 3 Malawi Nationals as Managers.

Table 23. Proportion of Senior Management and Employees from Host Countries

	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Senior Management				
# Total Senior Managers	2	5	3	3
# Local/National Senior Managers	2	2	3	3
# International Senior Managers	0	3	0	0
Employees				
# Total Employees	19	165	119	126
# Local/National Employees	18	153	117	125
# International Employees	1	12	2	1

Education and Training

The challenging financial constraints mentioned resulted in limiting human resources talent and skills capability development other than statutory and/or specific technical training interventions. Notwithstanding, LHUPL contributed to the Namibian Vocational Education & Training Levy, invested N\$230,548.78 in the training of Namibians. .

The hours of training provided to employees at LHM as per the employee category and gender is shown in Table 24.

Table 24 Hours of Training per Employee Category at LHM

Category	2018/19			2017/18		
	Total (hours)	Male (hours)	Female (hours)	Total (hours)	Male (hours)	Female (hours)
Senior Management	107	48	59	2	2	0
Management	396	286	110	47	46	1
Professional	200	140	60	74	40	34
Skilled	1844	1782	62	210	189	21
Unskilled	27	0	27	295	281	14

As one way of reducing costs, PAL stopped engaging Miracle Technical School in Karonga who used to provide interns to KM in the Site Services Department.

In a continued effort to develop high performing employees, PAL ensures that a number of employees are undergoing further education relevant to their roles, with PAL providing loans for the fees and also providing paid leave for study and examination purposes. Additionally, mentoring and one-on-one career development remains a focus and KPI for the leadership team. Cross-development opportunities are also made available where possible in order to provide exposure to other operations within the Paladin portfolio for key roles and individuals.

Training provided to employees at KM during the reporting period was not adequately captured to report accurate hours.

SOCIAL RESPONSIBILITY

The Company's commitment to meeting its social responsibility is expressed through Paladin's corporate values, which include a commitment to contribute to the growth and prosperity of the countries in which the Company operates, to respond to community attitudes and expectations and to act with integrity, honesty and cultural sensitivity.

Approach

Paladin's overarching approach to meeting its social responsibility is based on the Company's commitment to *Enduring Value – the Australian Minerals Industry Framework for Sustainable Development*, which is aligned with the ten principles of the International Council on Mining and Metals' Sustainable Development Framework. The Framework includes commitments of stakeholder consultation, ethical business behaviour, social accountability and community development.

In order to translate these commitments into practice, Paladin's approach focuses on:

- top-level support of the Board of Directors and CEO;
- adherence to principles articulated in Corporate Policies and Procedures;
- programmes aligned with host country Millennium Development Goals;
- personnel dedicated to achieving corporate social responsibility objectives;
- compliance with recognised international codes of conduct;
- acknowledgement of voluntary standards; and
- reporting in accordance with the Global Reporting Initiative.

The continuing challenging economic environment with the low uranium market price has made it difficult to consistently maintain sufficient resources to progress social and community programmes as planned. However, Paladin remains committed to meeting its social responsibilities both through its own actions, including its community programmes and initiatives, and through its active participation in industry and community-based organisations that foster and promote values and aspirations in line with its own.

The following sections of the Report outline Paladin's approach and performance relating to the following:

- Local Communities;
- Human Rights;
- Anti-Corruption and Transparency of Payments to Governments;
- Material Stewardship; and
- Procurement Practices.

LOCAL COMMUNITIES

Contributing to the growth and prosperity of host countries and local communities, and responding to community attitudes and expectations is something Paladin takes very seriously, particularly given the Company's operating environments. Paladin has a Community Relations Policy³⁷ with the aim of achieving a balance between economic, environmental and social needs. The Policy outlines Paladin's commitment to:

- adhering to the laws and regulations of host countries;
- respecting and responding to local customs, traditions and cultures unless these are at variance with Paladin's policies and standards;
- contributing to local economic development of communities;
- being open and transparent in all communications and dealing with communities and responding in a timely fashion to any community-based grievances;
- establishing grievance mechanisms for all stakeholders where community related complaints can be received and addressed;
- investing in projects that are of mutual benefit to the Company and the community;
- ensuring that resettlement that cannot be avoided is undertaken in compliance with local laws and such that resettled parties are constructively engaged and fairly treated with the principle of free and informed consent;
- embracing sound principles of local procurement and employment that contributes to local economic development;
- encouraging, where practicable, suppliers and contractors to adopt the same or similar policies, standards and practices; and
- undertaking activities in a manner that is conducive to ensuring that the local operating company is, and remains, a responsible member of the community.

Approach and Performance

Paladin's approach to meeting its responsibilities to local communities is aligned with the Company's social responsibility commitments, including those relating to human rights, anti-corruption, transparency, material stewardship and procurement practices. The social responsibility programmes are developed, managed and assessed in relation to the Community Relations Policy. Paladin adopts a site-based management approach to implement the Company's community relations programme in ways most appropriate to the unique challenges facing each operation. Accountability for the community programmes ultimately resides with Paladin's CEO.

Both LHM's and KM's social responsibility programmes are based on social management plans developed in response to social impact assessments (conducted as part of the public environmental impact assessments) undertaken for both LHM and KM during the project development and also for the expansion phases at LHM. Ongoing community needs are also considered when developing social and community programmes. The responsibility for the implementation of the operations' social management plans and programmes is assigned by the operation's senior management.

Social responsibility programmes have been significantly reduced since both LHM and KM entered care and maintenance.

Local stakeholder consultation, as discussed in the stakeholder consultation section of this Report, is an important component of the Company meeting its social responsibility; and underpins Paladin's community development programmes and initiatives.

LHM is located in the Namib Desert in the NNNP, 80km east of the major seaport of Walvis Bay. The nearest town to LHM is the coastal town of Swakopmund, which is approximately a one-hour drive from the mine. While there are no permanent communities living directly around the mine, and therefore no local communities are likely to be directly impacted by the mining operation.

³⁷ To view Paladin's Community Relations Policy please go to: <http://www.paladinenergy.com.au/corporate-governance>

LHM's social responsibility programme is cognisant of Namibia's Millennium Development Goals. The programme focuses on the key areas most relevant to Namibia's national needs and LHM's sphere of influence. Elements of the programme include feeding schemes, educational development, ecological improvement work in the NNNP and regional economic development, with the aim of providing cost effective and measureable benefits to communities in Namibia. The overall social impact of LHM on the broad community, both direct and indirect, is considered to be positive.

KM is located in northern Malawi, 52km west of the provincial town of Karonga, and has nearby communities which are directly impacted by the mining operations.

PAL's approach to meeting its social responsibilities is principally governed under the terms of the KM Development Agreement signed between PAL and the Government of Malawi in February 2007. The Development Agreement represents a written expectation that the Company participates in the intervention of systemic social issues, unrelated to KM's operation, but which KM can contribute to assisting to address.

During the reporting period efforts have concentrated on upgrading the Paladin constructed clinic to a Regional Health Centre by adding a maternity wing. Paladin continue to pay the salaries for eight local primary teachers including the provision of housing and some upgrades to the local junior and secondary schools including new desks.

The presence of KM in the community has had positive indirect economic impacts during the mining operations, which have unfortunately diminished with the suspension of KM mining and processing operations.

Managing Impacts and Grievances

Understanding not only where Paladin can have a positive social impact but also where it has potential negative impacts on local communities is a key part of Paladin's approach to ensure the Company develops appropriate mitigation strategies and plans where required. Grievances expressed by stakeholders can provide an early warning system for issues arising and help to prevent negative impacts.

KM maintains a Grievance Mechanism Procedure that stakeholders, anonymously if they wish, can use to notify the Company of environmental and social grievances as well as of any unethical, unlawful or undesirable conduct, including incidents of corruption and bribery. No grievances of relevance were raised during the reporting period with minor issues dealt with at the monthly community chiefs meetings.

LHM has a complaints process in place and has also prepared a Grievance Mechanism Procedure. Complaints and grievances from the community are much lower at LHM compared to KM, which is most likely due to the community being much closer at KM than at LHM. During the reporting period, no formal complaints or grievances were received at LHM or KM.

The formal community grievances registered at LHM and KM for this and the previous reporting period are listed in Table 25, which include grievances noted at community meetings in 2018/19.

Table 25. Registered Community Grievances/Complaints

Type of Grievance	Number of Grievances Registered			
	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Noise	0	0	0	0
Blasting	0	0	N/A	0
Traffic	0	0	0	0
Dust	0	0	0	0
Lighting	0	0	0	0
Water	0	0	0	0
Pollution	0	0	0	0
Clinic Delay	N/A	N/A	N/A	0
Community Commercial Participation	0	0	0	0
Safety	0	0	0	0
Human Rights	0	0	0	0
TOTAL	0	0	0	0

Community Development and Contributions to Local Economies

Paladin contributes both directly and indirectly to its local communities and, more broadly, to host countries, through various avenues including:

- targeted community development programmes and initiatives;
- industry participation (please refer to the Industry Participation section of this Report);
- the generation and distribution of economic value (please refer to Paladin's 2019 Annual Report);
- payment of Government taxes (please refer to the Anti-Corruption and Transparency of Payments to Governments section of this Report); and
- local hiring and purchasing practices (please refer to the Our People and the Procurement Practices sections of this Report).

Direct and Indirect contributions made to local communities by Paladin are shown in Tables 26 and 27, respectively.

Table 26. Paladin's Direct Community Contributions (US\$)

Type of Contribution	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Infrastructure ³⁸	14,743	0	0	1,606
Services supported ³⁹	9,724	138,434	0	0
Donations ⁴⁰		5,074	7,750	6,604
Development ⁴¹	0	0	0	0
Other ⁴²	0	0	0	0
TOTAL	31,268	143,508	7,750	8,210

³⁸ Infrastructure: include facilities (e.g. water supply, road, school, hospital) built primarily to provide a public service or good.

³⁹ Services supported: providing public benefit through direct payment of operating costs or through staffing the service with employees.

⁴⁰ Donations: direct contributions to community welfare.

⁴¹ Development: agriculture, micro-loans, business development, etc.

⁴² Other: all other forms of direct contributions not allocated to the categories above.

Table 27. Paladin's Indirect Community Contributions (US\$)

Type of Contribution	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Local Rates and Taxes	0	0	0	0
Purchase of local goods		32,696,121	59,198	60,046
Purchase of local services		13,422,536	113,633	112,547
TOTAL		46,118,658	172,831	172,593

There was a decrease in direct community contributions at LHM when compared to the previous reporting period, driven by the Mine's transition into car and maintenance at the start of the Financial year. The decrease in contributions at KM is consistent with the current status of care and maintenance.

LHM's overall expenditure was lower than the previous year, including the purchase of local goods and local services as a result of placing the operation on care and maintenance.

Paladin supports and invests in a number of short, medium, and long-term community development programmes and initiatives. The Company continues to monitor the implementation status of the programmes and initiatives, and to evaluate the effectiveness of the Company's efforts through feedback from various stakeholder groups. A summary of some of the key programmes that Paladin has conducted with great success is provided in the following section.⁴³

NAMIBIA

LHUPL recognises its social responsibility and has a commitment to supporting activities which benefit the coastal community and the development of Namibia in line with Namibia's Millennium Development Goal. The initiatives, undertaken during the reporting period summarised below, focused on education, health, sport and youth development, environmental projects and feeding programmes.

Chamber of Mines joint CSR Projects

- During the 2019 financial year LHU pledged N\$117,375 towards 2 Chamber of Mines joint initiatives:
 - a) The electrification of 900 homesteads in the Zambezi region.
 - b) Servicing of about 150 plots of land for ownership by low-income families in the Oshana Region.

Namibian Drought Relief Initiative

- Poor rainfall during the 2018/2019 Namibian rain season has led to one of the worst droughts in recent history. In an effort to assist local farmers and communities LHUPL has contributed N\$100,000 toward the Chamber of Mines drought relief program.

Education Initiatives:

- Through funds raised during its Annual Charity Golf events, LHUPL has supported various children-centred projects over the last seven years. During the previous reporting period, N\$1M was raised for the construction of classrooms at the Etoto West Primary School Unit in the Kunene region. During the current period LHUPL contributed an additional amount of N\$190,442. The classrooms were handed over at an official ceremony in February 2019.
- In addition, N\$15 000 was donated towards the successful hosting of the following events: the Annual Erongo Regional Teachers Awards, prize giving events of all schools in the Erongo region and a career exhibition.

⁴³ Paladin's 2016 Annual Report and the Company's website (www.paladinenergy.com.au) provide detailed information on the programmes and initiatives Paladin has undertaken.

MALAWI

Paladin has continued its ongoing community programmes focused primarily on health and education. Through its Corporate Social Responsibility (CSR) programmes and projects undertaken and funded by the Paladin staff charity, Friends and Employees of Paladin for African Children (FEPAC), the Company social development footprint extends throughout the Karonga District, so ensuring that villages other than those in the immediate vicinity of KM benefit from its programmes.

Community Health Care:

- Provided transport for Government medical staff in the region to attend local health clinic to alleviate the need for local villagers to travel long distances.
- Facilitated a health clinic for children less than five years.
- Hosted Malaria researchers from Malawi Government.
- Liaison with the District Health Office on local health programmes.
- Assisting with the construction of a maternity wing to upgrade the Kayelekera Village clinic to a health centre status utilising FEPAC funds.

INTERNATIONAL INITIATIVES

Employee Charitable Foundation, supported by Paladin

Friends and Employees of Paladin for African Children (FEPAC) is a charitable foundation established by Paladin employees to fund social projects that are outside the scope of the Company's CSR programmes. Paladin supports the involvement of its employees in FEPAC and donates A\$0.25 for every A\$1 raised and also provides administrative support.

HUMAN RIGHTS

Human rights are fundamental principles of personal dignity and universal equality. Paladin is committed to respecting human rights and fundamental freedoms as outlined in the International Bill of Rights, and believes that respecting such rights fosters social progress, better standards of living and greater freedom for individuals.

Approach and Performance

Paladin recognises that a conscious focus on respect for human rights is required at both its sites in Malawi and Namibia whose operating context, according to the Maplecroft Human Right Risk Index, is considered to have high and medium exposure to human rights risks⁴⁴ respectively. Paladin's approach to respecting human rights is governed by the Company's Human Rights Policy⁴⁵, which is reviewed by the Board on a regular basis to ensure it remains current. The Policy provides the overarching framework to assist in achieving Paladin's commitment to human rights principles. The Policy acknowledges the rights articulated in the following instruments:

- UN International Bill of Human Rights
- UN Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- UN Global Compact
- International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work
- The Voluntary Principles on Security and Human Rights
- OECD Guidelines for Multinational Enterprises
- Equator Principles

Overall accountability for the successful implementation of the Human Rights Policy resides with the Managing Director/CEO to enhance awareness of the Company's performance at Board level.

Human Rights Risk Assessment

The last Third party Human Rights review at KM was after the mine was placed on care and maintenance in 2015. The overall finding of the 2015 monitoring report was "despite facing an array of contextual challenges, the human rights impacts of the Kayelekera Mine are generally positive."

The report states that "Paladin has a track record of responding to and managing human rights effectively and if the mine is reopened those processes should be advanced. KM continues to train new employees in Human Rights as a component part of the induction process.

Human Rights Training

Training of personnel on Human Rights occurred at both sites during the reporting period. At LHM 80 employees received human rights training which calculated to around four hours of training. At KM three employees were trained in human rights for which calculated to around one hour per.

Security Personnel

Paladin recognises that security practices are closely linked with respecting human rights. Due to the nature of the operation and its remote location in the NNNP, LHM's risks of human rights issues emerging in association with such security services, is significantly lower to that of KM. LHUPL had 22 security personnel (all contractors) at the end of the reporting period.

PAL had a total of 54 employees responsible for maintaining security at KM at the end of the reporting period. In addition, there are two police officers stationed at KM. The local Malawian Police force is also called in to assist at site with additional security, if required. The large security presence is in response to the risk of criminal activity at KM while it is on care and maintenance.

⁴⁴ According to Maplecroft's 2014 Human Rights Risk Atlas.

⁴⁵ To view Paladin's Human Rights Policy or any other policy or internally developed codes please go to: <http://www.paladinenergy.com.au/corporate-governance>

ANTI-CORRUPTION, BRIBERY AND TRANSPARENCY OF PAYMENTS TO GOVERNMENTS

Paladin is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, and to full and accurate disclosure in compliance with applicable laws, rules and regulations. The Company honours the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Convention) and takes a zero tolerance approach to any forms of corruption or bribery.

Approach and Performance

Rankings in the 2018 Transparency International's Corruption Perceptions Index⁴⁶ again highlighted that Paladin needs a sound approach to managing risks related to corruption, bribery and unethical or unlawful conduct in Malawi and Namibia. The Index ranks 180 countries and territories based on how corrupt their public sector is perceived to be, and assigns scores on a scale of 0 (highly corrupt) to 100 (very clean), with Namibia (LHM) achieving a score of 53 (rank 52 out of 180) and Malawi (KM) a score of 32 (rank 120 out of 180).

The Company operates under a Code of Business Conduct and Ethics as well as a separate Code of Conduct for its Directors⁴⁷. An Anti-Bribery and Corruption (ABC) Compliance Guide provides practical advice on ethical business conduct for Paladin Directors, employees and third parties. In addition, the Company's Whistleblower Policy and procedure facilitates disclosure of any alleged corrupt practices as discussed under Our People in this Report. Any changes to the Codes and Policies are considered by the Board.

Paladin's Compliance Committee, operates under a documented Charter⁴⁸ and is tasked with the oversight and implementation of the Company's ABC compliance regime (as documented in Paladin's ABC Compliance Guide) and to address employee's or representative's concerns. The Compliance Committee reports to the Audit Committee on a quarterly basis and provides an Annual Report to the Board. The Compliance Committee also oversees the Company's internal ABC training.

Corruption risks identified by Paladin are included in the Corporate Risk Assessment Register. No specific corruption risk assessments were conducted during the reporting period.

Anti-Corruption Communication and Training

Training on ABC continued across the Paladin Group during the reporting period. The number of Board members and personnel trained in ABC and the total number of hours of training per employee category at LHM and KM are shown in Table 28 and Table 29, respectively.

In addition to employees, Paladin business partners such as suppliers, consultants, contracting companies, Government officials and Non-Government Organisations were also included in Paladin Policy training, which included ABC Compliance. Many of LHM and KM suppliers located in South Africa and Malawi (around 70 by the end of the reporting period) received the training on Paladin's Policies and Codes. Further training to more business partners is planned to be conducted during the next reporting period.

⁴⁶ The Corruption Perceptions Index ranks countries and territories based on how corrupt their public sector is perceived to be. A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 (highly corrupt) to 100 (very clean). A country or territory's rank indicates its position relative to the other countries and territories in the index. For further information, and to see the 2015 Index, please go to: <http://www.transparency.org/cpi2015/results>.

⁴⁷ To view any of Paladin's Policies and Codes of Conduct please go to: <http://www.paladinenergy.com.au/corporate-governance>

⁴⁸ To view any of Paladin's Committees' charters please go to: <http://www.paladinenergy.com.au/corporate-governance>

Table 28. LHM Anti-Corruption Communication and Training

LHM												
Type	LHUPL Board Number (%)		Senior Management ⁴⁹ Number (%)		Management ⁵⁰ Number (%)		Professional ⁵¹ Number (%)		Skilled ⁵² Number (%)		Unskilled ⁵³ Number (%)	
FY	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18
Total	4	4	5	5	13	13	17	17	76	76	54	54
Communication	4 (0)	4 (0)	5 (100)	5 (100)	13 (100)	13 (100)	17 (100)	17 (100)	76 (100)	76 (100)	54 (100)	54 (100)
# Training	0 (0)	0 (0)	0 (0)	0 (0)	5 (38)	5 (38)	8 (47)	8 (47)	34 (45)	34 (45)	31 (57)	31 (57)
Training Hours	0	0	0	0	2.5	2.5	4	4	17	17	15.5	15.5

Table 29. KM Anti-Corruption Communication and Training

KM												
Type	PAL Board Number (%)		Senior Management Number (%)		Management Number (%)		Professional Number (%)		Skilled Number (%)		Unskilled Number (%)	
FY	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18
Total	4	4	3	3	2	2	1	1	9	9	9	9
Communication	4 (100)	4 (100)	3 (100)	3 (100)	2 (18)	2 (18)	1 (10)	1 (10)	9 (17)	9 (17)	9 (9)	9 (9)
# Training	4 (100)	4 (100)	0 (0)	0 (0)	2 (18)	2 (18)	1 (10)	1 (10)	9 (17)	9 (17)	9 (9)	9 (9)
Training Hours	4	4	0	0	2	2	1	1	9	9	9	9

Incidents of Corruption

During the reporting period, there were no cases of fraudulent activities were confirmed at KM. Congruent with Paladin's zero tolerance policy, any confirmed incidents of corrupt practices will result in dismissal. There were no incidents of corrupt practices identified at LHM during the reporting period.

Paladin also reports that there were no public legal cases regarding corruption brought against the Company or any of its employees during the reporting period.

Transparent Disclosure of Payments to Government

Paladin supports the Extractive Industries Transparency Initiative (EITI) and has registered as an EITI Supporting Company⁵⁴ in line with the Company's commitment to combat corruption and bribery, respect human rights, apply its corporate values of honesty and integrity, and to contribute to the local economies of host countries.

While neither LHUPL nor PAL made any direct or indirect political contributions, Paladin contributed significantly to the economies in its countries of operation through a variety of Government taxes. The contributions are detailed in Figure 2 for Namibia and Figure 3 for Malawi.

⁴⁹ **Senior Management:** Heads of Department, General Managers and above

⁵⁰ **Management:** Employees with Management, Superintendent roles and appropriate Principal roles (i.e. those who manage a team)

⁵¹ **Professional:** Employees who are degree qualified and not included in the Senior Management and Management categories

⁵² **Skilled:** Employees with trade certificates, supervisors and those with roles requiring a specific experience level

⁵³ **Unskilled:** Employees with all other roles

⁵⁴ The EITI is a global initiative to improve governance in resource-rich countries through the verification and full publication of company payments and Government revenues from oil, gas and mining.

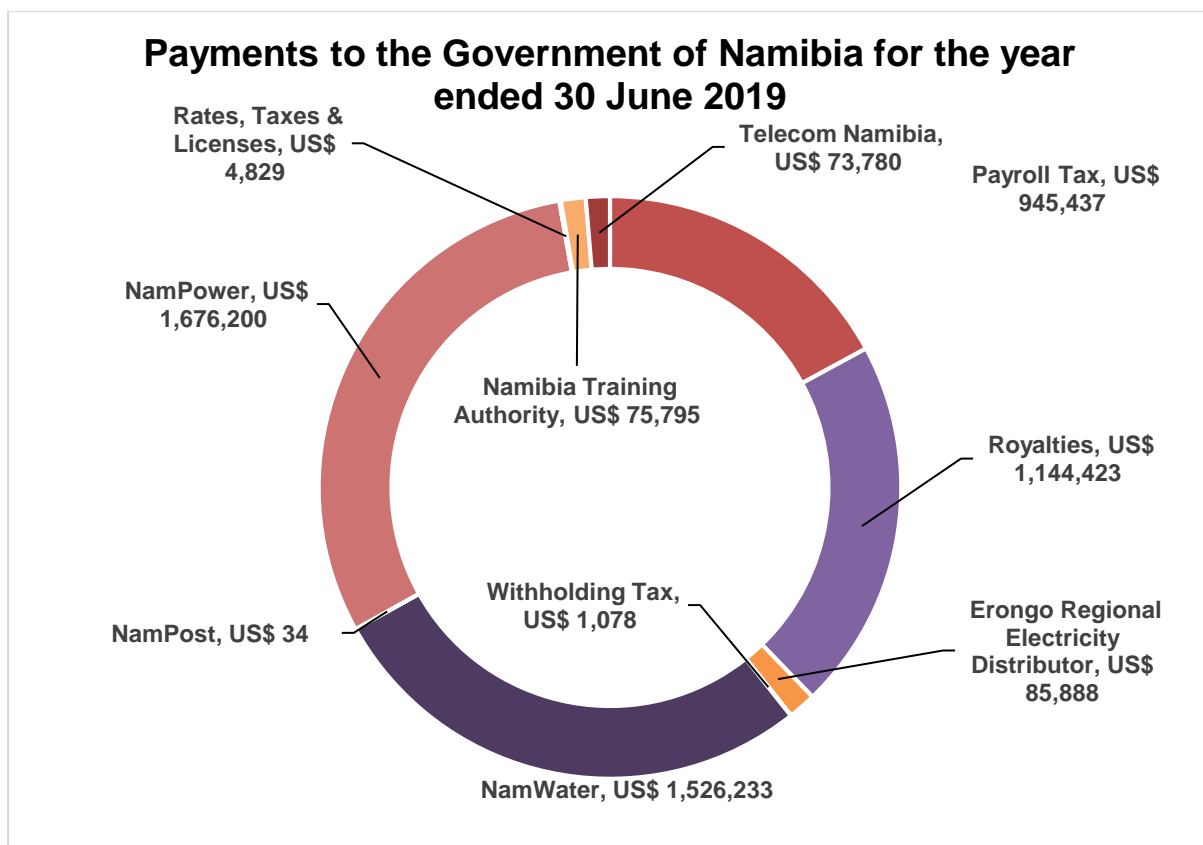


Figure 2. Payments to the Namibian Government for the year ended 30 June 2019

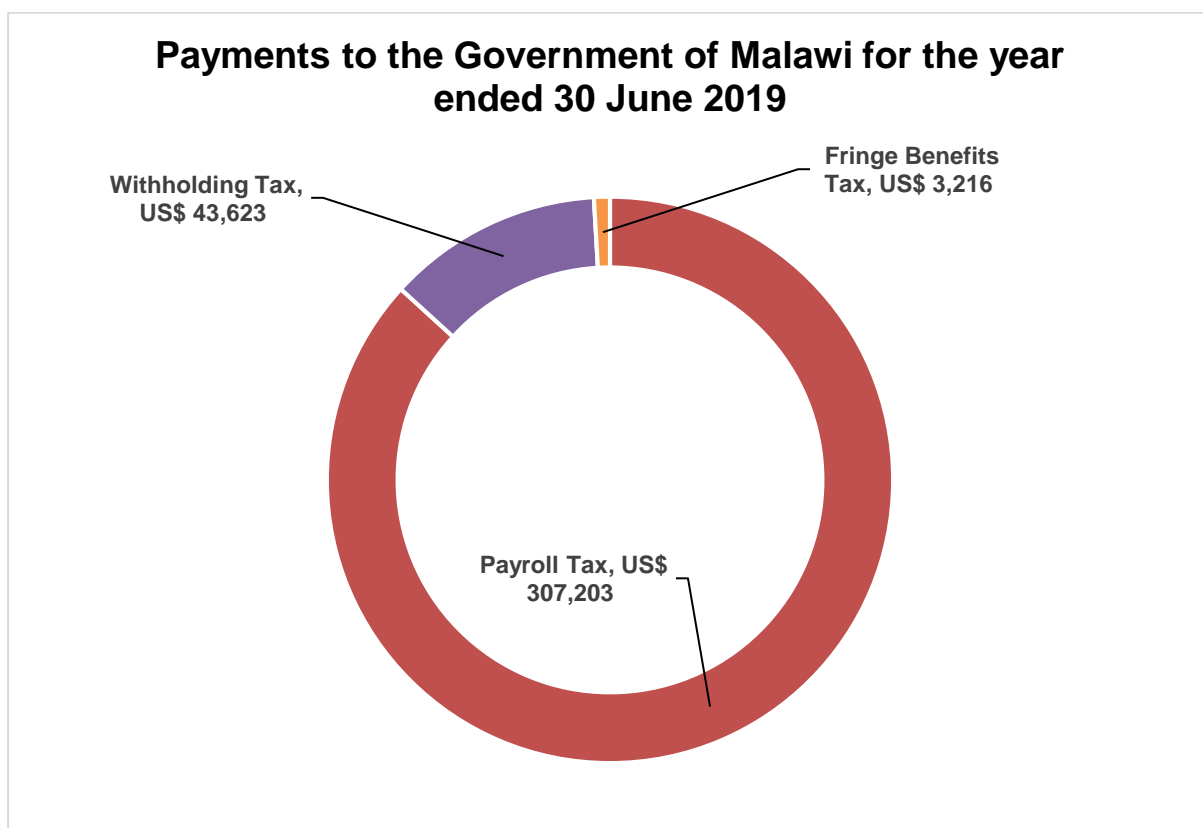


Figure 3. Payments to the Malawi Governments for the year ended 30 June 2019

MATERIAL STEWARDSHIP

Paladin produces uranium to be used for the sole purpose of producing electricity. The uranium is thus sold to power utilities for use as fuel in nuclear power plants. In accordance with both internal and external stakeholder expectations, Paladin considers there to be a shared responsibility between the Company and its customers to ensure optimal and appropriate use of Paladin's product. Paladin thus acknowledges that it is imperative to manage its product through the product's life cycle to ensure that the Company meets its responsibilities regarding product stewardship.

Approach and Performance

All transfers of Paladin's uranium product from its countries of origin, Namibia and Malawi, are made in strict compliance with the non-proliferation treaty of nuclear weapons and safeguard agreements in force between those countries, the International Atomic Energy Agency (IAEA) and the recipient countries. Paladin is committed to adhere to the Mineral Council of Australia's (MCA) Uranium Forum's Code of Practice and Stewardship.

The key elements of the MCA Uranium Forum Code of Practice and Stewardship are as follows:

1. Continual improvement to best practice in management
2. Safely manage, contain and transport all hazardous material, tailings and other wastes
3. Provide adequately for mine closure and rehabilitation
4. Continual improvement in best practice in radiation control
5. Support fit-for-purpose regulatory arrangements
6. Provide information about uranium and its properties to stakeholders
7. Support the safe and peaceful use of nuclear technology
8. Active engagement with local and indigenous communities
9. Implement effective and transparent reporting
10. Engage collaboratively with other sectors of the nuclear fuel cycle

Paladin has programmes in place to ensure that the principles of uranium stewardship are applied appropriately, many of which are addressed in this Sustainability Report.

PROCUREMENT PRACTICES

Paladin positively contributes to its communities by creating opportunities for local businesses to provide goods and/or services to Paladin's mines. Paladin recognises local suppliers' rights to tender for contracts and is committed to building strong relationships with the local providers.

The supply chain⁵⁵ for mining and processing operations, such as those run by Paladin, is quite extensive and includes both direct and indirect suppliers⁵⁶ to both sites. There are numerous suppliers for LHM and KM including consultants, contractors and sub-contractors, distributors of many materials required for mining and processing, manufacturers of various goods, primary producers for food supplies, and transport companies for materials and personnel.

Approach and Performance

While Paladin aims to favour local suppliers for the provision of goods and services, this is subject to the supplier's capacity to deliver to Paladin's specifications and on commercially acceptable terms and conditions. At LHM, local procurement is managed through a purchasing procedure while KM applies a combination of a purchasing procedure and a Tender Committee which reviews and evaluates tender submissions for locally grown and produced food.

Paladin's expenditure on locally or regionally based suppliers at LHM and KM for this reporting period and the previous is presented in Table 30. Generally, there are greater opportunities in Namibia to source goods and services required for the LHM operation locally than opportunities in Malawi for KM. This is evident from the breakdown in overall expenditure for both sites as shown in Table 30.

At KM, the majority of the procurement expenditure is international due to the shortage of foreign exchange in Malawi limiting the local suppliers' ability to maintain price competitiveness and consistency of supply compared to international suppliers.⁵⁷ Due to KM being on care and maintenance, the need for food supplies has proportionately decreased with the significant reduction in personnel on site. This together with significantly less need for reagents and other materials resulted in a continued decrease in procurement expenditure for KM.

LHM's overall expenditure was lower than the previous year due to successful process changes resulting in fewer reagents required, a focus on reduction in operational cost and the depreciation in the Namibian dollar. LHM's overall expenditure was lower than the previous year due to successful transition into care and maintenance at the beginning of the Financial year.

Table 30. Expenditure on Goods, Materials and Services (US\$)

	LHM		KM	
	2018/19	2017/18	2018/19	2017/18
Local and Regional⁵⁸	2,792,820	46,118,658	172,831	172,593
National	4,177,456	23,169,345	2,792,893	2,376,905
International	1,845,537	2,556,941	462,603	1,214,350
Total	8,815,813	71,844,945	3,428,327	3,763,849

⁵⁵ As per the herein applied GRI Standards, a supply chain is defined as the sequence of activities or parties that provide products or services to an organisation.

⁵⁶ As per the herein applied GRI Standards, suppliers are defined as an organisation or person that provides a product or service used in the supply chain of an organisation.

⁵⁷ PAL utilises its own foreign currency generated through uranium sales proceeds, and loans from Paladin, to pay for its requirements.

⁵⁸ Local & Regional for KM is defined as Kayelekera Village, Karonga Town and the surrounding villages in the Northern region. Local & Regional for LHM is defined as the Erongo Region which includes Swakopmund and Walvis Bay.

ABBREVIATIONS AND ACRONYMS

AAMEG	Australian-African Minerals & Energy Group
ABC	Anti-Bribery and Corruption
AUA	Australian Uranium Association
CEO	Chief Executive Officer
CNNC	China National Nuclear Corporation
CMEWA	Chamber of Minerals and Energy WA
CSR	Corporate Social Responsibility
DEC	District Executive Committee
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
EMP	Environmental Management Plan
FAI	First Aid Injury
FEPAC	Friends and Employees for African Children
GHG	Greenhouse Gas
GJ	Giga Joule
GRI	Global Reporting Initiative
ha	Hectare
HFO	Heavy Fuel Oil
IAEA	International Atomic Energy Agency
IUCN	International Union for Conservation of Nature
KM	Kayelekera Mine
Kg	kilogram
kWh	kilo watt hour
L	Litre
LHM	Langer Heinrich Mine
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
LHUPL	Langer Heinrich Uranium (Pty) Ltd
MCA	Minerals Council of Australia
MET	Ministry of Environment and Tourism
Mlb	Million pounds
ML	Mega Litre
mSv	Milli Sievert
MTI	Medically Treated Injury
MUN	Mine Workers Union of Namibia
MYO	Mondessa Youth Opportunity
NERMU	Namib Ecological Restoration and Monitoring Unit
NGO	Non- Government Organisation
NIMT	Namibian Institute of Mining Technology
NNNP	Namib Naukluft National Park
NRPA	Namibian Radiation Protection Authority
NRWB	Northern Region Water Board
NUI	Namibia Uranium Institute
NUA	Namibian Uranium Association
Paladin	Paladin Energy Ltd
PAL	Paladin (Africa) Limited
RPA	Recognition and Procedural Agreement
SHER	Safety Health Environment Radiation
t	tonne
TJ	Terra Joule
TSF	Tailings Storage Facility
UNSCEAR	United Nations Scientific Committee on the Effects of Atomic Radiation

GRI CONTENT INDEX

Paladin has prepared its 2019 Sustainability Report to be in accordance with the Core option of the GRI Sustainability reporting Standards.

GRI offers two options to an organisation in order to prepare its sustainability report: the Core option and the Comprehensive option. The options do not relate to the quality of a report or to the performance of the reporting organisation. Rather, they reflect the extent to which the Guidelines were applied. The reporting requirements for each option are set out in Table 31 and the GRI Content Index is set out in Table 32.

Table 31. Required General and Specific Standard Disclosures

General and Specific Standard Disclosures	Core Option
Organisational Profile	102-1 to 102-13
Strategy	102-14
Ethics and integrity	102-16
Governance	102-18
Stakeholder Engagement	102-40 to 102-44
Reporting practice	102-45 to 102-56

For further information on GRI, the Reporting Principles, Disclosures and Standards please go to www.globalreporting.org.

References to Paladin's Annual Report 2019 in the below GRI Index Table are based on the 2019 Annual Report and Financial Statements PDF which can be downloaded from Paladin's website here: <http://www.paladinenergy.com.au/financial-reports>.

Table 32. GRI Content Index

GENERAL STANDARD DISCLOSURES			
General Standard Disclosures	Description	Page Number (or Link) <i>Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organisation. In these circumstances, the organisation may elect to add a specific reference to where the relevant information can be found.</i>	External Assurance <i>Indicate if the Standard Disclosure has been externally assured.</i>
1. ORGANISATIONAL PROFILE			
102-1	Name of the organisation	About Paladin (p. 3)	No
102-2	Description of the organisation's activities; primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	About Paladin (p. 3) All uranium concentrates are sold solely for use as fuel in commercial nuclear power reactors in accordance with international nuclear non-proliferation rules.	No
102-3	Location of the organisation's headquarters	About Paladin (p. 3)	No
102-4	Number of countries where the organisation operates, and names of countries with either significant operations or that are specifically relevant to the sustainability topics covered in the report	About this Report (p. 1) About Paladin (p. 3) The Report focuses on Paladin's operations, Langer Heinrich Mine (LHM) in Namibia and Kayelekera Mine (KM) in Malawi, and not its exploration sites.	No

1. ORGANISATIONAL PROFILE (continued)			
102-5	Nature of ownership and legal form	About Paladin (p. 3)	No
102-6	Markets served including geographic locations where products and services are offered; sectors served; and types of customers and beneficiaries.	All uranium concentrates are sold solely for use as fuel in commercial nuclear power reactors in accordance with international nuclear non-proliferation rules, and are shipped directly to conversion plants in France, Canada or the USA. Product is consumed in major global markets including Asia, Europe and North America.	No
102-7	Scale of the organisation including total number of employees; total number of operations; net sales (for private sector organisations) or net revenues (for public sector organisations); total capitalisation (for private sector organisations) broken down in terms of debt and equity; and quantity of products or services provided.	About Paladin (p. 3), Diversity and Equal Opportunity (p. 27) For sales volume and financial data please refer to the <i>Paladin 2019 Annual Report</i> (pp. 6-10; 38-43) http://www.paladinenergy.com.au/financial-reports	No
102-8	Total number of employees by employment contract, gender, region, employment type and whether a significant portion of the organisation's activities are performed by workers who are not employees.	Diversity and Equal Opportunity (p. 27) There are no significant seasonal variations in employment numbers. Due to LHM being placed on mining curtailment in FY2017 and then placed into Care and Maintenance in FY2018 the number of employees and contractors has dramatically reduced.	No
102-9	Description of the organisation's supply chain including its main elements as they relate to the organisation's activities, primary brands, products, and services.	Upstream (i.e. suppliers): See Procurement Practices (p. 43)	No

1. ORGANISATIONAL PROFILE (continued)

102-10	Significant changes to the organisation's size, structure, ownership, or supply chain	<p>During FY2017 LHM was put into mining curtailment and then in FY2018 LHM was placed on care and maintenance due to the continued low price of uranium. Paladin's Malawian operation KM has remained on care and maintenance since 2014.</p> <p>The Company was placed into Administration and suspended from the ASX in July 2017. A Deed of Company Arrangement (DOCA) was effected in early 2018 and the Company was relisted in February 2018. The DOCA resulted in a debt for equity swap with the Company's bondholders and a recapitalisation.</p>	No
102-11	Explanation of whether and how the organisation applies the Precautionary Principle or approach	<p>Paladin addresses the precautionary principle through the Company's risk and impact assessment and associated management processes. More information on Paladin's risk management can be found in the <i>Paladin 2019 Corporate Governance Statement</i> http://www.paladinenergy.com.au/corporate-governance</p>	No
102-12	A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes, or which it endorses.	<p>MCA Uranium Forum Code of Practice and Stewardship (formerly the Australian Uranium Association), and the Australian-Africa Minerals & Energy Group (AAMEG).</p>	No
102-13	A list of the main memberships of industry or other associations, and national or international advocacy organisations	<p>Sustainability and Governance at Paladin - Industry Participation (p.7) Please also refer to the Paladin 2019 Annual Report (p. 15): http://www.paladinenergy.com.au/financial-reports</p> <p>Note: Paladin considers all its memberships as strategic.</p>	No

2. STRATEGY			
<u>102-14</u>	Statement from the most senior decision-maker of the organisation	Message from the Chairman (p. 2)	No
3. ETHICS AND INTEGRITY			
<u>102-16</u>	A description of the organisation's values, principles, standards, and norms of behaviour.	<p>Please refer to the Corporate Governance Statement http://www.paladinenergy.com.au/corporate-governance</p> <p>Paladin is currently refreshing and revamping its core values and expects them to be published with the 2020 financial year.</p> <p>To access Paladin's systems, including Paladin's <i>Code of Business Conduct and Ethics</i>, policies and other documents, please see Paladin's website (Corporate Governance): http://www.paladinenergy.com.au/corporate-governance</p>	No
4. GOVERNANCE			
<u>102-18</u>	Governance structure of the organisation, including committees of the highest governance body and any committees responsible for decision-making on economic, environmental and social impacts	<p>Sustainability and Governance at Paladin (p.6)</p> <p>Please also refer to the following sections of the <i>Paladin 2019 Corporate Governance Statement</i> http://www.paladinenergy.com.au/corporate-governance including information on</p> <ul style="list-style-type: none"> • Board of Directors and • Board Committees 	No
5. STAKEHOLDER ENGAGEMENT			
<u>102-40</u>	List of stakeholder groups engaged by the organisation	Stakeholder Engagement (p. 8)	No
<u>102-42</u>	Basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement (p. 8)	No
<u>102-43</u>	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	<p>Stakeholder Engagement (p. 8)</p> <p>Sustainability and Governance at Paladin - Industry Participation (p. 7)</p>	No

102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through reporting.	Stakeholder Engagement (p.8, p.9)/Local Communities (p. 33) External stakeholder engagement is on-going but was not undertaken specifically for the Report preparation process.	No
6. REPORTING PRACTICE			
102-45	All entities included in the organisation's consolidated financial statements or equivalent documents including indication which of these are not covered by the report	This Report covers all entities that were in operation producing uranium during the reporting period and previously produced uranium, but excludes those that are currently still in development. See <i>Paladin 2019 Annual Report</i> (p. 6): http://www.paladinenergy.com.au/financial-reports	Yes – financial content in the Annual Report is externally assured
102-46	Process for defining the report content and the topic boundaries and how the organisation has implemented the reporting principles for defining report content.	Materiality (p. 10)	No
102-47	A list of the material topics identified in the process for defining report content.	Materiality (p. 10)	No
102-48	The effect of any restatements of information given in previous reports, and the reasons for such restatements.	There are no restatements provided in this report compared to the previous report.	No
102-49	Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	There are no restatements provided in this report compared to the previous report.	No
102-50	Reporting period for the information provided	The reporting period for this Report is the 2018/19 financial year starting 1 July 2018 and ending 30 June 2019.	No
102-51	The date of the most recent previous report.	This is Paladin's seventh Sustainability Report. The last report was prepared for the 2017/18 financial year.	No

6. REPORTING PRACTICE (continued)

102-52	The reporting cycle.	Paladin aims to produce its Sustainability Report on an annual basis.	No
102-53	The contact point for questions regarding the report or its contents.	See contact details in the Feedback section of the report (p.64).	No
102-54	'In accordance' option chosen for the report	GRI Content Index (p. 45) (this table). Paladin has chosen the 'in accordance' - core option of reporting for its Sustainability Report.	No
102-55	The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.	This index as provided on pages 45 to 63	No

SPECIFIC STANDARD DISCLOSURES

Description	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	External Assurance
	Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organisation. In these circumstances, the organisation may elect to add a specific reference to where the relevant information can be found.	In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.

CATEGORY: ECONOMIC					
MATERIAL ASPECT: ECONOMIC PERFORMANCE					
GRI-201 GRI-103	Generic Disclosures on Management Approach	See the <i>Paladin 2019 Annual Report</i> (pp 7 - 12) http://www.paladinenergy.com.au/financial-reports • Direct economic value generated (revenue) (p.7) • Economic value distributed (p. 9)	NA	NA	No
MATERIAL ASPECT: ECONOMIC PERFORMANCE (continued)					
GR 201-1	Direct economic value generated and distributed	See the <i>Paladin 2019 Annual Report</i> (pp. 9-10): http://www.paladinenergy.com.au/financial-reports Local Communities - Community Development and Contributions to Local Economies (p. 33)	NA	NA	No
MATERIAL ASPECT: MARKET PRESENCE					
GR-103 GR-202	Generic Disclosures on Management Approach	OUR PEOPLE - Approach and Performance (p. 25) OUR PEOPLE - Diversity and Equal Opportunity (p. 27)	NA	NA	No
GR 202-1	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	The lowest entry level wage at LHM for both male and female is approx. N\$12,789 pm which is around eight times the local minimum wage in Namibia. The site lowest entry level wage for both male and female employees is approx. KW3831 a day which is around four times the local minimum wage in Malawi.	NA	NA	No

MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS					
GR-103 GR-203	Generic Disclosures on Management Approach	OUR PEOPLE - Approach and Performance (p. 25) LOCAL COMMUNITIES - Community Development and Contributions to Local Economies (p. 33)	NA	NA	No
GR 203-1	Infrastructure investments and services supported	LOCAL COMMUNITIES - Community Development and Contributions to Local Economies (p. 33)	NA	NA	No
MATERIAL ASPECT: PROCUREMENT PRACTICES					
GR-103 GR-204	Generic Disclosures on Management Approach	PROCUREMENT PRACTICES - Approach and Performance (p. 43)	NA	NA	No
GR 204-1	Percentage of procurement budget used for significant location of operation that is spend on suppliers local to that location.	PROCUREMENT PRACTICES - Approach and Performance (p.43)	NA	NA	No
MATERIAL ASPECT: ANTI-CORRUPTION					
GR-103 GR-205	Generic Disclosures on Management Approach	ANTI-CORRUPTION, BRIBERY AND TRANSPARENCY OF PAYMENTS TO GOVERNMENTS - Approach and Performance (p. 39)	NA	NA	No
GR 205-1	Operations assessed for risks related to corruption	ANTI-CORRUPTION, BRIBERY AND TRANSPARENCY OF PAYMENTS TO GOVERNMENTS - Approach and Performance (p. 39)	NA	NA	No
GR 205-2	Communication and training on anti-corruption policies and procedures	ANTI-CORRUPTION, BRIBERY AND TRANSPARENCY OF PAYMENTS TO GOVERNMENTS – Anti corruption communication and training (p. 39)	NA	NA	No

MATERIAL ASPECT: ANTI-CORRUPTION (continued)					
GR 205-3	Confirmed incidents of corruption and actions taken	ANTI-CORRUPTION, BRIBERY AND TRANSPARENCY OF PAYMENTS TO GOVERNMENTS – Incidents of corruption (p. 40)	NA	NA	No
CATEGORY: ENVIRONMENTAL					
MATERIAL ASPECT: ENERGY					
GR-103 GR-302	Generic Disclosures on Management Approach	ENVIRONMENT (p. 11) ENVIRONMENT - Energy (p. 17)	NA	NA	No
GR 302-1	Energy consumption within the organisation from renewable and non-renewable sources	ENVIRONMENT - Energy (p. 17).	NA	NA	No
GR 302-2	Energy consumption outside of the organisation	LHM: ENVIRONMENT - Energy (p. 17) KM: No energy is consumed from outside of the organisation	NA	NA	No
MATERIAL ASPECT: ENERGY (continued)					
GR 302-3	Energy intensity	ENVIRONMENT - Energy (p. 17)	NA	NA	No
GR 302-4	Reduction of energy consumption	The amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives is not available.	NA	NA	No

MATERIAL ASPECT: WATER AND EFFLUENTS					
GR-103 GR 303-1 GR 303-2	Generic Disclosures on Management Approach - Interactions with water as a shrewd resource - Management of water discharge-related impacts	ENVIRONMENT (p. 11) ENVIRONMENT - Water (p. 12)	NA	NA	No
GR 303-3	Water withdrawal	ENVIRONMENT - Water (Water Supply/Abstraction) (p. 13)	NA	NA	No
GR 303-4	Water Discharge	ENVIRONMENT - Water (pp. 13, 14)	NA	NA	No
GR 303-5	Water consumption	ENVIRONMENT - Water (p. 12)	NA	NA	No
MATERIAL ASPECT: BIODIVERSITY					
GR-103 GR-304	Generic Disclosures on Management Approach	ENVIRONMENT (p.11) ENVIRONMENT - Biodiversity (p. 15)	NA	NA	No
GR 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	LHM: ENVIRONMENT - Biodiversity (p. 15)	NA	NA	No
GR 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	LHM: ENVIRONMENT - Biodiversity (p. 15)	NA	NA	No
GR 304-2	Significant impacts of activities, products, and services on biodiversity	ENVIRONMENT - Biodiversity (Land Use and Management) (p. 15)	NA	NA	No
GR 304-3	Habitats protected or restored	ENVIRONMENT - Biodiversity (pp. 15, 16)	NA	NA	No
GR 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	ENVIRONMENT - Biodiversity (Protecting Biodiversity) (pp. 16, 17)	NA	NA	No

MATERIAL ASPECT: EMISSIONS					
GR-103 GR-305	Generic Disclosures on Management Approach	ENVIRONMENT (p.11) ENVIRONMENT - Greenhouse Gas Emissions (p. 18)	NA	NA	No
GR 305-1	Direct (Scope 1) (GHG) emissions	ENVIRONMENT - Greenhouse Gas Emissions (p. 18)	Base year for the calculation including the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions.	Paladin has not selected a base year, instead choosing to report against the previous year.	No

MATERIAL ASPECT: EMISSIONS (continued)					
GR 305-2	Energy indirect (Scope 2) GHG emissions	ENVIRONMENT - Greenhouse Gas Emissions (p. 18)	Base year for the calculation including the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions.	Paladin has not selected a base year, instead choosing to report against the previous year	No
GR 305-3	Other Indirect (Scope 3) GHG emissions	N/A	Other indirect greenhouse gas (GHG) emissions (Scope 3)	The information is currently not known and not considered material to Paladin at this time.	No
GR 305-4	GHG emissions intensity	ENVIRONMENT - Greenhouse Gas Emissions (p. 18)	NA	NA	No

MATERIAL ASPECT: EFFLUENTS AND WASTE

GR-103 GR-306	Generic Disclosures on Management Approach	ENVIRONMENT (p.11)	NA	NA	No
GR 306-1	Water discharge by quality and destination	ENVIRONMENT - Water (p. 12)	NA	NA	No
GR 306-2	Waste by type and disposal method	ENVIRONMENT - Mineral Waste (p. 19) Paladin considers this Indicator material for mineral waste, but not for non-mineral waste.	Total weight of hazardous and non-hazardous waste	The Standard Disclosure or part of the Standard Disclosure is not applicable	No
GR 306-3	Significant spills	ENVIRONMENT - Significant Spills and Environmental Incidents (p. 20)	Total volume of recorded significant spills.	The Standard Disclosure or part of the Standard Disclosure is not applicable as the type and category of the spill are the relevant factors.	No

MATERIAL ASPECT: ENVIRONMENTAL COMPLIANCE

GR-103 GR-307	Generic Disclosures on Management Approach	ENVIRONMENT (p. 11)	NA	NA	No
GR 307-1	Non-compliance with environmental laws and regulations	No significant fines or non-monetary sanctions were received.	NA	NA	No

CATEGORY: SOCIAL					
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK					
MATERIAL ASPECT: EMPLOYMENT					
GR-103 GR-401	Generic Disclosures on Management Approach	OUR PEOPLE (p. 25) HEALTH AND SAFETY (p. 21)	NA	NA	No
GR 401-1	New employee hires and employee turnover	OUR PEOPLE (p. 26)	NA	NA	No
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY					
GR-103 GR-403	Generic Disclosures on Management Approach	HEALTH AND SAFETY - Approach (p.21)	NA	NA	No
GR 403-8	Workers covered by an occupational health and safety management system	HEALTH AND SAFETY - Approach (p. 21)	NA	NA	No
GR 403-9	Work related injuries	HEALTH AND SAFETY - Performance (Safety) (p. 21)	NA	NA	No
MATERIAL ASPECT: TRAINING AND EDUCATION					
GR-103 GR-404	Generic Disclosures on Management Approach	OUR PEOPLE (p.25) OUR PEOPLE - Education and Training (p. 30)	NA	NA	No
GR 404-1	Average hours of training per year per employee	LHM: OUR PEOPLE - Education and Training (p. 30)	Detailed breakdown of training hours per employee categories and gender	<i>Insufficient detailed information available to report for KM.</i>	No
GR 404-3	Percentage of employees receiving regular performance and career development reviews	OUR PEOPLE - Education and Training (p. 30)	NA	NA	No

MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

GR-103 GR-405	Generic Disclosures on Management Approach	OUR PEOPLE - Diversity and Equal Opportunity (p. 27)	NA	NA	No
GR 405-1	Diversity of governance bodies and employees	OUR PEOPLE - Diversity and Equal Opportunity (p. 27)	Minority group membership is not considered a significant factor at KM. LHM does record employees categorised as Historically Racially Disadvantaged.		No

SUB-CATEGORY: HUMAN RIGHTS**MATERIAL ASPECT: SECURITY PRACTICES**

GR-103 GR-410	Generic Disclosures on Management Approach	Human Rights - Approach and Performance (p. 38)	NA	NA	No
GR 410-1	Security personnel trained in human rights policies or procedures	Human Rights - Human Rights Training for Security Personnel (p. 38)	NA	NA	No

MATERIAL ASPECT: HUMAN RIGHTS ASSESSMENT

GR-103 GR-412	Generic Disclosures on Management Approach	Human Rights - Approach and Performance (p. 38)	NA	NA	No
GR 412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights - Approach and Performance (p. 38)	NA	NA	No
GR 412-2	Employee training on human rights policies or procedures	Human Rights – Human Rights Training (p.38)	NA	NA	No

MATERIAL ASPECT: HUMAN RIGHTS ASSESSMENT (continued)					
GR 412-3	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All (100%) of Paladin's contracts include clauses that require adherence to relevant regulations and Paladin's policies which include Paladin's Human Rights Policy. No human rights screening was conducted during the reporting period.	NA	NA	No
SUB-CATEGORY: SOCIETY					
MATERIAL ASPECT: LOCAL COMMUNITIES					
GR-103 GR-413	Generic Disclosures on Management Approach	LOCAL COMMUNITIES (p. 33) LOCAL COMMUNITIES - Approach and Performance (p. 33)	NA	NA	No
GR 413-1	Operations with local community engagement, impact assessments, and development programmes	LOCAL COMMUNITIES - Approach and Performance (p. 33) ENVIRONMENT - Performance (Environmental Impact Assessments) (p. 12) STAKEHOLDER ENGAGEMENT (p.8) HEALTH and SAFETY – Approach (p.21)	NA	NA	No
GR 413-2	Operations with significant actual and potential negative impacts on local communities	LOCAL COMMUNITIES - Approach and Performance (p. 33) No significant negative impacts on the community resulting from LHM or KM's operations were identified.	NA	NA	No

MATERIAL ASPECT: PUBLIC POLICY

GR-103 GR-415	Generic Disclosures on Management Approach	ANTI-CORRUPTION, BRIBERY AND TRANSPARENCY OF PAYMENTS TO GOVERNMENTS - Approach and Performance (p. 39)	NA	NA	No
GR 415-1	Political contributions	ANTI-CORRUPTION, BRIBERY AND TRANSPARENCY OF PAYMENTS TO GOVERNMENTS - Transparent Disclosure of Payments to Government (p. 40)	NA	NA	No

FEEDBACK

Paladin values and therefore welcomes any feedback, comments or enquiries regarding this Report as well as Paladin's approach to, or performance in relation to, its commitment to sustainable development. Please contact Andrea Betti directly:

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