For personal use only

21 February 2022

The Manager, Companies
Australian Securities Exchange
Companies Announcement Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

OZ Minerals 2021 Annual and Sustainability Report

OZ Minerals today announced its results for the full year ended 31 December 2021. Attached is the Appendix 4E and 2021 Annual and Sustainability Report including:

- Directors' Report
- Remuneration Overview and Report
- FY21 Financial Report
- Sustainability Report

Julie Athanasoff
Group Manager Legal and Company Secretary

This announcement is authorised for market release by OZ Minerals' Managing Director and CEO, Andrew Cole.

For personal use only

RESULTS FOR ANNOUNCEMENT TO THE MARKET

We have provided this results announcement to the market in accordance with Australian Securities Exchange (ASX) Listing Rule 4.2A and Appendix 4E for the Consolidated Entity (OZ Minerals) comprising OZ Minerals Limited (OZ Minerals Limited or the 'Company') and its controlled entities for the year ending 31 December 2021 (financial year) compared to the year ended 31 December 2020 (comparative period).

Consolidated results, commentary on results and outlook

	31 December 2021 $m	31 December 2020 $m	Movement $m	Movement %
Net Revenue	2,095.8	1,342.0	753.8	56.2
Profit after tax attributable to OZ Minerals Limited equity holders	530.7	212.6	318.1	149.6

The commentary on the consolidated results and outlook, including changes in the state of affairs and likely developments of the Consolidated Entity, is set out in pages 10-19 and within the financial review section of the Directors' Report in pages 32-35.

Net tangible assets per share

	31 December 2021 $ per share	31 December 2020 $ per share
Net tangible assets per share*	8.98	7.43

*Right-of-Use assets are considered intangible assets and excluded from total assets for the net tangible assets calculation.

In accordance with Chapter 19 of the ASX Listing Rules, net tangible assets per share represents the total assets less intangible assets, less liabilities ranking ahead of, or equally with, ordinary share capital and divided by the number of ordinary shares on issue at the end of the year.

For personal use only

Dividends

Since the end of the financial year, on 21 February 2022 the Board determined to pay a fully franked dividend of 18 cents per share, to be paid on 11 March 2022. The record date for entitlement to this dividend is 25 February 2022.

OZ Minerals offers a Dividend Reinvestment Plan (DRP) and eligible shareholders may participate in the DRP in respect of all or part of their shareholding with no limit on the number of participating shares. Shareholders who participate will be allocated shares under the DRP for the dividend at a discount of 1.5 per cent to the average of the daily volume weighted average market price of ordinary shares of the Company traded on the ASX over the period of five trading days commencing on 24 February 2022. The last date for receipt of election notices for the DRP is 28 February 2022. The Company is likely to issue new shares on-market during this period to satisfy its expected obligations under the DRP.

The financial impact of the dividend amounting to $60.2 million has not been recognised in the Consolidated Financial Statements for the year ended 31 December 2021 and will be recognised in subsequent consolidated financial statements.

Dividends announced or paid since 1 January 2020

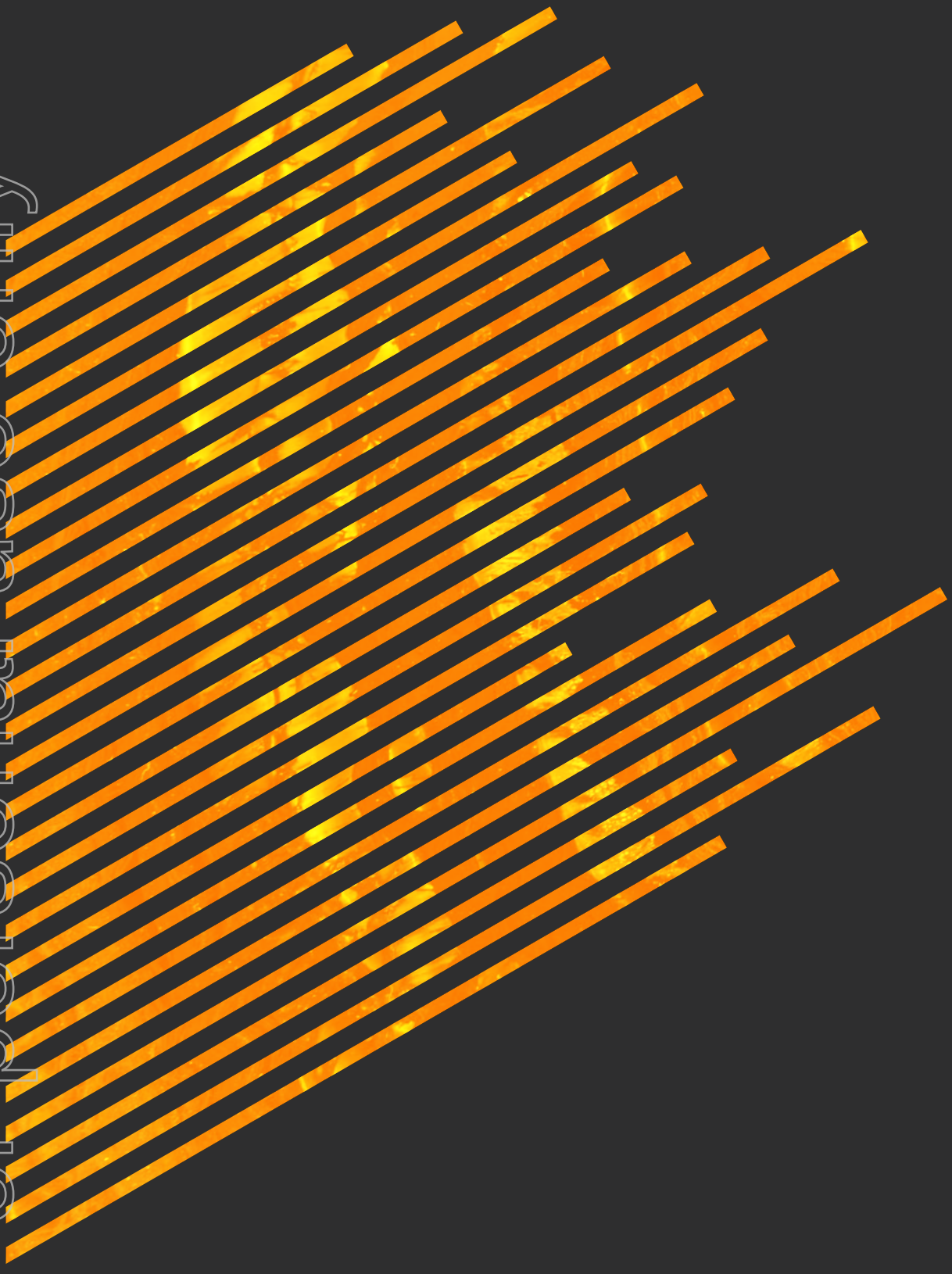
Record date	Payment date	Fully franked cents per share	Total dividends $m	Dividend reinvestment plan
25 February 2022	11 March 2022	18	60.2	Yes
24 August 2021	7 September 2021	16*	53.3	Yes
12 March 2021	26 March 2021	17	56.4	Yes
18 September 2020	5 October 2020	8	26.0	Yes
12 March 2020	26 March 2020	15	48.6	No

* Included a special dividend of 8 cents per share.

Independent auditor's report

The above announcement of the results to the market is based upon the Consolidated Financial Statements and we have included the Independent Auditor's Report to OZ Minerals Limited members in the OZ Minerals' 2021 Annual and Sustainability Report.

For personal use only



OZ MINERALS

2021 Annual & Sustainability Report

For personal use only

For personal use only

Acknowledgement of country

OZ Minerals acknowledges the traditional owners and custodians of country throughout Australia and their continuing connection to land, waters and community. We pay our respects to the people, the cultures and the elders past, present and emerging.

OZ Minerals' Adelaide Office is located on Kaurna land, our Prominent Hill mine is located on Antakirinja Matu-Yankunytjatjara land, our Carrapateena mine is located on Kokatha land and our West Musgrave Project is located on Ngaanyatjarra land.

Cautionary statement

This report contains forward-looking statements that relate to our activities, plans and objectives. Actual results may significantly differ from these statements, depending on a variety of factors. The term 'material topic' is used for voluntary sustainability reporting to describe topics that could affect our sustainability performance. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and circumstances that will occur in the future and may be outside OZ Minerals' control. Given these risks and uncertainties, undue reliance should not be placed on forward looking statements.

Contents

2021 Performance Snapshot
Message from the Chairman and CEO
Operating Review
/Strategy
/Prominent Hill
/Carrapateena
/West Musgrave
/Carajás
/Gurupi
/Exploration and Growth
Governance
Directors' Report
/Financial Review
/Risk Management
Remuneration Overview and Report
Sustainability Report
Mineral Resources and Ore Reserves
Financial Report
Shareholder Information

For personal use only

For personal use only

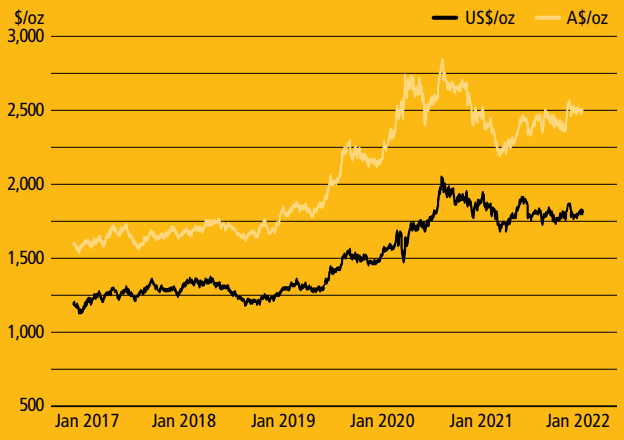
04
06

08
10
12
14
16
17
18
20
27
32
36
47
68
106
112
150

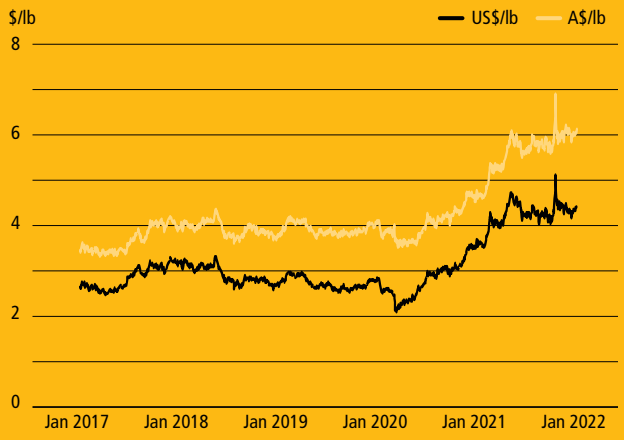
For personal use only

2021 Performance Snapshot

GOLD PRICING



COPPER PRICING



FULL YEAR FINANCIAL RESULTS SUMMARY

	2021 $m	2020 $m
Group revenue	2,095.8	1,342.0
EBITDA	1,162.4	606.3
Net depreciation	(366.7)	(283.4)
EBIT	795.7	322.9
Net finance expense	(39.1)	(27.1)
Income tax (expense)	(225.9)	(83.2)
NPAT	530.7	212.6
Dividends per share (cents)	34	25

125,486
Tonnes of Copper produced

237,263
Ounces of Gold Produced

ALL ASSETS

● Operating mine ◆ Exploration ■ Study phase ▲ Mine in construction ⬣ Hub



STAKEHOLDER VALUE CREATION METRICS

2021 Performance Rating Criteria ● Positive Performance ◐ Positive progress ○ Further focus required ○ Not yet assessed

	Metrics	Performance criteria	Rating	Focus for 2022
SHAREHOLDER	Share price and dividends	Grow share price: measured relative to peer group	● Relative to peers over three year period	Top quartile TSR Performance
		Sustainable dividend: measured relative to OZL's dividend track record	● Relative to prior year dividend	Sustain underlying dividend
	Bottom half of cost curve	Measured relative to global copper producers	● Relative to industry cost curve	Bottom Half of Cost Curve
	Reserve growth	Grow OZL's Reserves: measured relative to OZL's reserve at the end of previous year	◐ Relative to prior year	Grow OZL Reserves
	Governance	Compliance with ASX's corporate governance principles and recommendations	● Relative to stakeholder expectations and governance disclosures	Compliance with ASX corporate governance principles and recommendations
GOVERNMENT	Employment by jurisdiction	Workforce – local / state / out of state / Indigenous and Land Connected Peoples	◐ Relative to Context and stakeholder expectations	Relative to Context and stakeholder expectations. Greater workforce diversity and inclusion
	Tax and royalties	Income tax expense / royalties (total and Jurisdictions)	● Relative to NPAT and Revenue	Relative to NPAT and Revenue
	Capital Investment	Capital Investment	● Relative to content spend and stakeholder expectations	In line with growth plan
	Emissions	Scope 1 & 2 emissions per tCO_2-e per t Cu Eq / Scope 1 & 2 absolute emissions	○ Relative to our Strategic Aspirations and TFCD Roadmap	Commence delivery of Decarbonisation Roadmap
	Energy	Renewable energy percentage	● Relative to our Strategic Aspirations and TFCD Roadmap	Commence delivery of Decarbonisation Roadmap
		Net energy intensity per t Cu eq	○ Relative to our Strategic Aspirations and TFCD Roadmap	Commence delivery of Decarbonisation Roadmap
	Local content	Value spent with local suppliers through supply chains	◐ Relative to Context, spend and stakeholder expectations	Relative to Context, spend and stakeholder expectations
COMMUNITY	Working with stakeholders	Number and average duration for resolution of concerns, complaints and grievances	◐ Relative to our Context and stakeholder expectations	Relative to Context and stakeholder expectations
		Partnering Case Studies	◐ Relative to our Context and stakeholder expectations	Maintain focus on identifying partnership opportunities
	Community engagement	Social contribution (quantitative and qualitative)	● Relative to our Context and stakeholder expectations	Relative to Context and stakeholder expectations
	Human rights	Modern Slavery Act Roadmap implementation and Number of incidents	○ Relative to our Strategic Aspirations and Modern Slavery Roadmap	Target zero incidents
	Cultural heritage	Unauthorised cultural heritage breaches / significant environmental and social incidents	● Relative to our stakeholder expectations	Target zero incidents
	Water	Water consumed per t Cu Eq / water withdrawal in areas of extreme water stress (%)	◐ Relative to our Context, Strategic Aspirations and stakeholder expectations	Continued focus towards Strategic Aspirations
	Waste	Non-mineral waste produced per t Cu Eq	◐ Relative to our Context, Strategic Aspirations and stakeholder expectations	Continued focus towards Strategic Aspirations
	Land and biodiversity	Area (ha) disturbed in high value biodiversity areas	● Relative to our Context, Strategic Aspirations and stakeholder expectations	Target zero disturbance in high biodiversity areas
EMPLOYEE	Safety performance	Total Recordable Injury Frequency Rate (TRIFR)	◐ Relative to our Strategic Aspirations and YOY Performance	Reduce TRIF
		Zero fatalities	○ Annual Performance relative to zero	No fatalities
	Workforce engagement	Employee Survey Results above industry benchmark	● Relative to our Strategic Aspirations and stakeholder expectations	Maintain or improve workforce engagement
	Inclusion	Inclusion maturity upward trend	○ Relative to Peers	Greater workforce diversity and inclusion
	Diversity	Diversity of thought and demographic	○ Relative to Peers and our Strategic Aspirations	Greater workforce diversity and inclusion
SUPPLIER	Net Promoter Score (NPS)	First survey conducted in 2021	◐ Relative to our Context and stakeholder expectations	Maintain or improve Supplier NPS
	On time payment	The proportion by number and value of invoices paid on time within payment terms	◐ Relative to stakeholder expectations and Compliance level	Improve on time payments
	Supplier Value by jurisdiction	OZ Minerals local, state, national, international and total spend	● Relative to our Context and stakeholder expectations	Relative to Context and stakeholder expectations

For personal use only

For personal use only

Message from the Chairman and CEO

Dear shareholders,

The past year saw us further advance our growth strategy. Major projects were approved and are now underway, while we strengthened our cultural and organisational foundations to support the delivery of our next growth phase and aspirations in 2022 and beyond.

The Board was impressed by the resilience of our people. Supported by our culture of collaboration and innovation, we managed through another year of challenging health and well-being management, border restrictions and cross-border travel requirements associated with COVID-19.

We are all deeply saddened by the loss of one of our team, a Byrnecut underground workforce member at Prominent Hill. His death was acutely felt by the whole Company, especially the Prominent Hill team. Further, two of our Brazil team members died after contracting COVID-19, while they had been away from work. Our thoughts go to the families of all three team members.

The agility of our workforce enabled us to continue operations in Australia and Brazil, and deliver our Company production and cost targets. Notably, Prominent Hill achieved production and cost guidance for the seventh consecutive year and Carrapateena delivered while flexing production as it managed cave propagation.

CREATING VALUE

Anchored by our Company purpose, *Going beyond what's possible to make lives better,* and our Strategy of creating value for our stakeholders during the year, we:

- continued to help build the resilience of our stakeholders, particularly among our communities. We financially supported programs to lift Indigenous vaccination rates, provided governance training skills for our traditional owners, provided personal protective equipment and testing kits in Brazil, and supported local charities to continue to provide food and other assistance
- developed our first Decarbonisation Roadmap with commitments that include halving our Scope 1 emissions by 2027. The roadmap is on page 88. It has been built from the bottom up and comprises fully funded commitments to electrify materials handling systems enabling replacement of much of our diesel haulage at Carrapateena and Prominent Hill, as well as trials to decarbonise the remainder of our fleet
- continued to foster a flexible working environment where our people used their personal work life plans to allow them to fit their work around their life. We advanced our inclusion and diversity programs with regular monitoring in place for gender diversity through our recruitment process and thought diversity via a bi-monthly workplace survey
- improved our overall safety frequency rate with a total recordable injury frequency rate (TRIFR) of 3.77 compared with 5.29 in 2020. This reflects our continued efforts in supporting mental wellbeing and the implementation of an asset-led Critical Risk Prevention awareness program
- developed robust data gathering to aid assessment of our Stakeholder Value Creation Metrics, published for the first time in last year's Annual & Sustainability Report. These metrics are designed to drive value creation across the Company and allow others to assess our performance

For personal use only

2021 FINANCIAL AND OPERATIONAL HIGHLIGHTS

- $2.1b revenue achieved
- $530.7m statutory net profit after tax
- $215.4m cash balance with no debt
- 159.6 cents earnings per share
- Total dividends for 2021: 34 cents per share fully franked
- Seventh consecutive year copper production and cost guidance met at Prominent Hill
- Prominent Hill Wira Shaft mine expansion commenced
- Carrapateena Block Cave expansion commenced
- West Musgrave positioning as long-life, low-cost sustainable producer
- Development of the Carajás East Hub in Brazil
- International earn ins – Sweden and Peru
- Decarbonisation Roadmap developed



- rewarded shareholders with a special dividend of 8 cents per share at the half year on the back of a strong financial performance, while continuing to deliver sustainable ordinary dividends which totalled 26 cents per share for the year
- completed recruitment of additional members for our Executive Leadership Team adding skills and experience to the existing team in preparation for our next phase of growth
- appointed a new Non-executive Director, Dr Sarah Ryan, who brings valuable resource industry operational and technology experience as well as a commercial and financial background to complement existing board member skills
- and we ended the year in a strong financial position with a cash balance of $215.4 million and undrawn debt facilities.

OUR GROWTH

We progressed our growth projects with:

- the Carrapateena Block Cave expansion approved at the beginning of the year and decline development now underway
- the Prominent Hill Wira Shaft expansion approved mid-year and work on the shaft collar now well advanced
- Carajás East activities including Pedra Branca producing production ore, a maiden resource announced for the Santa Lúcia potential satellite mine and tailings storage now transitioning to the depleted open pit at Antas
- the West Musgrave Project study advanced, as we evaluated further low carbon and modern mining opportunities. Overall, our confidence continues to build, as many aspects of the project are advanced and technically de-risked
- Exploration progressively resuming.

2022 PRIORITIES

Looking ahead, our focus in 2022 will be on:

- safely advancing growth and operational delivery at our assets, including progressing the expansions at Prominent Hill and Carrapateena both of which unlock the potential for multi-generational, low-cost mining provinces
- continuing to progress the Carajás Hub Strategy in Brazil
- progressing the West Musgrave Project study for a final investment decision in the second half of 2022
- continuing our exploration activities
- investing in decarbonisation
- enabling more efficient and effective autonomous operations
- closely managing the inflationary environment and cost control
- strengthening our culture and moving towards realising our Strategic Aspirations (page 09)
- holding ourselves accountable as a sustainable and responsible producer creating value for all our stakeholders.

We thank all our stakeholders for your ongoing support and confidence. Building on our progress over past years on creating our unique culture, delivering operational performance, and advancing our growth projects, we are excited about what can be achieved in 2022 and look forward to the possibilities ahead.

Rebecca McGrath
Chairman
Adelaide
21 February 2022

Andrew Cole
Managing Director and CEO
Adelaide
21 February 2022

Strategy

Our Strategy is centred around value creation for stakeholders, and supports the achievement of our Purpose, *Going beyond what's possible to make lives better.*

OUR CONTEXT

In 2021, the local, national and global macroeconomic environment and value chains in which we operate were influenced by COVID-19 related disruptions including supply chain constraints; labour movement restrictions; government trade policy changes; and inflation. While several of these, such as supply chain constraints, are likely to ease in 2022, others, such as inflation, may persist into 2022 and beyond.

Globally, we have observed that COVID-19 related policies and restrictions impacted investment and consumption when they were in place and once they were relaxed or removed, investment and consumer sentiment returned strongly. This has often supported increased demand for copper from the manufacturing sector, as well as for consumer goods. We are also expecting the level of focus and investment on decarbonising economic activity to increase in the coming years, creating an environment which is highly supportive for copper and nickel demand.

In 2021, the copper price averaged US$9,318 per tonne and AUD$12,418 per tonne. Both were multi year highs. US$ copper price was 51 per cent higher, and AUD$ copper price was 31 per cent higher compared to the 2020 average. Overall, the refined market was in a balanced to slight deficit state. Several factors were responsible for this improvement in price, including:

- increasing community and social issues in South America temporarily impacting the ability of several mines to operate
- major weather events impacting supply reaching customers
- increased demand for consumer goods
- improved demand for electric cars and renewable energy
- a decline in visible bonded stocks.

Several of these issues may be temporary. Others, such as the increased demand for copper wires for electric cars and renewable energy, are likely to further strengthen in 2022 and into the longer term.

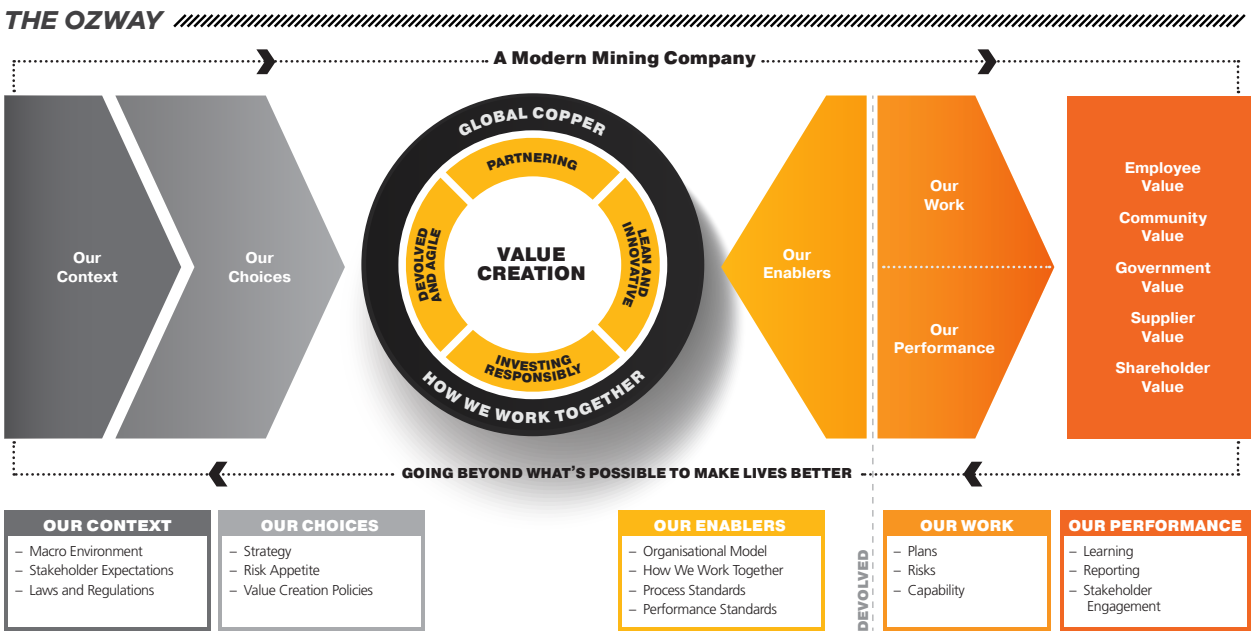
The Australian dollar was influenced by domestic and global factors in 2021 but remained within an expected range throughout the year. It averaged 0.75 in 2021 ranging between $0.70 and $0.80. The terms of trade were strong during the year and reflected strong export prices for key minerals, including bulks and base metals. Domestically, lockdowns in several Australian state economies influenced consumption and investment but demand returned strongly once restrictions were relaxed.

Many of the macroeconomic and market issues and events experienced in 2021 reinforced our approach to how we think about our Strategy and operate our assets. We conducted strategic scenario planning that tested our portfolio under optimistic and pessimistic scenarios, including a climate-related scenario (page 86) and the application of risk, which includes threats and opportunities, to our work.

THE OZWAY

We use *The OZWay*, a simple model that explains how all the parts of OZ Minerals fit together, to help us think about our business and the broader environment we operate in.

Our Strategy, which puts value creation for stakeholders at the centre of all we do, sits within *The OZWay* and supports the achievement of our Purpose, *Going beyond what's possible to make lives better.*



For personal use only

For personal use only

STRATEGIC ASPIRATIONS

We believe strong ethical, environmental and social performance will help us comply with regulations and meet or exceed stakeholder expectations. We set ourselves the following Strategic Aspirations to focus our work on three or four high-impact activities under each element of our Strategy.

STRATEGIC ASPIRATIONS

Partnering

- Our business model empowers assets to optimise for their local conditions.
- We deliver the activities along our value chain to enable our local stakeholder aspirations for generations to come.
- We work closely with our stakeholders to create mutual value by building each others' capability and capacity.

Devolved and agile

- We work with the best talent and capability no matter where it resides, driving an outcome-based organisation.
- Our assets are brought to full value early through a rapid approach to our project pipeline and provide optimal value for stakeholders.
- Our assets are scalable and adaptive.
- We are a low bureaucracy organisation structured around the work to be done rather than traditional concepts of roles, to enable rapid decision-making free from traditional hierarchy.

Global copper

- We responsibly produce clean value-adding products in partnership with our customers in a transparent manner.



Lean and innovative

- We strive to minimise water use and add value when we do.
- We will emit zero Scope 1 emissions and strive to systematically reduce Scope 2 and 3 emissions across our value chain.
- We consume and produce in a way that generates zero net waste and creates value for stakeholders.
- We use data and technology for tactical decision making, repetitive work and to improve safety, allowing our people to focus on complex and innovative thinking.
- Our simplified systems and processes are a competitive advantage.

How we work together

- We are a virtual organisation bound by our Purpose and Aspirations, not by geography or physical infrastructure.
- We challenge all assumptions about how and where work needs to be done and what's possible.
- We deliberately weave personal and professional growth into our everyday work, enabling people to do the best work of their lives.

Investing responsibly

- Our Partnering and diversified ownership models create shared responsibility across all stakeholders.
- We attract investment due to how we operate, our strong financial returns and our top quartile shareholder returns.

OZ MINERALS' STAKEHOLDER VALUE CREATION METRICS

Our Stakeholder Value Creation Metrics (page 05) help us provide a tangible assessment of how and where we create value and drive performance. Our reporting on these Metrics is aligned with the different elements of *The OZWay*, further embedding a focus on value creation in what we do.

In articulating our Value Creation Metrics, we actively address the environmental, social and governance (ESG) expectations of our stakeholders in a way that supports our focus on value creation and our Strategic Aspirations. The Metrics also help track our contributions towards the UN Sustainable Development Goals. We believe that it is only when we are creating value for all our stakeholders that we will have a successful and sustainable Company and achieve our Purpose, *Going beyond what's possible to make lives better.*



Prominent Hill

The Wira Shaft expansion ensures we can continue to rely on Prominent Hill as a next generation long-life, low-cost mining province.

OVERVIEW

- **Location:** 650 km north-west of Adelaide, 130 km south-east of Coober Pedy
- **Product:** Copper concentrate (containing gold and silver)
- **Mining method:** Underground mining – sub-level open stoping
- **Processing method:** Conventional crushing, grinding and flotation
- **Underground Mineral Resource:** 140 Mt at 1.0% copper and 0.8g/t gold[a]
- **Underground Ore Reserve:** 48 Mt at 1.2% copper and 0.7g/t gold[a]

Prominent Hill is a well-established underground copper, gold and silver mine located 650 km north-west of Adelaide in South Australia. The mine is a reliable, low-cost producer and has delivered on annual production guidance for the last seven years.

In 2021, Prominent Hill produced 62,927 tonnes of copper and 141,676 ounces of gold. We continued to meet copper production guidance, gold production targets, and lower C1 cost targets. We achieved a C1 cost performance of 49.1 c/lb and All-in Sustaining Costs (AISC) of 131.9 c/lb.

The site's performance was significantly overshadowed by the fatal injury of one of our team members in September 2021, a Byrnecut employee working underground. Our team member's death was acutely felt by the whole Company and had a significant impact on the Prominent Hill team.

Improving the safety, health and wellbeing of our workforce remained a focus during the year, resulting in the achievement of a Total Recordable Injury Frequency Rate (TRIFR) of 3.7 compared to the 2020 TRIFR of 5.63.

[a] Please refer to the Mineral Resources and Ore Reserves section (page 106) for full disclosure.

For personal use only

HIGHLIGHTS FOR 2021

- OZ Minerals Board approved the $600 million Wira Shaft mine expansion.
- Wira Shaft-sinking contract awarded to the Byrnecut Group.
- Accelerated development of the decline and lower-level infrastructure to support increased mining rates to between 4-5 Mtpa from 2022.
- On-site COVID-19 vaccination hub established for mine workforce and local land connected stakeholders
- Ventilation network extension commissioned to support continuation of the mine expansion critical path works.
- Agreement signed with Safescape to trial Bortana electric underground light vehicles.
- Trial commenced to test hydrogen direct injection system.
- Progressed OZ Minerals – Byrnecut – Sandvik mining tri-alliance, designed to identify and introduce smart and innovative technology ideas.
- Significant work undertaken to trial use of tele-remote loading of trucks.
- General and office facilities refurbished to help create a more flexible work environment at site.
- Biennial relationship and performance health check held with Traditional Owners, the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation.
- Successful graduation of OZ Minerals Flexible Vocational Pathways Program students from Port Augusta and Coober Pedy Schools.

INVESTING IN OUR FUTURE

The Prominent Hill Wira Shaft mine expansion creates an exciting new future for Prominent Hill, with the mine life extended to 2036 and production rates lifted to 6 Mtpa from 2025.

The Prominent Hill Expansion (PHOX) study team took an innovative approach to study development, an approach recognised with a Commendation in the 2021 South Australian Premier's Awards for Energy and Mining.

A diverse, agile study team focused on identifying opportunities to materially increase value for all stakeholders confirmed that an electrical vertical hoisting shaft was the solution that created significantly more value for all stakeholders than maintaining the existing haulage method of trucking to the surface.

The Wira Shaft mine expansion will:

- enable access to deeper inferred resources
- increase our annual copper production rates by ~20 per cent at a 20 per cent lower operating cost over the current trucking life of mine estimates
- lower our overall emissions intensity by 27 per cent
- reduce our overall operational risk.

Importantly, the installation of a hoisting shaft provides access to areas previously thought uneconomic, and enables us to explore potential new prospects, confirming Prominent Hill as a reliable, long-term mining province.

Works for the Wira Shaft commenced ahead of schedule in the third quarter of 2021 with the shaft collar civil works due for completion in time for the first stage of shaft sinking to begin in the first quarter of 2022. The commissioning of the new hoisting infrastructure is scheduled for 2024.

Exploration and growth

In 2021, we identified promising drill results from two targets close to the existing underground infrastructure. Walawuru and Papa have the potential to increase mine production rates beyond the 6 Mtpa shaft mine expansion and drilling will continue in 2022 to further improve our confidence.

OUR FOCUS IN 2022

- Safely deliver our production and cost targets, with ore production rates to increase to 4-5 Mtpa, and cost targets.
- Progress trials of zero emissions fleet with our supply partners.
- Advance our culture of inclusion with a view to increasing diversity of our workforce.
- Ongoing facilities upgrades to provide a more collaborative and inclusive environment.
- Progress construction of the Wira Shaft expansion including:
  - continuing lateral and decline development, providing access to Wira Shaft-specific infrastructure locations and new mining areas
  - Wira Shaft mine expansion detailed design and procurement
  - installation of refrigeration plant and associated ventilation upgrades
  - completion of Wira Shaft pre-sink and raise drill leg 1
  - installation of Wira Shaft headframe and temporary winder for main shaft sink
  - commencement of high-voltage substation upgrade.
- Continue drilling of the Walawuru and Papa target areas.
- Establish the Arkani Ngura Innovation and Technology Centre over the next three years.

GOING BEYOND AT PROMINENT HILL

We want to be a Company where different ways of thinking are celebrated. The Prominent Hill team had an idea to create value out of the de-commissioned Ankata deposit, which became part of our vision for the future of Prominent Hill.

We have committed AUD$7.5 million for an in-kind and cash contribution to support the South Australian Government's commitment of AUD$8 million in funding to establish the Arkani Ngura National Innovation and Technology Centre at Prominent Hill operations. Arkani Ngura (said: "Ah-gah-nee Ng-oo-rah") means the "try it place" in our local Traditional Owner language.

The Centre will allow start-ups, small/medium enterprises, researchers and international groups from the resources, space and other related sectors to access the unique conditions of the soon to be unused Ankata section of the Prominent Hill underground mine. It is an Australian first and will serve as a test environment and facility for participants.



Carrapateena

Carrapateena is becoming a multi-generational, low-cost mining province and is one of the biggest mining projects in South Australia in the last decade.

OVERVIEW

- **Location:** 250 km south-east of Prominent Hill, 160 km north of the regional centre of Port Augusta, in South Australia
- **Product:** Copper concentrate (containing gold and silver)
- **Mining life:** ~20 years
- **Mining method:** Underground – sub-level caving and block caving
- **Processing method:** Conventional crushing, grinding and flotation
- **Mineral Resources:** 950 Mt at 0.56% copper and 0.25g/t gold[(a)]
- **Ore Reserves:** 210 Mt at 1.1% copper and 0.44g/t gold[(a)]

Carrapateena is an iron–oxide–copper–gold (IOCG) underground mine located in the highly prospective Gawler Craton in South Australia. Carrapateena first produced concentrate in December 2019 and has since ramped up to a steady state production rate of 4.25 Mtpa.

In 2021, we produced 55,262 tonnes of copper and 89,778 ounces of gold. We achieved a C1 cost performance of 64.6 c/lb and AISC of 109.7 c/lb. Carrapateena's Total Recordable Injury Frequency Rate (TRIFR) continues a steady downward trend as our operation matures and we continue to focus on ensuring the safety and wellbeing of our people on site through training and hazard management. Through this work, the site's TRIFR reduced to 4.79, which is a significant improvement on the 2020 TRIFR of 6.67.

We continue to focus on programs to ensure our people's safety, such as Yours and Mine, as well as other initiatives that support our people's mental health and wellbeing. Building a culture of inclusion remains a focus to encourage diversity and further improve the safety of our workforce.

Processing performance at Carrapateena continues to be enhanced, with projects for the mine and processing plant underway to support the increase in sub-level cave production rates to circa 4.7 to 5 Mtpa from 2023, along with optionality to maximise sub-level cave production and accelerate progress towards the Block Cave production rate of 12 Mtpa.

[(a)] Please refer to the Mineral Resources and Ore Reserves section (page 106) for full disclosure.

For personal use only

CARRAPATEENA BLOCK CAVE EXPANSION

The Carrapateena Block Cave expansion was approved by the OZ Minerals Board in February 2021. The Expansion will help us fully capitalise on the value opportunity of our existing sub-level cave operation and unlock Carrapateena's potential to be a multi-generational lowest quartile cash cost producing province with production rates of 12 Mtpa, more than double those planned for the sub-level cave.

Following Board approval, we completed the Feasibility Study Stage 1 to enable acceleration activities for the Block Cave to commence, with works on the Block Cave decline starting in December.

HIGHLIGHTS FOR 2021

- Block Cave expansion approved, and construction of Block Cave decline commenced.
- Western Access Road completed, creating value for land connected stakeholders, including local traineeship and business opportunities.
- Electric light vehicle introduced to the mine fleet, following successful trials in partnership with South Australian electric vehicle supplier, Zero Automotive.
- Monthly processing plant record of 48,445t achieved in September 2021, demonstrating capability for a 5.25 Mtpa throughput rate.
- Successfully transitioned to a new underground mining services provider, Byrnecut.
- Commenced construction of the Stage 2 tailings storage facility lift, with mine waste rock contributing to embankment fill.
- Hazardous Manual Tasks program introduced to reduce repetitive, manual labour and replace certain physical activities with engineering controls.
- On-site COVID-19 vaccination hub established for workforce and local land connected stakeholders.

OUR FOCUS IN 2022

- Implement Phase 2 of the Hazardous Manual Tasks program to target high-risk tasks.
- Undertake trials of equipment as part of our Decarbonisation Roadmap.
- Continue development of block cave decline works.
- Complete Block Cave expansion design work.
- Continue infill drilling to support an update of the Carrapateena Mineral Resource and Ore Reserve.
- Complete the Block Cave expansion studies.
- Complete construction and commissioning of Stage 2 tailings storage facility lift.
- Undertake proactive re-vegetation and waste reduction or removal initiatives.
- Engage with Native Title holders on proactive heritage protection measures.
- Continue to build a diverse workforce, with an ongoing focus on local employment and procurement.
- Provide opportunities for our workforce to grow and develop.
- Collaborate with local stakeholders to review the regional socio-economic knowledge base.

WESTERN ACCESS ROAD

The successful construction of the road followed several years of collaboration with our land connected stakeholders including pastoralists at Pernatty Station and Oakden Hills Station and Kokatha Native Title holders.

During the year, we safely completed the construction of the Western Access Road. The Western Access Road is ~55 km long and extends from the Stuart Highway to the Carrapateena mine. It provides direct access to Carrapateena and a safer and lower-cost haul route to the Stuart Highway.

Road design and alignment was informed through stakeholder engagement, and the road was constructed with the support of our stakeholders. Many hours of in-field heritage work were undertaken by Kokatha people to ensure the road avoided heritage sites and that there were no breaches of heritage throughout the project.

South Australian based EXACT Contracting proactively engaged with stakeholders and helped us to identify new ways to create value for all our stakeholders. Opportunities included training and apprenticeship programs for local Aboriginal people; a university scholarship for a Kokatha student studying environmental science; and business opportunities for local businesses including for fencing, signposting and civil works.



West Musgrave

Our West Musgrave Project is positioning as a long-life, low-cost sustainable producer of minerals essential to a low carbon economy.

OVERVIEW

- **Location:** Musgrave Province, Western Australia
- **Product:** Copper and nickel
- **Status:** Final study phase, final investment decision expected in H2 2022
- **Proposed mining method:** Open pit
- **Proposed plant throughput rate:** 12 Mtpa
- **Proposed processing method:** Crushing, grinding and flotation

The West Musgrave Project is a major copper–nickel sulphide deposit located in the Musgrave Province of Western Australia, approximately 1,300 km north-east of Perth, close to Western Australia's border with the Northern Territory and South Australia. It includes the Nebo-Babel copper–nickel and Succoth copper deposits. The Project is currently in its final study phase with regulatory approvals progressing and a final investment decision expected in the second half of 2022.

During the year, we investigated further value uplift opportunities that leveraged the global focus on moving towards a low carbon economy. These included:

- developing a road map towards our aspirations of net zero emissions plant operations and mining fleet
- increasing ore production rates above the currently planned 12 Mtpa during the life of mine
- contemplating a third vertical roller mill that could enable further energy management and emission reductions
- configuring a hybrid renewable energy power plant and investigating operational ownership options
- enabling future ways of work with additional automation, remote operations and work from home flexibility
- looking at the potential for an on-site, downstream nickel processing plant, and seeking interest from third parties in its development.

Our confidence in the West Musgrave Project continues to increase, with encouraging drilling results and work ongoing to optimise and de-risk the Project.

Information collected from over 47 km of infill drilling will be incorporated in an updated Mineral Resource and Ore Reserve which we expect to release in 2022.

For personal use only

Our work on the engineering design of the mineral processing plant, hybrid renewable power plant, village, aerodrome and non-process infrastructure continues to de-risk the Project.

Throughout the Project, we have been working closely with our government and community stakeholders. The Ngaanyatjarra People, Traditional Owners of the West Musgrave Project's land, have been active in their support of our project design process. Though COVID-19 related travel restrictions and precautions have delayed progress on agreement-making with the Traditional Owners for the formal Mining Agreement, our priority has been on a consultation process to ensure that the Ngaanyatjarra People are fully informed and have a clear understanding of the impacts and opportunities the proposed Project would create.

EXPLORATION AND GROWTH

We started drilling at the nearby Succoth copper deposit which has an Inferred Mineral Resource totalling 156 Mt @ 0.60 per cent Copper. This Inferred Mineral Resource was not factored into the West Musgrave Pre-Feasibility Study Update and has the potential to add upside in mine life and/or an increased production rate to the West Musgrave Province.

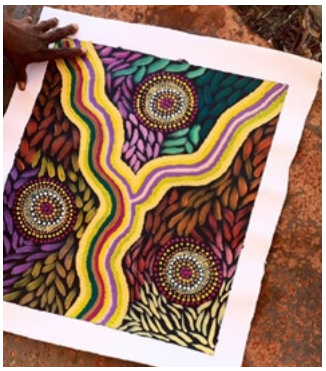
HIGHLIGHTS FOR 2021

- Entered the final study phase for the Project.
- In partnership with the Ngaanyatjarra Council, we co-hosted an open meeting in Mantamaru to share an update on the West Musgrave Project and the progress made on the draft Mining Agreement.
- Jointly hosted site visit with the Ngaanyatjarra Council for the Government of Western Australia's Environmental Protection Authority (EPA) to increase shared understanding of aspirations, requirements and expectations.
- Progressed regulatory approvals with Part IV and Part V approvals submitted to the EPA.
- COVID-19 management support provided to Ngaanyatjarra Health Services, including a COVID-19 Coordinator position and assistance with the roll out of COVID-19 vaccinations for community members.
- Progressed the Cultural Heritage clearances and archaeological surveys.
- Progressed joint project planning with the Ngaanyatjarra Council.
- Completed public consultation for the EPA Part IV application, which is currently under assessment.
- Incorporated fit-for-purpose power generation solution into the Project, with configuration for the hybrid renewable power plant confirmed and costs estimates will be included in final Study requirements.
- Progressed a decarbonisation and sustainability strategy for the Project.
- Development of partnering agreements with key suppliers.
- Advanced minerals processing plant design, with reference design underway for the non process infrastructure.

OUR FOCUS IN 2022

- Gain EPA Part IV, EPA Part V, Mining Proposal and tenement approvals.
- Complete the Mining Agreement with the Traditional Owners.
- Complete the final Study phase of the Project.
- Continue to develop the project schedule and budget in preparation for a final investment decision expected in H2 2022.





OPEN MEETING WITH NGAANYATJARRA COUNCIL

Our team felt privileged to be welcomed as part of the gathering of communities from across the Ngaanyatjarra Lands.

In partnership with the Ngaanyatjarra Council, we co-hosted an open meeting in Mantamaru (Jameson, Western Australia) for approximately 180 adults and 70 young people across the Lands. It was an opportunity for us to share an update on the West Musgrave Project and the progress made on the draft Mining Agreement.

The relationships that were built during the meeting delivered key outcomes for the Mantamaru community and our team:

- Local Ngaanyatjarra community Liaison Officers were employed for the event.
- Royal Flying Doctor Services provided COVID-19 vaccinations at the event.
- The Jameson Stage was repaired, providing the community with infrastructure for the open meeting and for future events.
- Band equipment was donated to Wilurarra Creative, based in Warburton, providing an employment opportunity for a local sound engineer.
- Details of what the mine would look like were presented to the community using our scale model to help visualise the context.
- The Mantamaru women passed cultural knowledge from elders to children through dance and song at the event.

Carajás

The Carajás province in Northern Brazil hosts some of the best undeveloped copper-gold resources in the world. We are pursuing a staged, low risk and modest-capital hub approach, where each hub would process ore from several nearby satellite mines.

Carajás West

Our focus for the Carajás West province was to undertake a delineation drilling program and estimate a Mineral Resource for the Pantera deposit. This work would then underpin the technical studies to evaluate the feasibility of a stand-alone processing facility and mine at the Pantera site. We successfully completed the drilling and resource estimation programs, and a project study is advancing.

The option to acquire Pantera from Vale was exercised in November 2019, with the balance of the option payment due in annual instalments starting in 2022, with a deadline to terminate the agreement in November 2022. Should we continue with the project, OZ Minerals would be obligated to complete payment of the project based on US$0.04/lb of Measured and Indicated Resources in a Mineral Resource estimate already provided by a third-party consultant selected by Vale. In addition, any incremental Mineral Resource added to this estimate will be based on US$0.06/lb.

OVERVIEW

- **Status:** Study phase, Pantera Hub scoping study update expected in H2 2022
- **Proposed products:** Copper–gold ore
- **Location:** In the municipality of Ourilândia do Norte, Pará, Brazil, 180 km west of Pedra Branca
- **Proposed mining method:** Open Pit

HIGHLIGHTS FOR 2021

- Completed over 14,400m of resource drilling at Pantera in the year.
- Advanced an initial evaluation study of the project.
- Produced a Mineral Resource for Pantera showing an estimated 12.8 Mt @ 1.3% Cu, 0.2g/t Au.
- Positive extensional drilling results highlighting potential for future down dip growth opportunities in the Pantera mineralisation.

OUR FOCUS IN 2022

- Deliver an updated Mineral Resource for Pantera with the second half 2021 drilling results and complete the project review / scoping study by mid-2022.
- Complete conceptual study level socio-economic analysis and landowners survey.
- Execute additional deep drilling to understand mineralisation continuity at depth and test concepts supporting underground potential.

NATIONAL MINING AGENCY VISIT TO CARAJÁS

In October 2021, members of the National Mining Agency visited Antas and Pedra Branca. The group comprised directors and the superintendent of the Agency from the state of Pará. They were given a site tour and our team also shared plans for our mines and projects in the region including the Pedra Branca mine, the first underground copper mine in the Carajás region, and the process for transitioning the Antas pit into a tailings storage facility.

Carajás East

Our Strategy in Carajás East is to leverage the depleted Antas mine's existing processing infrastructure to establish a low-risk hub operation, that takes advantage of the region's considerable undeveloped copper-gold resources.

During the year, Antas' existing processing facilities located in the municipality of Curionópolis in the state of Pará were used to process ore mined at Pedra Branca, as well as ore from the Antas North mine. The plan is to continue using the existing infrastructure to process ore mined from Pedra Branca and other potential satellite deposits, including Santa Lúcia, as they come on line.

Antas North

Mining of the Antas North open pit was completed in June 2021. We will continue to reclaim and process the remaining surface stockpiles into 2022 as the ramp-up and transition to full Pedra Branca feed occurs. The re-purposing of the Antas North open pit void as a tailings storage facility to support the future Carajás East hub operations has commenced. It will be available for use in 2022.

OVERVIEW

- **Status:** Antas pit depleted. Construction of new tailings line to enable tailings to be deposited in the pit and decommission the existing tailings storage facility. Processing plant continuing to operate.

Pedra Branca

We achieved a significant milestone with the start of mining ore from stopes at Pedra Branca, the first of the satellite mines to be realised under the Hub Strategy. Pedra Branca's successful transition from a concept study to being permitted, built and into successful commissioning and production within three years is proof of the Brazil team's ability to deliver our Strategy.

OVERVIEW

- **Status:** Construction complete, delivering processing production ore to Antas
- **Products:** High grade copper–gold
- **Mine rate:** Ore production of 1.0 Mtpa
- **Mine life:** 8 years
- **Location:** Municipality of Água Azul do Norte, Pará, Brazil
- **Mining method:** Underground sub-level stoping
- **Processing method:** Conventional crushing, grinding and flotation

Santa Lúcia

Santa Lúcia, is a high-grade copper-gold mineral deposit with the potential to grow production and life of the Carajás East Hub.

We published a maiden Mineral Resource for Santa Lúcia in 2021 and are advancing a project study in 2022, which includes assessing the viability of concurrently processing the Santa Lúcia run-of-mine ore with Pedra Branca ore at the Carajás East Hub processing facility.

Santa Lúcia is a deposit jointly owned by Vale and BNDES. We have an option agreement with Vale, approved by BNDES, to acquire and or mine the deposit via an agreed earn in arrangement which would need to be exercised by no later than mid-2022.

For personal use only

OVERVIEW

- **Status:** Study phase, resource study update to support decision on whether to exercise option with Vale by June 2022
- **Proposed products:** High grade copper–gold

HIGHLIGHTS FOR 2021

- Completed mining of the Antas North open pit.
- Commenced transition of the Antas North pit void to a tailings storage facility.
- Completed construction of the Pedra Branca mine.
- Mining at Pedra Branca will reach its projected annual throughput of 1.0 Mtpa in 2023.
- Released a maiden Mineral Resource of 5.8 Mt at 2.1 per cent Cu and 0.35 g/t Au for Santa Lúcia.
- Completed over 7,000 m of drilling to provide greater confidence in the Mineral Resource estimate and to help inform the Santa Lúcia project study.

OUR FOCUS IN 2022

- Continue to ramp up mining from ore stopes at Pedra Branca.
- Commission the Antas open pit tailings storage facility.
- Deliver an updated Mineral Resource for Santa Lúcia and complete the project study by mid-2022.
- Deliver an updated Ore Reserve for Pedra Branca.
- Construct a new 138 kV substation and power transmission line to supply the 7.5 MW electricity demand of the Pedra Branca mine, considerably reducing emissions from 2023 onwards.

Gurupi

The province hosts one of the largest undeveloped gold projects in Brazil. The Gurupi Province is located in the state of Maranhão, along the border with Pará, between the cities of Belém and São Luis. With the adjacent Jiboia properties in Pará, we have 2,300 km² of mineral tenements along 85 km of strike length of the Gurupi greenstone belt.

CentroGold

The CentroGold Project is one of the largest undeveloped gold projects in Brazil and represents the first stage in unlocking the highly prospective Gurupi Province.

Once developed, CentroGold would be ideally placed to service nearby deposits such as Chega Tudo and Mandiocal, should they prove viable.

OVERVIEW

- **Status:** Awaiting injunction removal to progress feasibility study
- **Location:** Gurupi Province, Maranhão, Brazil
- **Products:** Gold
- **Estimated annual production:** 100,000oz – 120,000oz pa[(a)]
- **Mineral Resource:** 28 Mt @ 1.9g/t Au[(b)]
- **Ore Reserves:** 20 Mt @ 1.7g/t Au[(b)]

Blanket & Contact

A project has been identified to build the CentroGold processing facility at the Cipoeiro site, which is the location of the major Blanket and Contact gold deposits. The centralised location of this project would serve as an ideal Hub to advance our life of province expansion strategy in the region.

Chega Tudo & Mandiocal

Chega Tudo and Mandiocal are adjacent gold deposits located 8 km west of Cipoeiro. Although not currently included in the CentroGold Mineral Resource, they represent exciting potential growth opportunities, and following further studies, may add to the project production profile.

HIGHLIGHTS FOR 2021

- Relocation plan for the township of Cipoeiro completed and filed with INCRA-MA (the Colonization and Rural Reform Institute – Maranhão), which gave a favourable recommendation. Next steps will be the assessment of the relocation plan by INCRA – Brasília, which is responsible for final approval.
- Process for removal of injunction further progressed, including a request for authorisation to engage with artisanal miners on the proposed relocation plan, and to secure areas impacted by environmental contamination caused by artisanal miners.
- Engaged with SEMA, the Environmental Secretary of Maranhão State, to agree on the creation of a multidisciplinary team of experts from OZ Minerals, third party specialists in environmental assessments and technicians from SEMA to develop terms of reference to validate the previous environmental licence and guide the study review for the installation licence.

OUR FOCUS IN 2022

- Progress the application to lift the historical injunction on the development of the CentroGold project.
- Execute the relocation plan once approved by INCRA – Brasilia and authorisation is received from the Federal Judge.
- Reactivate project environmental licensing with SEMAS (LP and LI).
- Develop the CentroGold Feasibility Study, including additional extensional Resource Development drilling and infill drilling of the Mineral Resource, subject to the injunction being lifted.

(a) Please refer to ASX announcement headed "Gurupi province potential strengthened on CentroGold Pre-Feasibility Study" dated 11 July 2019 for more information: ozminerals.com/en/investing-in-us/asx-releases

(b) Please refer to the Mineral Resources and Ore Reserves section (page 106) for full disclosure.

For personal use only

For personal use only

Exploration and Growth

By ethically and responsibly exploring for and mining copper we contribute to a low carbon future and economic wellbeing. This helps us achieve our Purpose and contributes to a better future.

We hold many exploration projects at different stages of maturity, which gives us options for how we grow. Capital is allocated to the most value-accretive projects assessed across our five stakeholder groups.

Our project pipeline offers long term growth potential. We are pursuing brownfield expansion opportunities as part of our Province approach in proximity to Prominent Hill, Carrapateena, the West Musgrave Project and operations in Brazil. Greenfields exploration with potential for organic growth is progressing in several locations in Australia, Brazil, Peru and Sweden.

We have multiple exploration earn-in agreements in place with respected explorers who offer exploration expertise in specific geological terrains, as well as our own exploration programs. We work with our partners to co-develop and oversee projects. We work collaboratively and contribute to technical program planning and stakeholder engagement with our partners who also provide invaluable district knowledge, local networks, and manage operational activity in the field.

In 2021, we entered into the first agreement generated by Drillanthropy, our crowd-sourcing initiative that connects data-driven exploration models with the funding to drill and test them. This agreement is with Black Tiger Resources Pty Ltd, advancing targets on the Pandurra project located on the northern portion of the Eyre Peninsula in South Australia.

We have also entered into new agreements with:

- Resolution Minerals Ltd on the Wollogorang project, which targets sedimentary hosted copper deposits in the McArthur Basin in the Northern Territory.
- Mineral Prospektering i Sverige AB in Sweden on the Sadjem project, adding a third project in Sweden to our pipeline.
- Minotaur Exploration Ltd on Peake and Denison, targeting IOCG deposits in an under-explored region of South Australia.

Post 31 December 2021, we invested $5 million in Carnaby Resources Limited (ASX: CNB) as part of our exploration Strategy.



Exploration Portfolio

Australia

BREENA PLAINS WITH MINOTAUR EXPLORATION AND SANDFIRE RESOURCES

In February 2020, OZ Minerals and Minotaur Exploration Ltd entered into an agreement with Sandfire Resources Ltd to explore the Breena Plains tenement group near Cloncurry in north-west Queensland. This joint venture was generated from the Cloncurry Alliance between OZ Minerals and Minotaur Exploration. It incorporated 1,226 km² of tenure surrounding the Jericho and Eloise JV Projects.

Drilling was completed in 2021 at The Gap Prospect targeting geophysical anomalies, no significant results were returned, and we exited the Breena Plains JV in late December 2021.

CARRAPATEENA (100% OZ MINERALS)

We are focussing our exploration on making further discoveries using conventional and unconventional targeting methods. This includes trialling the application of passive seismic techniques and the use of geothermal sensors to prioritise targets in the region. These surveys, along with other geophysical approaches such as ground gravity are currently being used to refine drill targets which will be tested in 2022.

CLONCURRY ALLIANCE WITH MINOTAUR EXPLORATION

The Cloncurry alliance with Minotaur Exploration will continue into 2022 targeting areas for IOCG deposits in the Cloncurry region of Queensland.

COOMPANA (100% OZ MINERALS)

The Coompana Province in South Australia has been the subject of significant investigations by the South Australian Department of State Development in collaboration with PACE Copper, although the areas remain essentially unexplored and so provides an opportunity to make new discoveries. Our tenements cover more than 6,000 km² and we are targeting the region for magmatic nickel-copper deposits.

For personal use only

JERICHO AND ELOISE PROJECTS WITH MINOTAUR EXPLORATION

The Jericho and Eloise projects were two joint venture agreements with Minotaur Exploration Ltd that formed part of our footprint in the Cloncurry District of northwest Queensland.

Minotaur and OZ Minerals discovered significant copper and gold mineralisation at the Jericho prospect late in 2017. Subsequent drilling during 2018-2019 led to a Maiden Resource being released to the market in mid-2020.

A maiden Mineral Resource for the Jericho project was published in 2020. Internal studies concluded that the Mineral Resource at Jericho did not meet our requirements to continue. We have therefore agreed for our partner's subsidiary, Demetallica, to gain 100 per cent ownership of the project.

MOUNT WOODS (100% OZ MINERALS)

We drilled several targets on the Mount Woods Project in 2021, searching for additional copper resources capable of growing future production at Prominent Hill.

These targets were generated using both data science and conventional techniques with the results being fed back into models to help refine future targeting through 2022. We also completed a large airborne EM survey targeting conductors that could be indicating accumulations of copper sulphides. Targets have been identified for further work in 2022.

MULTI-SITE EXPLORATION ALLIANCE WITH RED METAL LIMITED

In January 2019, we entered an exploration alliance with Red Metal Limited to significantly increase our exploration footprint in Australia. The Alliance gives us an option to fund a series of mutually agreed, proof-of-concept work programs on four of Red Metal's early-stage projects:

- Yarrie for copper-gold and copper-cobalt in Western Australia
- Gulf for copper-gold in Queensland
- Three Ways for copper-cobalt and zinc-lead-silver in Queensland
- Lawn Hill for zinc-lead-silver in Queensland.

Drilling was completed at Three Ways and Gulf projects during 2021 and the results from these projects are expected in early 2022.

A large airborne electromagnetic survey was completed at the Yarrie project and magnetotelluric (MT) surveys were completed at Lawn Hill. Interpretation of these results is underway.

PANDURRA WITH BLACK TIGER RESOURCES PTY LTD

The agreement with Black Tiger Resources Pty Ltd allows us to drill test targets on the Pandurra project, located 150 km south-west of our Carrapateena mine in South Australia. The project targets IOCG mineralisation.

PEAKE AND DENISON WITH MINOTAUR EXPLORATION

In December 2021, we entered into a farm-in joint venture agreement with Minotaur Exploration's extensive exploration holding in the Peak and Denison project on the eastern edge of the Gawler Craton. This project targets large IOCG deposits and drilling is planned for 2022.

WOLLOGORANG WITH RESOLUTION MINERALS

In 2021, we entered into an agreement with Resolution Minerals Limited for the Wollogorang project, which targets sediment hosted copper deposits in the McArthur Basin in the Northern Territory.

Drilling of geophysical targets generated by surface and ground surveys is planned for the first half of 2022 following the completion of heritage surveys and obtaining other statutory approvals.

Brazil

CARAJÁS

Follow-up drill testing at the Clovis prospect in Carajás, Brazil, did not return grades and thickness consistent with what is required from the mineralisation model.

While work at Clovis has ceased, drilling in the region continued through 2021 as part of our Antas Hub Strategy with the aim of discovering additional resources within trucking distance of Antas. This work will continue in 2022 and will include activities providing synergies with the Pantera project.

Sweden

LANNAVAARA WITH MINERAL PROSPEKTERING I SVERIGE AB

In 2018, we entered into an agreement with private explorer Mineral Prospektering i Sverige (MPS) to explore the Lannavaara project for IOCG mineralisation. In mid-2021, an additional licence was added to this joint venture (Ahmavuaomo), where compelling copper-gold targets have been identified. Drill testing is planned for early 2022.

PAINIROVA WITH MINERAL PROSPEKTERING I SVERIGE AB

In 2019, we expanded our partnership with Mineral Prospektering i Sverige AB by signing a new earn-in agreement on the Painirova project in northern Sweden. Painirova is located between the Mertainen iron-oxide–apatite deposit and the active Leveäniemi mine at Svappavaara, and adjacent to the Gruvberget mine in Sweden's most prolific copper mining belt.

We made an initial commitment to acquire airborne electromagnetic (AEM) data over the tenement package, which was completed in Q3 2019. In 2020, we proceeded with the project, and completed drilling several high ranked targets in 2021. Core was reviewed in December 2021 and a recommendation will be submitted to advance to the next stage of the JV and drill test further targets recently identified in 2022/2023.

SADJEM-DOKAS WITH MINERAL PROSPEKTERING I SVERIGE AB

We added a third project with our partner MPS to our pipeline in Sweden in 2021.

The project is along strike to the south of the Nautanen and Aitik copper and gold deposits in northern Sweden. The exploration program will consist of an airborne EM survey, ground verification, and drilling which is planned for 2022.

Peru

PARAISO WITH INVERSIONES MINERAS LA CHALINA S.A.C.

In 2018, we entered an agreement with privately-owned Inversiones Mineras La Chalina S.A.C to progress exploration at the Paraiso project in Peru. Historical exploration on the licences has included soil sampling, geological mapping, limited geophysics and drilling of nine holes. The drilling focussed on a small (150 x 150 metre) area near historical workings, and the majority of drill holes intersected copper mineralisation.

At the Esmeralda target zone, surface copper oxide mineralisation has been traced over a strike length of 400 metres. At the Casper target a 400 x 300 metre copper-in-soil anomaly has been outlined by previous explorers. Neither target has been drill-tested. Government approvals were granted in late 2021. Ongoing community engagement and consultation with all stakeholders has resulted in all required approvals being completed. Drilling is scheduled for early 2022.

Governance

Governance

For personal use only

Our governance framework (**OZWay governance framework**), supported by a healthy corporate culture, helps us to deliver on our Strategy and enables us to effectively manage risks and assure compliance.

We are committed to doing business in accordance with high standards of corporate governance and creating and delivering value across our five stakeholder groups – employees, community, shareholders, governments and suppliers.

The Board has adopted a system of internal controls, a risk management framework and corporate governance policies, standards and practices, which are designed to support and promote the responsible management and conduct of OZ Minerals. Strong ethical environmental and social performance helps us comply with regulations and meet or exceed stakeholder expectations.

Our governance practices are aligned with the recommendations of the ASX Corporate Governance Council's Principles and Recommendations (4th edition) (ASX Principles and Recommendations) throughout the reporting period.

Further information about OZ Minerals' key governance practices and governance materials including our charters, policies and standards for the 2021 reporting period is set out in OZ Minerals' Corporate Governance Statement. OZ Minerals' governance materials and Corporate Governance Statement are available on the Corporate Governance section of our website ozminerals.com under the tab Who We Are/Corporate Governance.

Our Board, Committees and membership, following the appointment of Sarah Ryan to the Board as an additional Non-executive Director and subsequent Committee restructure, with effect from 17 May 2021 is set out in the table below.

The Board established a Nomination Committee effective 1 January 2022, comprising Rebecca McGrath (Chairman), Charles Sartain and Sarah Ryan. During the 2021 reporting period, the Board carried out the responsibilities of a Nomination Committee with the assistance of the People and Remuneration Committee to the extent required.

Board and Committee membership during 2021

Director	Board	Audit Committee	People and Remuneration Committee	Sustainability Committee
Rebecca McGrath (Chair)	●		○	
Andrew Cole (Managing Director & CEO)[a]	○			
Tonianne Dwyer	○	○	●	
Peter Wasow	○	●	○	
Charles Sartain	○	○		●
Richard Seville[b]	○		○	○
Sarah Ryan[c]	○	○		○

● Chair of Board / Committee ○ Member of Board / Committee

(a) Andrew Cole was a member of the Sustainability Committee until 17 May 2021.

(b) Richard Seville was a member of the Audit Committee until 17 May 2021 and became a member of the People and Remuneration Committee on 17 May 2021.

(c) Sarah Ryan became a Non-executive Director and member of the Audit Committee and Sustainability Committee on 17 May 2021.

For personal use only

BOARD OF DIRECTORS



Rebecca McGrath
Independent Chairman

BTP (Hons), MA (App.Sci) FAICD

Appointed: Non-executive Director from 9 November 2010, Chairman from 24 May 2017

Board Committees: People and Remuneration, Nomination (Chairman)

Rebecca is an experienced professional company director and chairman, with substantial international business experience. She spent 25 years with BP Plc, where she held various executive positions including Chief Financial Officer Australasia and served as a member of BP's Executive Management Board for Australia and New Zealand.

Rebecca has served as a director of CSR Limited, Big Sky Credit Union and Incitec Pivot Ltd and as Chairman at Kilfinan Australia. She is a former member of the JP Morgan Advisory Council. She has attended executive management programs at Harvard Business School, Cambridge University and MIT in Boston.

Listed Company Directorships (last three years)

Macquarie Group Limited and Macquarie Bank Limited (January 2021 – present)

Goodman Group (April 2012 – present)

Incitec Pivot Ltd (September 2011 – December 2020)

Other current directorships/appointments

Director, Investa Wholesale Funds Management Ltd, Investa Commercial Property Fund Holdings and Investa Office Management Holdings Pty Ltd

Chairman, Scania Australia Pty Ltd

President, Victorian Council, Australian Institute of Company Directors

Member, National Board, Australian Institute of Company Directors

Member, ASIC Corporate Governance Consultative Panel



Andrew Cole
Managing Director and Chief Executive Officer

BAppSc (Hons) in Geophysics, MAICD

Appointed: 3 December 2014

Board Committees: Nil

Andrew has 30 years' experience in exploration and operations in the resources industry. Following exploration geoscientist roles in Australia, Canada, USA and Mexico with Rio Tinto Exploration (CRA and Kennecott), Andrew spent 10 years in mine development and mine operations with Rio Tinto in Australia, China, Canada and the UK. During his career at Rio Tinto, Andrew held various senior and leadership positions, including General Manager Operations of the Clermont Region Operations, Chief Executive Officer of Chinalco Rio Tinto Exploration and Chief Operating Officer of Rio Tinto Iron and Titanium.

Listed Company Directorships (last three years)

Nil



Tonianne Dwyer
Independent Non-executive Director

BJuris (Hons), LLB (Hons), MAICD

Appointed: 22 March 2017

Board Committees: People and Remuneration (Chairman), Audit

Tonianne is an independent public company Non-executive Director. Tonianne spent over 20 years in investment banking and real estate fund management and was a Director of Investment Banking at Societe Generale/Hambros Bank advising on mergers and acquisitions, restructuring and refinancing. Tonianne was Head of Fund Management at the LSE listed property company, Quintain Estates and Development plc and was later appointed to the Board as an Executive Director. Tonianne is a graduate member of the Australian Institute of Company Directors.

Listed Company Directorships (last three years)

Incitec Pivot Ltd (May 2021 – present)

ALS Ltd (July 2016 – present)

Dexus Funds Management Limited (August 2011 – present)

Metcash Limited (June 2014 – June 2021)

Other current directorships/appointments

Deputy Chancellor, Senate of the University of Queensland

Director, Sir John Monash Foundation

BOARD OF DIRECTORS



Peter Wasow
Independent Non-executive Director

B. Comm, GradDip (Management), Fellow (CPA Australia)

Appointed: 1 November 2017

Board Committees: Audit (Chairman), People and Remuneration

Peter has extensive experience in the resources sector as both a Senior Executive and Director.

He formerly held the position of CEO & Managing Director of Alumina Limited, an ASX 100 Company, and before that Executive Vice President and Chief Financial Officer, Santos Limited and in a 20 year plus career at BHP he held senior positions including Vice President, Finance and other senior roles in Petroleum, Services, Corporate, Steel and Minerals.

Mr Wasow is currently a Non-executive Director of Australian Pipeline Limited, the responsible entity of the trusts which comprise the APA Group.

Peter was previously the senior independent Director of the privately held GHD Group, Non-executive Director of Alcoa of Australia Limited, AWA Brazil Limitada, AWAC LLC and Non-executive Director of ASX-listed Alumina from 2011 to 2013 and Executive Director from 2014 to 2017.

Peter has also been a member of the Business Council of Australia and Director of the International Aluminium Institute and APPEA.

Listed Company Directorships (last three years)

Australian Pipeline Limited (March 2018 – present)



Charles Sartain
Independent Non-executive Director

BEng (Mining)(Hons), Hon.DEngin Qld, FAusIMM, FTSE

Appointed: 1 August 2018

Board Committees: Sustainability (Chairman), Audit, Nomination

Charles has more than 35 years' international mining industry experience.

He was Chief Executive Officer of Xstrata's global copper business for nine years from 2004. Prior to that, he held senior executive positions in Latin America and Australia including General Manager and President of Minera Alumbrera Ltd in Argentina, General Manager of Ernest Henry copper–gold mine and General Manager of Ravenswood Gold Mines in Queensland.

Charles has also served as Chairman of the International Copper Association, a member of the Department of Foreign Affairs and Trade's Council on Australian Latin American Relations, a member of the Senate of the University of Queensland and as a local Councillor of the Dairymple Shire Council in Queensland.

Listed Company Directorships (last three years)

ALS Ltd (February 2015 – present)

Newmont Corporation (April 2019 – April 2020)

Goldcorp Inc (January 2017 – April 2019)

Other current directorships/appointments

Chairman, Advisory Board of the Sustainable Minerals Institute, University of Queensland

Chairman of Board, Wesley Medical Research Limited

For personal use only

BOARD OF DIRECTORS



Richard Seville
Independent Non-executive Director

BSc (Hons) Mining Geology, MEngSc Rock Engineering, MAusIMM, ARSM

Appointed: 1 November 2019

Board Committees: Sustainability, People and Remuneration

Richard has over 35 years' experience in the resources sector including 25 years as either Managing Director or Executive Director of various ASX, TSX or AIM listed companies.

Richard was the Managing Director and CEO of Allkem Limited (previously Orocobre Limited) for 12 years before stepping down in January 2019. He remains on the Board as a Non-executive Director.

Richard is a mining geologist and geotechnical engineer, graduating from the Imperial College London and James Cook University in North Queensland. He holds a Bachelor of Science degree with Honours in Mining Geology and a Master of Engineering Science in Rock Engineering.

Listed Company Directorships (last three years)

Chairman, Agrimin Limited (August 2019 – present)

Allkem Limited (previously Orocobre Limited) (April 2007 – present)

Advantage Lithium Corp (February 2017 – April 2020)

Other current directorships/appointments

Chairman, Advanced Energy Materials Ltd (1 January 2022 – present)



Sarah Ryan
Independent Non-executive Director

BSc (Geology), BSc (Hons I) (Geophysics), PhD (Petroleum Geology and Geophysics), FTSE

Appointed: 17 May 2021

Board Committees: Audit, Sustainability, Nomination

Sarah is an independent public company Non-executive Director. Sarah's executive career includes 15 years with leading oilfield technology company, Schlumberger, in various positions internationally across research, engineering, manufacturing, operations, marketing and senior management. Sarah was Chief Operating Officer for a private equity backed company in the UK which successfully commercialised innovative oilfield technology, before transitioning into investment management, where she was responsible as an equity analyst and later, energy advisor for natural resources investments worldwide, based in the USA.

Sarah has undertaken executive education at IMD, Switzerland.

Listed Company Directorships (last three years)

Aurizon Holdings Limited (December 2019 – present)

Viva Energy Group Ltd (June 2018 – present)

Woodside Petroleum Ltd (October 2012 – present)

Akastor ASA (September 2014 – April 2021)

Other current directorships/appointments

Director, Future Battery Industries CRC

Fellow, Academy of Technology and Engineering

Deputy Chair, Energy Forum, Academy of Technology and Engineering

Member, Chief Executive Women

Member, ASIC Corporate Governance Consultative Panel

For personal use only

EXECUTIVE LEADERSHIP TEAM



Andrew Cole
Managing Director and Chief Executive Officer

Biography available in Board of Directors, refer to page 22.



Warrick Ranson
Chief Financial Officer

Appointed: 4 December 2017

Priorities: Warrick leads the Corporate Finance function and has accountability for Strategy; Forecasting, Planning & Risk; Assurance; Legal; Accounting; Tax; Treasury; and Sales & Marketing.

Experience: Warrick has had an extensive career in the Mining industry, including over 18 years at Rio Tinto where he held various senior executive financial, commercial and transformation roles. Commencing his career in public practice, more recent roles included Finance Executive of Rio Tinto's Copper product group based in London, Chief Commercial Officer within the Iron Ore product group and Head of Productivity Development for Rio Tinto globally.

Prior to joining OZ Minerals, Warrick was with German-headquartered diversified industrial group, thyssenkrupp.

Warrick is a Fellow of the Institute of Chartered Accountants in Australia, a graduate of the Australian Institute of Company Directors, and holds an MBA from the University of Oxford.



Kerrina Chadwick
Corporate Affairs Executive

Appointed: 12 December 2016

Priorities: Kerrina is accountable for managing the company's strategic approach to internal and external communications, brand, reputation, stakeholder engagement including investor relations, social performance, media and government.

Experience: Kerrina has more than 25 years' experience in Corporate Public Affairs in prominent ASX listed companies including gold miner, Newcrest, and at retailer, Coles Group Limited. She began her career in the media followed by a period as a Ministerial advisor.



Mark Irwin
Projects Executive

Appointed: 22 January 2018

Priorities: Mark is accountable for OZ Minerals' growth activity, including delivery of the Carrapateena copper-gold mine, the West Musgrave copper-nickel Project, project studies and our exploration and acquisitive growth pipeline.

Experience: Mark has lived and worked in the United States, Australia and the UK and has over 25 years of global mining experience.

For personal use only

For personal use only

EXECUTIVE LEADERSHIP TEAM



Fiona Blakely
People Executive

Appointed: 11 February 2019

Priorities: Fiona is responsible for people and culture corporate strategy.

Experience: Fiona has over 25 years' multinational experience in organisational development and culture change in international companies including Shell, Bausch & Lomb and Lion. Before joining OZ Minerals she ran a leadership development consultancy supporting leaders to drive culture change through a focus on their mindsets and behaviours.

Fiona is a Fellow of the Australian HR Institute, an accredited coach with the International Coaching Federation and a member of Australian Adaptive Leadership Institute.



Tania Davey
Head of Digital, Robotics & Automation

Appointed: 17 April 2018

Priorities: Tania is focused on digital transformation, the introduction of automation and robotics, mining technical excellence and transformative technologies through OZ Minerals' Incubator and Venture Fund. She is firmly focused on accelerating achievement of our existing Strategic Aspirations and influencing our future.

Experience: Tania has over 20 years' experience in technology, project delivery and management within the resources and engineering sectors globally.



Matt Reed
Operations Executive

Appointed: 1 September 2021

Priorities: Matt is accountable for operational performance across OZ Minerals including the Prominent Hill, Carrapateena and Carajás assets plus associated brownfields projects.

Experience: Matt has over 25 years' experience in the mining industry. He has held executive roles with Arrium and most recently SIMEC Mining where he had exploration to market responsibility for its iron ore and coking coal business. Prior to these positions he held a series of management and senior management roles with Arrium, led Matrikon's Advanced Process Control business in Australia and South East Asia as well as fulfilled operational and technical roles within Newcrest Mining and WMC.



Claire Parkinson
Integration Executive

Appointed: 18 October 2021

Priorities: Claire is accountable for guiding significant enterprise-wide change activity, connecting work streams and enhancing the level of integration across OZ Minerals.

Experience: Working with OZ Minerals since 2016, Claire has acted in various roles including Head of Corporate Affairs, Innovation Strategy Lead and Change Execution Lead.

Starting her career in the Criminal Justice Sector, Claire held roles as Prison Governor and Head of Operations for all London Prisons and Probation. Migrating from the UK to Australia in 2011, Claire then headed up Justice Sector Reform for South Australia.

Most recently, Claire ran her own strategic advisory company.

A re-design of the Executive Leadership Team came into effect on 1 September 2021, at which time Gabrielle Iwanow (General Manager Prominent Hill), Myles Johnston (General Manager Carrapateena), Carlos Gonzalez (former Chief Executive Brazil now Executive Chair of Brazil Advisory Board) and Jeã Silva (General Manager Carajás) stepped off the Executive Leadership Team.

Michelle Ash will commence as Technology Executive in March 2022 and Bryan Quinn will commence as Strategy and Growth Executive in April 2022. Please refer to the Company's ASX announcement dated 11 January 2022 for further details.

Directors' Report



For personal use only

For personal use only

Directors' Report

The directors present their report for the Consolidated Entity (OZ Minerals) for the financial year ending 31 December 2021 ('the year') together with the Consolidated Financial Statements for the year. OZ Minerals Limited (OZ Minerals or the 'Company') is a Company limited by shares that is incorporated and domiciled in Australia.

DIRECTORS

The Directors of OZ Minerals Limited in office at any time during or since the end of the 2021 financial year and information on the Directors (including qualifications and experience and directorships of listed companies held by the Directors at any time in the last three years) are set out on pages 22 to 24. The number of Directors' meetings held (including meetings of committees of the Board) and the number of meetings attended by each of the Directors of OZ Minerals during the financial year are shown below.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the year were the mining and processing of ore containing copper, gold and silver; sales of concentrate; undertaking exploration activities and the development of mining projects. For additional information on the activities of the Consolidated Entity, refer to the Financial Review section in the Directors' Report (page 32).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

1. Carrapateena Block Cave expansion approved with decline development now underway.
2. Prominent Hill Wira Shaft expansion approved mid-year with work on theshaft collar now well advanced.
3. Pedra Branca mining production ore and tailings storage now transitioning to the depleted open pit at Antas.
4. The West Musgrave Project was progressed, increasing confidence, as many aspects of the Project are technically de-risked.

Attendance at Board and Committee Meetings (1 January 2021 to 31 December 2021)

	Board meetings		Board committee meetings					
			Audit		People and Remuneration		Sustainability	
Director	A	B	A	B	A	B	A	B
Rebecca McGrath	16	16	–	–	6	6	–	–
Andrew Cole[a]	15	16	–	–	–	–	1	1
Tonianne Dwyer	16	16	6	6	6	6	–	–
Sarah Ryan[b]	9	9	4	4	–	–	2	2
Charles Sartain	16	16	6	6	–	–	3	3
Richard Seville[c]	16	16	2	2	4	4	3	3
Peter Wasow	16	16	6	6	6	6	–	–

Note: The Managing Director and CEO and Non-executive Directors who were not Board Committee members also participated in scheduled Board Committee meetings throughout the year.

A The number of meetings attended during the time the director held office.

B The number of meetings held during the time the director held office.

[a] Member of the Sustainability Committee until 17 May 2021.

[b] Appointed as Non-executive Director on 17 May 2021.

[c] Member of the Audit Committee until 17 May 2021. Member of the People and Remuneration Committee from 17 May 2021.

For personal use only

DIVIDENDS

The details relating to dividends announced or paid since 1 January 2020 are set out below:

Table 1 – Dividends

Record date	Date of payment	Fully franked cents per share	Total dividends $m	DRP
25 February 2022	11 March 2022	18	60.2	Yes
24 August 2021	7 September 2021	16*	53.3	Yes
12 March 2021	26 March 2021	17	56.4	Yes
17 September 2020	5 October 2020	8	26.0	Yes
12 March 2020	26 March 2020	15	48.6	No

* Included a special dividend of 8 cents per share.

DIRECTORS' INTERESTS

Table 2 – Directors' interests in the ordinary shares of OZ Minerals limited

Director	Shares number
Rebecca McGrath	52,292
Andrew Cole	607,831
Tonianne Dwyer	19,900
Sarah Ryan	8,500
Charles Sartain	80,000
Richard Seville	11,665
Peter Wasow	20,000
Total	800,188

Table 3 – Company Secretaries

Company Secretaries	Experience and OZ Minerals specific responsibilities during 2021
Julie Athanasoff Group Manager Legal & Company Secretary Appointed on 12 July 2021 *LLB*	Ms Athanasoff is OZ Minerals' Group Manager Legal & Company Secretary. Ms Athanasoff holds a Bachelor of Laws from The University of Western Australia. Prior to joining OZ Minerals, Ms Athanasoff was a corporate advisory partner with Gilbert + Tobin Lawyers and prior to that she was a partner with mining law firm, Blakiston & Crabb. Ms Athanasoff's experience spans mergers and acquisitions, equity capital markets, and corporate governance matters, including continuous disclosure, director duties, and Corporations Act and ASX listing rules compliance.
Robert Mancini Head of Legal & Company Secretary Appointed on 7 April 2021 *LLB, BCom*	Mr Mancini is OZ Minerals' Head of Legal & Company Secretary. Mr Mancini holds a Bachelor of Laws and a Bachelor of Commerce majoring in Economics and Finance. Prior to joining OZ Minerals, Mr Mancini was Senior Legal Counsel at Clough Ltd, General Manager of Legal at UGL Ltd and Group General Counsel at Forge Group Ltd. Together with corporate and continuous disclosure compliance, Mr Mancini is experienced in negotiating large scale infrastructure contracts in the Oil & Gas and Mining sectors, both domestically and internationally, as well as dispute resolution management.

Ms Michelle Pole resigned as Company Secretary with effect from 7 April 2021.

For personal use only

ENVIRONMENTAL REGULATION

OZ Minerals and its activities in Australia, Brazil and other international locations are subject to strict environmental regulations. OZ Minerals' Prominent Hill, Carrapateena and Carajás operations, along with its exploration and concentrate shipping activities, operate under various licences and permits under state, federal and territory laws in Australia, Brazil and other overseas jurisdictions.

OZ Minerals regularly monitors its compliance with licenses and permits in various ways, including through its own environmental audits as well as those conducted by regulatory authorities and other third parties. OZ Minerals uses a documented process to classify and report any exceedance of a licence or permit condition as well as any incident reportable to the relevant authorities. All instances of reportable environmental non-compliance and significant incidents are reviewed by the Executive Leadership Team and the Sustainability Committee of the Board as a part of this process. A formal report is also prepared to identify the factors that contributed to the incident or non-compliance and the actions taken to prevent any reoccurrence.

During the year, OZ Minerals submitted its energy and emissions report to the Clean Energy Regulator in accordance with the *National Greenhouse and Energy Reporting Act 2007 (NGER Act)*. KPMG provided reasonable assurance over OZ Minerals' energy and emissions report.

KPMG has also provided limited assurance over selected metrics and disclosures in this document against the requirements of the Global Reporting Initiative Standards. KPMG's assurance report is available on pages 147 to 149.

The Company has not incurred any significant liabilities under any environmental legislation during the financial year.

INSURANCE AND INDEMNITY

During the financial year, OZ Minerals paid premiums with respect to a contract insuring Directors and Officers of the Company and its related bodies corporate against certain liabilities incurred while acting in that capacity. The insurance contract prohibits disclosure of the liability's nature and the amount of the insurance premium.

The Company's Constitution also allows OZ Minerals to provide an indemnity, to the extent permitted by law, to Officers of the Company or its related bodies corporate in relation to liability incurred by an Officer when acting in that capacity on behalf of the Company or a related body corporate.

The Consolidated Entity has granted indemnities under deeds of indemnity with current and former Executive and Non-executive Directors, current and former Officers, the former General Counsel (Special Projects), the former Group Treasurers and each employee who was a Director or Officer of a controlled entity of the Consolidated Entity, or an associate of the Consolidated Entity, to conform with Rule 10.2 of the Constitution.

Each deed of indemnity indemnifies the relevant Director, Officer or employee to the fullest extent permitted by law for liabilities incurred while acting as an Officer of OZ Minerals, its related bodies corporate and any associated entity, where such an office is or was held at the request of the Company. The Consolidated Entity has a policy that it will, as a general rule, support and hold harmless an employee who, while acting in good faith, incurs personal liability to others as a result of working for the Consolidated Entity.

No indemnity has been granted to any auditor of the Consolidated Entity in their capacity as auditor of the Consolidated Entity.

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

At the date of this report there are no leave applications or proceedings brought in respect of or on behalf of the Consolidated Entity under section 237 of the *Corporations Act 2001*.

AUDIT AND NON-AUDIT SERVICES

KPMG continues in office in accordance with the *Corporations Act 2001*. A copy of the lead auditor's independence declaration is set out on page 113 as required under section 307C of the *Corporations Act 2001* and this forms part of the Directors' Report.

OZ Minerals, with the approval of the Audit Committee, may decide to employ the external auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Consolidated Entity are important and where these services do not impair the external auditor's independence.

Table 4 – Amounts paid or payable to the external auditor (KPMG) and its network firms for audit and non-audit services

Audit and review services	
Audit and review of financial statements – Group	557,000
Total fee for audit and review services	557,000
Assurance services	
Sustainability Report & NGERS assurance	87,700
Total fee for audit, review and assurance services	644,700
Other services	
Taxation advice and tax compliance services	76,000
Other services	5,000
Total fee for other services	81,000
Total fees	725,700

For personal use only

Following the Audit Committee's consideration of KPMG providing non-audit services and its subsequent recommendation to the Board, the Board is satisfied that provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the non-audit services provided by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* because:

- all non-audit services were reviewed by the Audit Committee to ensure they did not impact the integrity and objectivity of the external auditor; and
- none of the services undermined the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants. These include reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for OZ Minerals or its controlled entities, acting as advocate for the Company or jointly sharing economic risk and rewards.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year, the Board determined on 21 February 2022 to pay a fully-franked dividend of 18 cents per share, as discussed in Note 4. The record date for entitlement to this dividend is 25 February 2022.

OZ Minerals offers a Dividend Reinvestment Plan (DRP) and eligible shareholders may participate in the DRP in respect of all or part of their shareholding with no limit on the number of participating shares. Shareholders who participate will be allocated shares under the DRP for the dividend at a discount of 1.5 per cent to the average of the daily volume weighted average market price of ordinary shares of the Company traded on the ASX over the period of five trading days commencing on 24 February 2022. The last date for receipt of election notices for the DRP is 28 February 2022. The Company is likely to issue new shares on-market during this period to satisfy its expected obligations under the DRP.

The financial impact of the dividend amounting to $60.2 million has not been recognised in the Consolidated Financial Statements for the year ended 31 December 2021 and will be recognised in subsequent consolidated financial statements.

There were no other events that occurred subsequent to the reporting date which have significantly affected or may significantly affect the Consolidated Entity's operations or results in future years.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports). Amounts in the financial statements and Directors' Report have been rounded in accordance with the instrument to the nearest million dollars to one decimal place, or in certain cases, to the nearest dollar. All amounts are in Australian dollars unless otherwise stated.

OPERATING AND FINANCIAL REVIEW

Our operations are reviewed on pages 10 to 19 and OZ Minerals risk management is on pages 36 to 46. These sections and the Financial Review (pages 32 to 35) form part of the Operating and Financial Review.

REMUNERATION REPORT

The Remuneration Report which has been audited by KPMG is set out on pages 47 to 67 and forms part of the Directors' Report.

BUSINESS STRATEGIES AND PROSPECTS FOR FUTURE FINANCIAL YEARS

The Operating Review on pages 10 to 19 and the Financial Review on pages 32 to 35 of this document set out information on OZ Minerals' business strategies and prospects for future financial years. Information in the Operating Review and the Financial Review is provided to enable shareholders to make an informed assessment about the business strategies and prospects for future financial years of OZ Minerals. Information that could give rise to likely material detriment to OZ Minerals, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage, has not been included. Other than the information set out in the Operating Review and the Financial Review, information about other likely developments in OZ Minerals' operations and the expected results of these operations in future financial years has not be included.

CORPORATE GOVERNANCE

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and has practices in place to ensure they meet the interests of shareholders. The Corporate Governance Section (page 21 to 26) forms part of the Director's report.

The Company complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (the ASX Principles).

OZ Minerals' Corporate Governance Statement, which summarises the Company's corporate governance practices and incorporates the disclosures required by the ASX Principles, can be viewed at ozminerals.com/en/who-we-are/corporate-governance.

Signed in accordance with a resolution of the directors.



Rebecca McGrath
Chairman
Adelaide

21 February 2022



Andrew Cole
Managing Director and CEO
Adelaide

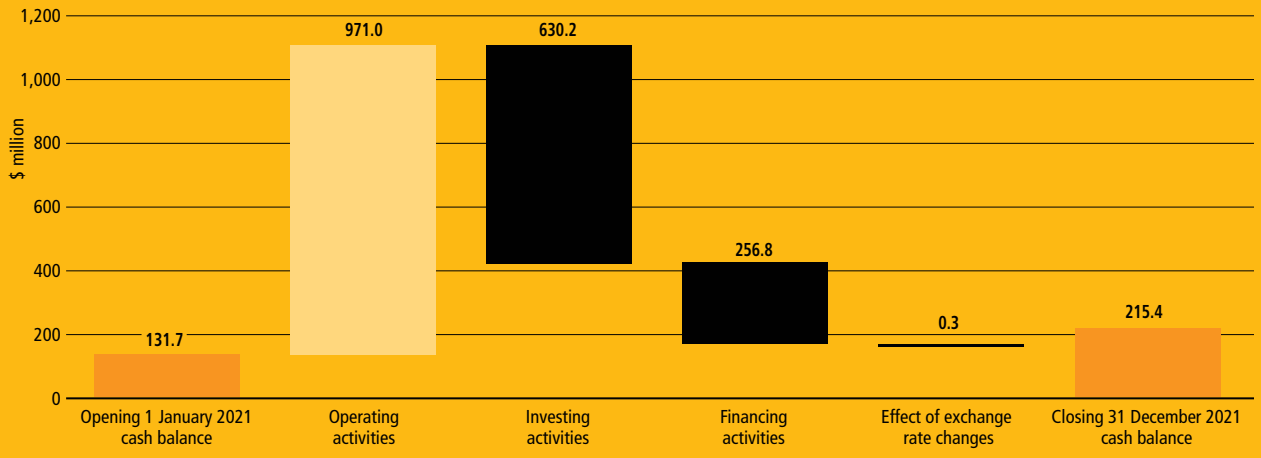
21 February 2022

For personal use only

Financial Review

OZ Minerals recorded a net profit after tax (NPAT) for the year of $530.7 million. We generated strong operating cashflows of $971.0 million, of which $630.0 million was invested into value accretive growth projects predominantly at Carrapateena, Prominent Hill, West Musgrave Project and to a lesser degree at the Carajás East Hub. We also repaid the prior year's draw on the revolving debt facility and ended the year with a cash balance of $215.4 million after distributing $80.8 million in fully franked dividends to our shareholders.

Figure 1 – Operating Cash Balance



The Company's underlying earnings before interest, tax, depreciation and amortisation (Underlying EBITDA) of $1,162.4 million represents a margin of 55 per cent (2020: 45 per cent) reflecting the strong operating performance and pricing environment.

Figure 2 – EBITDA

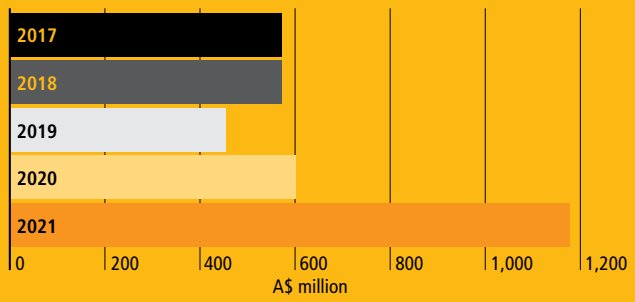


Figure 3 – Net Revenue

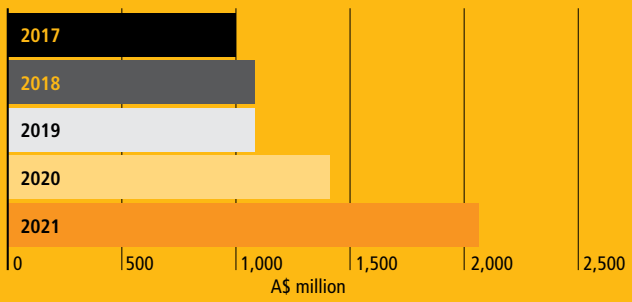


Figure 4 – Dividends per share

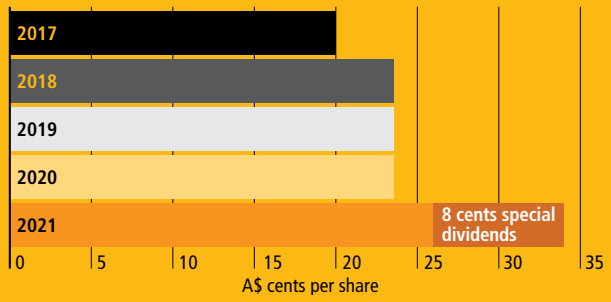
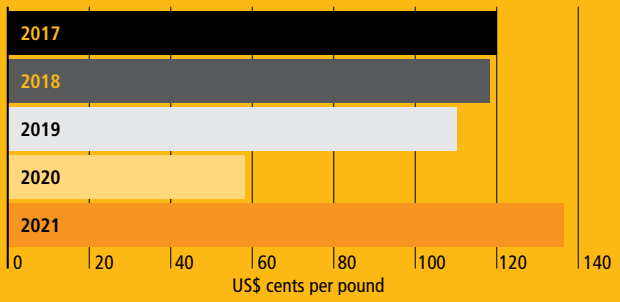


Figure 5 – All in Sustaining Cost



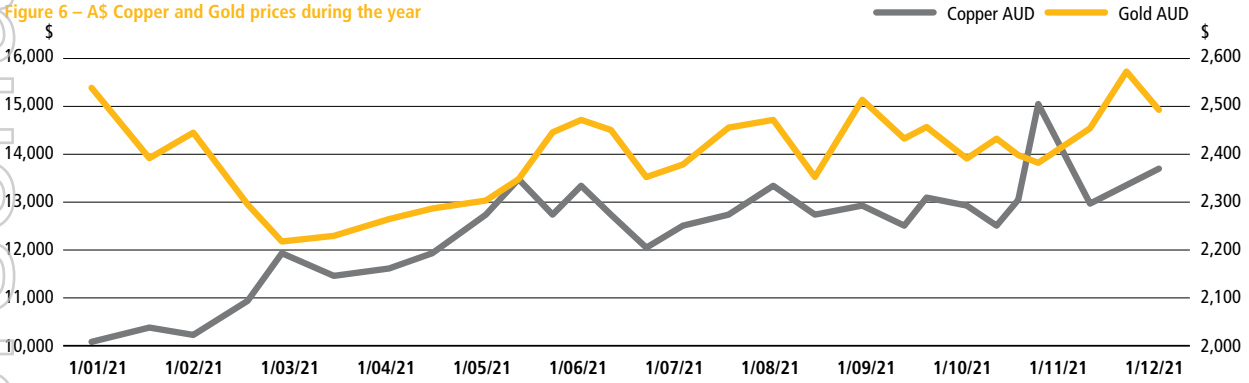
For personal use only

The NPAT for the year was $318.1 million higher than the previous year with increased sales of copper and gold accompanied by high copper and marginally lower gold prices generating record revenue of $2,095.8 million for the year. Contained copper and gold sold during the year was higher than the comparative period by circa 30,000 tonnes and 12,000 ounces respectively, following the ramp up of the Carrapateena operation. Our operating cashflows of $971.0 million were largely influenced by receipts from our customers which increased by $789.8 million compared to the previous year.

Carrapateena, in its first year of ramped up operations, exceeded its nameplate milling capacity, processing 4.6 million tonnes of ore and producing 55,262 tonnes of copper and 89,778 ounces of gold. The increased production from Carrapateena, consistent operating performance from Prominent Hill, and the progressive development of the Carajás East Hub contributed to the strong revenue increase of $753.8 million for the Group. Positive reconciliation of gold ore grades associated with the open pit ore stockpiles at Prominent Hill, together with better recoveries, also supported the strong gold production result.

Ongoing progression of the global electrification thematic, together with supply side disruptions and delivery bottleneck supported the demand for copper through the year, leading to record copper prices which reached a short term peak of A$15,249 per tonne. The global demand forecast for copper, which is a key commodity in clean energy generation and battery storage solutions, increased in line with the global commitment to combat climate change and reduce emissions.

Figure 6 – A$ Copper and Gold prices during the year



The strengthening of the USD for most of the year resulted in a $14.1 million gain on translation of USD denominated assets, including trade receivables. In the previous year, a $20.7 million loss on translation was recognised when the USD had weakened against the AUD. This also contributed to revenue in AUD terms, with the average realised AUD copper price 42 per cent higher than the comparative period, while the net AUD gold price was one per cent higher. A hedging loss amounting to $34.0 million on historical contracts was also recognised within revenue.

We developed our Decarbonisation Roadmap from the ground up over the course of the year culminating in its publication in this Annual & Sustainability Report. The Roadmap sees us reduce our Scope 1 emissions by 50 per cent by 2027 and to be net zero emissions by 2030. We consider it to be both ambitious and achievable with a focus on the emissions we directly produce in line with our Company aspiration to emit zero Scope 1 emissions and to systematically reduce Scope 2 and 3 emissions across the value chain. During the year $309.0 million was invested in property, plant and equipment at Carrapateena of which $8.5 million was attributable to the material handling system and second crusher which will assist in reducing the number of trucks required to move ore as the mine gets deeper; a core element of our Decarbonisation Roadmap.

Our customers continued to operate amidst COVID-19 lockdowns, adapting their operations and with minimal interruption. We successfully supplied 284,055 tonnes of concentrate to our customers, managing our supply chains effectively during various logistics disruptions, vessel shortages and higher freight costs experienced during the year. Our mix of customers, commitment to delivery and strong relationships built over time have assisted us in driving mutually beneficial outcomes for our global and local customers in challenging times. Our Treatment Charges and Refining Costs (TCRCs) were $9.7 million higher because of higher volumes of concentrate sold during the year. With the high demand for copper during the year, the industry benchmarks for TCRCs for 2021 were at lower comparative levels.

As a result of the higher revenue generated during the year, our royalty contributions to state and traditional owners also increased by $25.9 million, in turn contributing positively to their cashflows during a period of lower, pandemic induced, economic activity.

During the year we transitioned our underground mining partner at Carrapateena to Byrnecut, resulting in a net increase to the Right of Use Asset and associated Lease Liability of $48.9 million for those embedded leases aligned with the new contract. The consolidation of mining partners at our South Australian operations provides us with the flexibility to now move resources between our operations seamlessly. We also commenced the changeover to an owner-operated mining model at the Carajás East Hub following completion of the initial mine development and the commencement of stope production.

For personal use only

Total production costs of concentrate sold were $283.6 million higher than the comparative period. Increased volume was the main driver at Carrapateena with a 58 per cent increase in the amount of ore processed, leading to an increase of $139.0 million in absolute costs compared to the previous year. At Prominent Hill, we recognised a lower Net Realisable Value credit of $18.0 million during the year compared to $66.0 million in the previous year with all low-grade gold ore stockpiles now held at cost. We mined and processed circa 250,000 tonnes more underground ore at Prominent Hill which also contributed to higher production costs. Production costs at the Carajás East Hub were higher than the previous year by $24.0 million commensurate with the increase in underground ore from the newly commissioned Pedra Branca mine, which commenced production from stopes in August 2021. We experienced a significant increase in sea freight rates during the year, driven by a number of factors including ship availability and scheduling disruptions caused by the COVID-19 pandemic.

With higher operating activity at Carrapateena and increased capital development activity across all our operating assets and projects, we increased our workforce by 54 per cent to 3,420 people. The number of people who were directly employed at our sites increased to 704, an increase of 18 per cent. Our employee related costs during the year amounted to $133.5 million, an increase of ten per cent compared to the comparative period. Our low employee turnover rate of seven per cent was less than half the industry average. We continue to experience low turn-over, which we believe is due to our commitment to creating a culture where different ways of thinking are celebrated, people are free to be themselves and to do the best work of their lives. We are focused on continually learning how we can improve, and COVID-19 has enabled us to accelerate many of our aspirations around becoming a virtual organisation, where our people have greater flexibility and can bring balance between their work and lives. An important part of our approach is to listen and action the feedback from our people and our employee engagement scores have remained in the top 25 per cent of assessed Energy and Utilities Companies over the past three years.

Payments to suppliers and employees during the year were $830.0 million which increased by $240.8 million compared to the previous period predominantly because of the increased activity at our operations.

Exploration and corporate development activity remained largely focused on project generation, drilling and development studies.

We progressed the development studies at the West Musgrave Project, investing $72.4 million during the year which was capitalised as incurred. We optimised our portfolio during the year, entering into an agreement to sell our interest in the Jericho and Eloise Joint Venture and providing a pathway for its development by our JV partner while realising value for OZ Minerals. During the year expenditure of $56.3 million was incurred progressing drilling and development studies in the Gurupi and Carajás provinces and, together with other exploration earn-in arrangements in the growth pipeline, this was recognised as an expense as incurred. Key spend areas comprised:

- Brazil study costs and exploration $24.3 million
- Other exploration and development expenditure $32.0 million

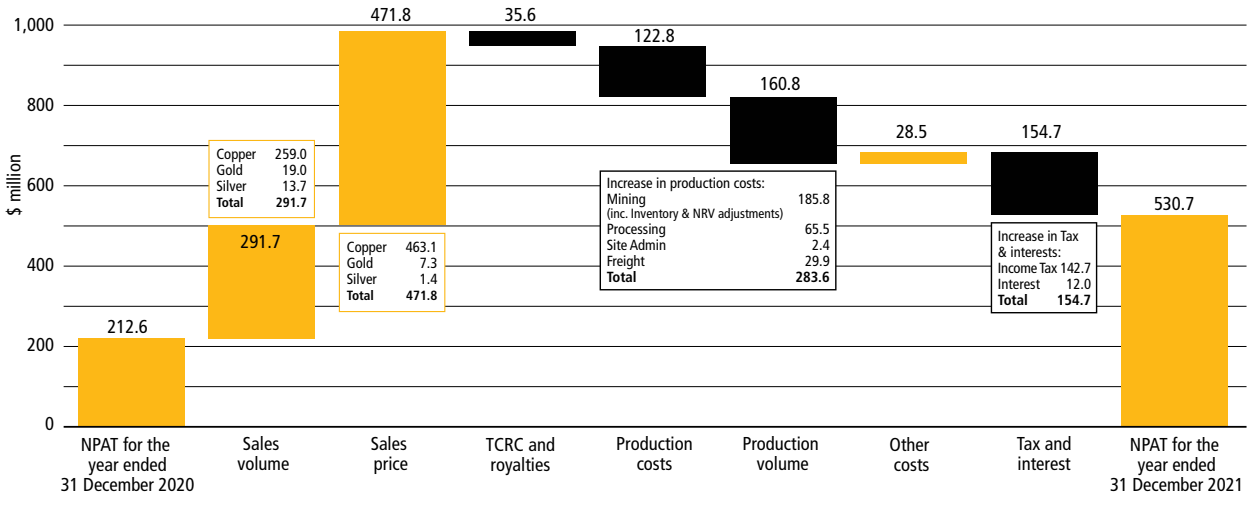
We also sold our historical equity interest in Toro Energy Limited, realising $14.0 million for our stake.

During the year we paid income taxes of $145.6 million which was $101.8 million higher than in the previous year reflecting the current year's operating performance and resultant earnings before tax.

Financing costs included in operating cashflow increased during the year by $17.4 million with payments related to the South Australian power infrastructure assets classified as lease interest following the application of AASB 16 Leases. Debt servicing costs were lower in the year following the repayment of the $100.0 million Revolver balance from the previous year.

Corporate general and administration costs of $61.7 million were largely related to direct corporate activities and were comparable to the previous year.

Figure 7 – Variance analysis – Net profit after tax, 31 December 2021 compared to 31 December 2020



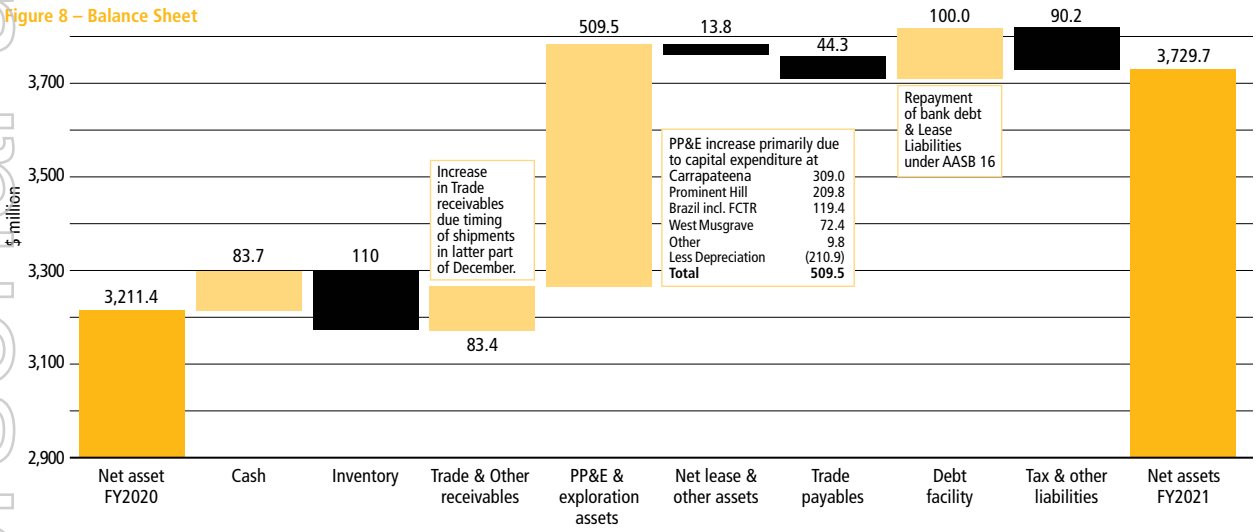
For personal use only

Progressing our growth Strategy, we added $618.1 million during the year to our property, plant, equipment and mine development assets at Carrapateena, Prominent Hill and the Carajás East Hub, including executing expansion projects at Carrapateena and Prominent Hill. The payments incurred related to:

- capitalised Carrapateena development costs of $261.0 million
- Prominent Hill mine development costs $76.0 million and site sustaining capital expenditure $82.0 million
- Carajás capital expenditure $87.0 million, including Pedra Branca mine development
- other capital expenditure $112.5 million.

During 2021, our equity increased by $518.3 million to $3,729.7 million. The increase resulted mainly from the year's NPAT of $530.7 million, movement in gold derivative contracts of $25.4 million, partially offset by returns to shareholders in the form of dividends amounting to $109.7 million (of which $80.8 million was distributed as cash and the remaining $28.9 million was issued in the form of new shares), and movement in foreign currency translation reserves of $22.2 million. The movement in the net assets of the Group since 31 December 2020 is provided below.

Figure 8 – Balance Sheet



We maintained the strength of our Balance Sheet during the year with a strong cash balance of $215.4 million, undrawn debt facility of $483.0 million (providing added liquidity and flexibility), and further investment in value accretive brownfield growth projects at Prominent Hill and Carrapateena.

Our inventories continued to decrease with the open pit ore stockpiles at Prominent Hill continuing to supplement the higher grade underground ore feed and maximising mill capacity. Inventories of $408.7 million at the end of the year had reduced by $110.0 million since 1 January 2021. The historical costs of the ore stockpiles processed during the year were recognised in the income statement within inventory adjustments.

Trade receivables of $236.5 million increased by $76.2 million due to the timing of shipments, with shipments for our operations occurring in the second half of December.

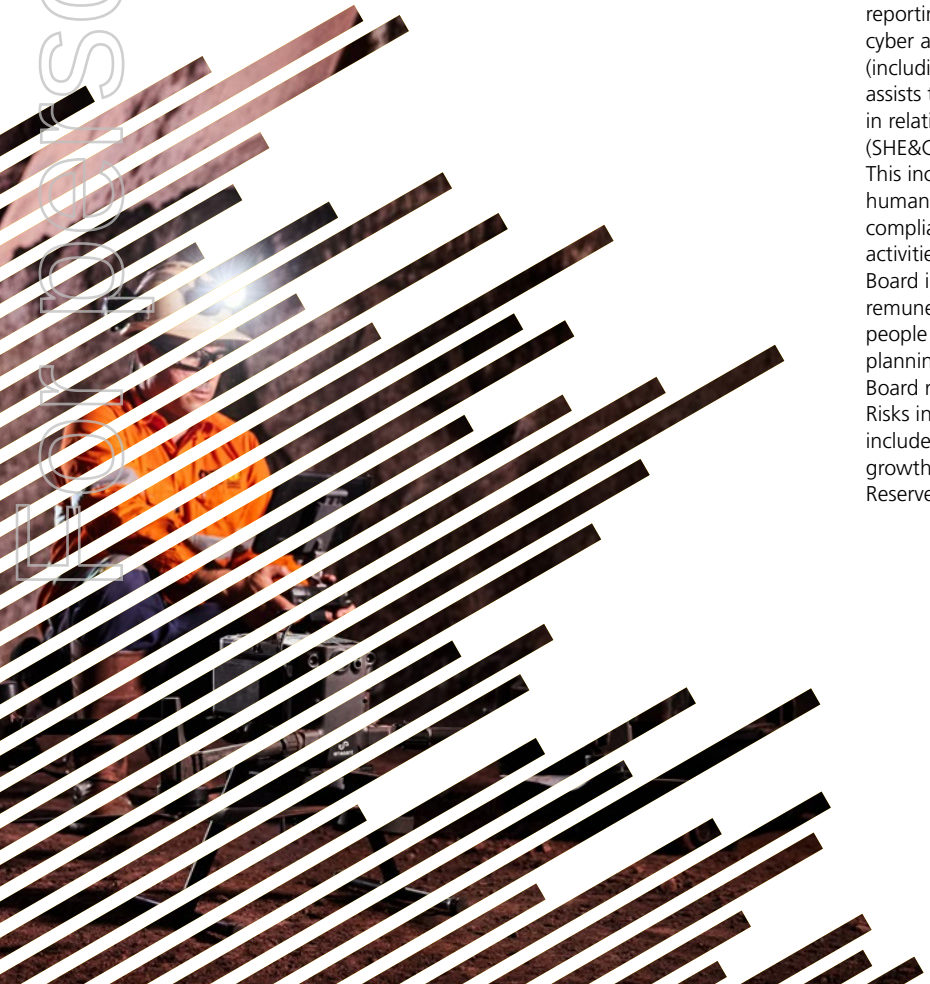
PP&E and Exploration Assets increased during the year mainly due to capital expenditure at Carrapateena; capitalisation of underground development expenditure at Prominent Hill; capitalised West Musgrave exploration and study costs; and general sustaining capital expenditure. This was partially offset by depreciation.

personal use only

OZ Minerals Risk Management

The Company recognises that timely identification and management of opportunities and threats are fundamental to sound management and superior outcomes for our stakeholder groups. OZ Minerals' operating performance, financial results, and Strategy delivery are subject to a wide range of risks. These risks comprise political, environmental, social, market, economic, strategic, and operational factors which create both threats and opportunities for the Company. Proactively minimising threats and maximising opportunities allows us to manage both sides of risk. The Company manages existing, new and emerging risks as an integrated part of its operating environment to minimise adverse impacts and optmise beneficial outcomes. Through its Risk Management Framework, emphasis is placed on risk-aware decision-making to deliver OZ Minerals' Strategy, contributing to the achievement of value creation for its five stakeholder groups and Purpose, *Going beyond what's possible to make lives better*.

Risk management accountability and oversight is a central part of the OZ Minerals OZWay Governance Framework. The Board, its Committees and the Executive Leadership Team oversee risk management. Collectively, they are responsible for ensuring the Company maintains an effective risk management standard and internal control environment, with risks assessed according to the potential impact on each stakeholder.



Risk management oversight and Governance

BOARD

The Board sets the Company's risk appetite and oversees the management framework and effectiveness of the systems of internal control and risk management. The Board reviews the risk framework and appetite at least annually to ensure it remains adequate to identify and manage threats and opportunities. It also reviews and monitors the Material Risks of the Company at least six times per year. Reporting of Material Risks to the Board includes an overview of Company risks, a summary of key changes to the risk profile, critical control updates, and the actions implemented to reduce the level of uncertainty and improve the manageability of risks. The Board requires the CEO and Executive leadership to implement a system of controls for identifying, assessing, managing, and reporting risks in line with the Risk Management Framework.

BOARD COMMITTEES

The Audit, Sustainability, and People & Remuneration Committees review risk management reports covering risks, controls, and actions to manage risks to the business within their respective remits. The Audit Committee assists the Board in the effective discharge of its responsibilities in relation to financial reporting, audit, disclosure processes, internal financial controls, cyber and digital risk, funding, and financial risk management (including the Assurance function). The Sustainability Committee assists the Board in the effective discharge of its responsibilities in relation to safety, health, environment, and community (SHE&C) from its oversight of the risks relating to those matters. This includes risks relating to climate change, cultural heritage, human rights (including modern slavery), sovereign jurisdiction, compliance with legislation, regulation and any litigation activities. The People & Remuneration Committee assists the Board in discharging its responsibilities in relation to people and remuneration activities including oversight of risks related to people performance management, Company culture, succession planning, capacity and capability, and inclusion and diversity. The Board retains direct accountability and oversight of all Material Risks including those outside the Board Committees' remits. These include risks relating to mergers and acquisitions, the Company's growth Strategy, sovereign uncertainty, Mineral Resource and Ore Reserve estimates and macro-economic and market-related risks.

For personal use only

EXECUTIVE LEADERSHIP

The Executive Leadership Team (ELT) is responsible for the effective implementation of the Risk Management Framework and system of control for identifying, assessing, managing, and reporting risk across the Company. The ELT reviews, and the CEO approves, the risk profile for the organisation and ensures assets and corporate functions embed risk management process, practice, and culture into everyday business systems and activities.

CORPORATE RISK FUNCTION

The Corporate Risk Function supports and champions the implementation of the Risk Management Framework, ensures risk management is embedded into core business processes, and builds risk management capability and a risk-aware culture across the business. The Corporate Risk Function oversees OZ Minerals' Risk Management Framework and develops, governs, supports, and reports on the effective implementation of risk management to the ELT, the Board and its Committees.

OZ MINERALS OPERATES A FOUR-LEVEL LINE OF DEFENCE RISK MANAGEMENT GOVERNANCE MODEL



The First Line of Defence – Identify and Implement

Global Process Standards define the approval escalations between the Board, CEO, assets and corporate functions based on risk. The Risk Management Process Standard outlines the mandated process for escalation and the roles of organisational authority levels in risk reduction. Risk responsibility for identifying, assessing, managing, and reporting resides with all members of the workforce who are responsible for considering risks when making key decisions, implementing controls and monitoring risks during their activities.

The Second Line of Defence – Enable and Monitor

The asset and corporate function leads ensure compliance with the minimum controls in OZ Minerals' Global Performance and Process Standards and provide subject matter expertise and insights to support the delivery of the Standards.

The Third Line of Defence – Independent Third Line Assurance

All Global Process and Performance Standards are subject to the Assurance Process Standard, where compliance against the Standard and opportunities for improvement are monitored by the Corporate Assurance Function in addition to the self-assurance activities undertaken by the assets and corporate functions themselves. Third Line Assurance provides independent assurance over the governance, compliance and internal control system and processes across the business.

The Fourth Line of Defence – External Audits

External Audit provides an independent assurance that the internal control system is adequate, and that OZ Minerals' operations comply with the minimum requirements of relevant regulatory, legislative and associated standards.

MANAGING RISK

Our risk framework commits us to managing risks in a proactive and effective manner. Effective risk management requires the identification and assessment of the risks that matter most in achieving the Company's strategic objectives, so resources can be prioritised in the most efficient and effective way.

Material risks are managed in the context of supporting the successful delivery of OZ Minerals' Strategy. Risks are initially assessed to determine their Highest Credible Impact (HCI) without critical controls, through the lens of OZ Minerals' Stakeholder Value Creation, using Impact Assessment criteria. The effectiveness of current critical controls – to prevent threats, enable opportunities and respond to HCIs – are assessed to determine the Current Residual Risk Rating.

Where controls for a risk are assessed as requiring improvement, management plans are developed and implemented to improve those controls and to ultimately achieve a Target Residual Risk Rating – moving the risk to a 'Well Controlled' status. Current Material Risks are required to be reviewed every six months at a minimum to determine whether our exposure to the risk continues to remain within our risk appetite.

For personal use only

Our process for identifying, assessing, managing, and reporting Material Risks is designed to manage opportunities that facilitate or exceed, and threats that may hinder, the achievement of the Company's Strategy and Business Plan and, where appropriate, to accept a degree of risk to create value for key stakeholders. We have an enterprise-wide digital risk management information system where all Material Risks, controls and actions are documented and kept current for managing and reporting purposes.

The Board and its Committees review and consider the Company's risk appetite and risk profile (including strategic, operational, new, and emerging risks) based on the monthly, quarterly, and annual Material Risk reports. The reports include an overview of the risk profile, summary of material changes to the profile, key risks in focus, and updates on emerging Company and sector risk themes. The Executive Leadership Team reviews, and the CEO approves, new (or changes to) Material Risks – a process facilitated by the enterprise-wide digital risk management information system.

OUR RISK APPROACH AND CULTURE

The Company has adopted risk management as a valuable tool to plan and prioritise our work and support key decision making in line with our risk framework at all levels. The framework enables us to focus on informed risk-based work activities that create value to all stakeholders, eliminate non-value adding tasks and make a fast and calculated decision at the right level in line with our risk appetite.

EMERGING AND EVOLVING RISKS

Emerging risks by nature are highly uncertain, evolve rapidly and could potentially have a significant downside and upside impact on our Company Strategy delivery. We track, monitor, and assess emerging risks and their potential impact on our stakeholder value creation through highest credible scenario analysis.

Some of the emerging risks that we monitor continuously, and that could have a significant downside or upside impact on our business are outlined below.

Communicable health diseases: New communicable diseases (such as COVID-19) have brought uncertainty and the full recovery pathway remains unclear globally. At a local level, we have introduced additional health control measures to protect stakeholders across our operations, including investing in technology, process changes and systems to support employees working remotely and flexibly. The pandemic has also focused attention on social inequalities and the opportunity to better our relationships with local communities in ensuring the long term and sustainable economic growth of the regions in which we operate. We continue to monitor the evolving and potential impact to our operating environment.

Climate change, emissions reduction, and shareholder support: Climate change and emission reduction have continued to increase in materiality within the sector, creating a range of both opportunities and threats that have been integrated into our Strategic Aspirations, including to emit zero Scope 1 emissions, minimise water use, and generate zero net waste, strategic planning, and investment decision making. We continue to work closely with key stakeholders on issues relating to climate change and emissions reduction – including government, suppliers, shareholders, customers and industry associations. The physical impacts of climate change continue to manifest rapidly in the form of extreme weather events such as increasing temperatures, reduced rainfall, droughts, fires, and floods and have the potential to disrupt our operations and stakeholder groups.

The transition to low carbon operations present both opportunities and threats to our business. The copper in our portfolio, which is a vital resource for renewable energy and electrification, will play a significant role in transitioning to a low carbon global economy. The increasing demand for zero emissions energy will continue to also increase the demand for copper. However, increasing societal and shareholder expectations to have an actionable Decarbonisation Roadmap aligned at least to the Paris Agreement, actions by investors seeking to hold companies accountable for their climate change strategies, stakeholder sentiment, the cost of new low carbon technologies, the pace of transition of regulations and policies on emissions reduction across our value chains may impose a significant impact on our business. These elements can affect the delivery of our Strategy, financial and operational performance, existing asset values, growth options and reputation with all stakeholders both positively and negatively. Our actions include developing a Group Decarbonisation Roadmap and asset decarbonisation plans, reviewing our Strategy against the Paris Agreement-aligned scenario, partnering with third parties to explore and trial advanced zero emissions technologies and building organisation capability.

Advanced application of technology: Technology improvements and digital connectivity have enabled our Company to maintain our operations and supply chain during the COVID-19 pandemic. Technology solutions also enable a proactive response to the accelerated focus on ESG and are recognised as a critical enabler to accelerate our Strategic Aspirations of being a data-driven, Modern Mining Company that ethically and responsibly explores and mines copper to contribute to a low carbon future. Our technology focus and innovative approach include health and safety, decarbonisation and electrification, process and decision intelligence, automation, and low-impact operating ways of working. Our unique innovation approach is aimed at attracting the best expertise inside and outside the industry sector to find new and efficient ways to solve complex challenges while maximising value creation.

Cyber threats, however, continue to evolve and pose a significant business risk. A growing dependency on digital systems has seen a proliferation of platforms and devices in response to remote working and rapid digitalisation promoting massive uplifts in malware and ransomware attacks, often outpacing the ability to effectively prevent or respond to them. Prevention inevitably entails higher costs and intangible risks such as disinformation, fraud, and a lack of digital safety.

Redefining the workforce: COVID-19 has forced a new and accelerated approach to workforce management. Operating models have adapted to manage activities in a more agile way, increasing flexibility and evolving application of our FIFO labour pool. A lack of cross-border workers has been exacerbated by higher turnover and a net loss of industry knowledge, requiring the industry to pivot to distributed responsibility and leadership across almost all roles whilst rebranding itself as an attractive sector for the next generation of workers. Societal risks and mental health are similar factors. Attracting top talent for the future will require further focus on a diverse, inclusive, and continuous improvement culture.

Geopolitical tensions, nationalism and macroeconomics: A combination of geopolitical tensions in the region and elsewhere combined with COVID-19 related supply constraints have the potential to impact the industry. Emerging impacts across the mining sector include cost inflation and availability of critical labour skills. We constantly review availability with our supply partners and collectively identify controls to reduce our exposure through initiatives such as forward ordering and alternative supply options. Although the geopolitical instability has not materially impacted us to date, we continue to monitor the trends and review our mitigating controls.

For personal use only

COMPANY RISK CATEGORIES AND MATERIAL RISKS

The allocation of our Material Risks against the Company's primary risk categories is shown in the table below, with further analysis described in the subsequent risk descriptions. In identifying our Material Risks, we have considered the likelihood and potential impact of the related events. Key changes to our inherent Material Risks during the financial year, primarily due to the external environment and ongoing global instability, are presented within the table. Changes are determined based on the inherent risks before the application of controls and response plans to reflect these uncertainties. Company strategic controls and actions to prevent, reduce, or mitigate downside risk events and increase the likelihood of opportunities being realised are subsequently provided against each risk item.

CHANGES TO OUR MATERIAL RISKS IN FY2021

○ No material movements ● Increased threat ● Decreased threat ● Increased opportunity

Detailed information for risks in **bold** is provided in the section below, either at risk category level where consolidation is deemed appropriate or at the individual risk level.

Risk Categories	Company Material Risks – Threat (T) and Opportunity (O) focused				
Strategy and growth	**Merger, acquisition, & divestment (T/O)**	**Project execution & delivery (T/O)**	**Innovation, digitalisation & strategy acceleration (O)**		
Climate change and environment	**Climate change action (T)**	**Emissions (O)**	**Closure, rehabilitation & biodiversity (T/O)**	Waste & water management (T)	
Community and human rights	**Social performance (T/O)**	**Cultural heritage sites (T)**	Human rights & ethics (T)		
Geopolitics, OZWay Governance Framework and stakeholder support	**Geopolitics (T)**	Regulatory, regulation & compliance (T)	Shareholder support (T)		
Geotechnical and operations	**Geotechnical stability (T)**	**Tailings storage facilities (T)**	Asset infrastructure & Equipment integrity (T)	**3rd party performance & operational delivery (T)**	
Commercial, market and financial	**Commodity market cycle (T/O)**	**Macroeconomics (T)**	**Global supply chain (T)**	**Clean & Saleable concentrate (T)**	**Balance sheet & liquidity (T/O)**
Exploration and resource	Exploration & joint-venture performance (T)	**Mineral reserve & resource estimation & reporting (T/O)**	**New resource discovery (O)**	Province hub expansion & acceleration (O)	
People and culture	**Culture & performance (O)**	**Diversity & inclusion (O)**	**Attract & retain talent (T)**	**Capability & capacity (T)**	
Health and safety	**Occupational & process health & safety (T)**	**Communicable diseases (T)**	Aviation (T)	**Mental & physical health (T)**	
Technology and IT systems	**Cyber security & data privacy (T)**	ICT/OT system services (T)			

Material Risks	Potential Impacts	Strategic Controls and Responses	FY2021 Trend Analysis
No material movements · Increased threat · Decreased threat · Increased opportunity			
Strategy			
Merger, acquisition, and divestment *Threat:* Ability to create value for key stakeholders by successfully executing mergers, acquisitions and divestments may vary and could result in value destruction by realising less than the fair value for divestment or paying more than fair value for acquisitions. *Opportunity:* Ability to successfully acquire (or divest) and integrate businesses on favourable terms provides sustainable future cash flow and future growth optionality.	/ Stakeholder support and reputation / Valuation, liquidity and financial performance	/ A robust capital management framework to deliver value through mergers, acquisitions and divestments. / Mergers, Acquisitions and Divestments Process Standard. / Third party due diligence and assurance review processes where necessary. / Segregated approach to identification and subsequent review of potential transactions and projects to ensure appropriate governance is applied over the assessment of financial risk and returns. / Post investment reviews and key learnings embedded into future initiatives. / Independent review of growth investment submissions.	There are no changes identified that are expected to materially change OZ Minerals' exposure in this area.
Project development, execution and delivery *Threat:* The Company's ability to deliver projects successfully and safely may vary due to changes in technical requirements, or through commercial or economic assumptions proving inaccurate through the execution phase. *Opportunity:* An ability to develop and deliver projects safely, on time and within budget enhances the Company's reputation, demonstrates social performance, stakeholder confidence and increases cash flow and returns to all stakeholders.	/ Growth, liquidity and asset value / Stakeholder support and reputation / Financial and operational performance / Workforce health and safety and their family members	/ Maintain internal management team and skillsets. / Maintain strong focus on project and contractor management. / Project optimisation and acceleration management strategies. / Internal and independent external review of the engineering, technical and financial scope definitions and other assumptions. / Project approval, monitoring and progress status evaluation are performed in line with OZ Minerals' project OZWay Governance Framework through the Global Process and Performance Standards. / Third-party due diligence and assurance as part of its engagement.	The level of exposure increased with both the quantum of projects and the generic nature, assumptions and uncertainty of the risk factors associated with project execution and delivery. Prominent Hill and Carrapateena Expansion projects are subject to macroeconomic conditions, safety, schedule, cost and communicable disease factors, which may cause delays in project execution and delivery.
Innovation, digitalisation and strategy delivery acceleration *Opportunity:* The ability to identify and adopt technologies and innovation accelerate the delivery of the Company's Strategic Aspirations and stretch the Company to realise full competitive advantage from its Strategy elements. These include decarbonisation, digital transformation, automation of operations and development of other innovation initiatives.	/ Financial and operational performance / Stakeholder support and reputation / Liquidity, growth and asset value	/ Leverage internal and external contracting partners to enable value creation and broad collaboration to adopt successful ideas. / Establishment of Think and Act Differently the Technology Incubator powered by OZ Minerals to rapidly test and scale ideas. / Develop the internal management team and skillsets. / The adoption of crowd challenges to investigate new ways and approaches to identify solutions, technologies and systems to develop and operate a scalable and adaptable mine; minimise waste and water usage; produce clean products; decarbonisation and electrify; digital transformation; and automate of existing and new operations. / Development of Arkani Ngura innovation and training test mine center at Prominent Hill.	The Company partnered with internal and external expertise to establish the Think and Act Differently Technology Incubator. It delivered six innovation challenges to identify technologies and capabilities to accelerate achievement of our Strategic Aspirations and be a Modern Mining Company.

For personal use only

Material Risks	Potential Impacts	Strategic Controls and Responses	FY2021 Trend Analysis
No material movements · Increased threat · Decreased threat · Increased opportunity			
Climate Change and Environment			
Climate Change, emissions and shareholder support *Threat:* The ability to prepare for and manage potential physical impacts including acute events such as extreme weather events and transition impacts including exposure to emissions regulation and delivery of decarbonisation consistent with stakeholder expectations and increased market shifts. Also, increasing societal and shareholder expectations, the pace of transition and greater focus on Scope 3 emissions may pose a significant impact on our business and value chain. *Opportunity:* Climate change and acceleration to decarbonise the economy are likely to be a catalyst for growth in low-carbon industries and technologies that require copper, such as increased electrification, resulting in upward pressure on copper prices. Less emissions-intensive product can increase demand, access to new markets and improve environmental and stakeholder support.	/ Capital and operating costs / Financial and operational performance / Stakeholder support and reputation	/ Group Decarbonisation Roadmap and asset decarbonisation plans. / Reducing operational emissions through electrification and trials of zero emissions technologies. / Evaluation of emissions in commercial decisions via internal carbon price. / Crowd challenge process in the energy and emissions area to identify efficiency and low-cost ways to operate. / Reporting in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). / Climate change and emissions workforce capability building. / Scope 1 and 2 emissions reporting and baseline Scope 3 emissions reporting. / Development of carbon offset and procurement plan. / Assessment of physical climate impacts on asset operational resilience. / Reducing the energy and water intensity of our operations. / Developing innovative practices in relation to chemical processing and increasing efficiency of transportation and processing activities. / Engaging with key stakeholders and contracting partners to review, monitor and track climate change action developments and trends.	The physical impacts of climate change continue to manifest rapidly in the form of extreme weather events such as increasing temperatures, reduced rainfall, droughts, fires and floods that have the potential to disrupt our operations and stakeholders. Increased macroeconomic shifts, stakeholder sentiment and political developments on decarbonisation and transition to a low carbon economy. Shareholders and other stakeholders expect companies to have an actionable Decarbonisation Roadmap at least aligned to the Paris-Agreement and a clear understanding, via risk assessments, of how climate change may impact delivery of Company Strategy. Actions by investors seeking to hold companies accountable for their climate strategies increased during FY2021. The copper and nickel in our portfolio, which are vital resources for renewable energy and electrification, will play a significant role in transitioning to a low carbon global economy. The increasing demand for zero emissions energy will continue to also increase the demand for copper.
Environment, closure, rehabilitation and biodiversity *Threat:* Ability to close operations and rehabilitate affected areas at the conclusion of mining and processing activities in line with societal and regulatory requirements. Failure to manage our environmental, closure, rehabilitation, biodiversity and water risks could have a significant impact on our performance and relationships with stakeholders. *Opportunity:* Excellent performance on mine closure, rehabilitation and legacy management of closed sites can enhance OZ Minerals' reputation and enable the Company to gain and maintain access to land, resources, a skilled workforce and external funding.	/ Social performance and communities / Operational and financial performance / Stakeholder support and reputation / Licence to operate and growth / Government and environment	/ Operational monitoring program including groundwater, cultural heritage sites and flora and fauna habitats. / Complying with the South Australian Government's Program for Environmental Protection and Rehabilitation (PEPR) to address mine closure requirements. / Complying with the Brazilian National Mining Agency and the Environmental Agency of Pará State (SEMAS) regulations to address mine closure requirements. / Progressive rehabilitation / Independent review of mine closure estimates. / Estimates of mine closure costs are reflected in accordance with AASB 137 Provisions, Contingent Liabilities, and Contingent Assets as provisions in the financial statements. / Biodiversity and water management plans and Performance Standards.	There are no changes identified for these risks that are expected to materially change OZ Minerals' level of exposure.

For personal use only

For personal use only

Material Risks	Potential Impacts	Strategic Controls and Responses	FY2021 Trend Analysis
● No material movements ● Increased threat ● Decreased threat ● Increased opportunity			
Community and Human Rights			
Social performance and cultural heritage sites *Threat:* The Company or its contracting partners' performance may directly, indirectly, or cumulatively adversely impact the social, economic and cultural values of stakeholders and communities. This can affect our access to land and resources, delay approvals and threaten the delivery of the Company Strategy. *Opportunity:* Ability to partner with key stakeholders to co-develop specific and fit for purpose processes based on transparent, fair and informed consent that drives value creation for both the business and communities.	/ Land access and social licence or permit to operate / Stakeholder support and reputation / Future project approvals and growth Strategy / Regulatory compliance	/ Performance Standards which set the minimum standards for assets, contracting partners and suppliers. / Cultural Heritage management plans are co-designed with Traditional Owners and endorsed by all parties. / Management Plans are prepared by or in consultation with a trained, qualified and experienced person with the relevant knowledge and technical skills to identify and address the relevant threats associated with the activity. / Cultural Heritage management – define and assign accountabilities, including executive signoff, to ensure no unauthorised disturbance occurs. / Local level agreements are developed and operated in line with the principles of Free, Prior and Informed Consent. / Partnering Agreements with Indigenous and Land Connected Peoples / Cultural heritage surveys undertaken prior to any land disturbance activities. / Cross cultural awareness and training is provided to key workforce members. / Use and maintenance of geographic information system heritage database. / Supplier and contracting partners flow down provisions in contracts and due diligence processes. / Department of Defence Deed and arrangements.	● Heightened stakeholder awareness of the importance of strong cultural heritage processes, practices and management following the Juukan Gorge destruction and subsequent Australian Federal Government Inquiry. OZ Minerals has continued to maintain a strong and respectful position with Traditional Owner nations.
Governance and Relations			
Geopolitical instability *Threat:* Political uncertainty, trade protectionism, increase in stakeholder expectations and changes in relations between countries in which we operate, or where our customers or suppliers operate, can impact our ability to access resources and markets needed to achieve our Strategy.	/ Potential impact of the supply, demand and price of our products and therefore financial performance / Inbound and outbound supply chain disruption / Inability to access resources and markets	/ Diversified customers and markets to reduce exposure to geopolitical and macroeconomics shifts. / De-risk key supply chains through local and global diversification. / Actively monitor geopolitical and macroeconomics developments and trends. / Regularly assess our ability to access customers and suppliers. / Monitor the socio-political environment in which we operate and the stakeholders that influence that environment.	● A combination of geopolitical tensions in the region and elsewhere combined with COVID-19 related supply constraints have the potential to impact the industry. Although the geopolitical instability has not materially impacted us; we continue to monitor the trend and review our mitigating controls. There are no changes identified at this stage that are expected to materially change OZ Minerals' level of exposure.
Regulatory, regulation and compliance *Threat:* The Company's activities by our workforce, Directors or contracting partners could result in actual or perceived breaches of legal, regulatory, ethical, or human rights compliance obligations or inappropriate business conduct. *Opportunity:* Complying with laws and regulations and maintaining a high ethical and social performance standard enables OZ Minerals to gain and maintain access to resources, expand provinces, investment opportunities and create value for our stakeholders.	/ Group reputation / Future financial performance / Stakeholder support	/ The OZWay Governance Framework provides minimum requirements to comply with laws and legislation. / Key changes to legislation and regulations are tracked and monitored with response plans for new requirements. / Training and awareness on existing and new laws and regulations. / Formalised Speak Up process with anonymous reporting together with incident reporting and investigation. / Due diligence on contractor regulatory compliance. / Code of Conduct and How We Work Together principles provide a clear guideline on behaviour expectations, including compliance with laws and regulations. / Global Process and Performance Standards establish the minimum operating conditions across the business and for our contracting partners. / Assurance and audit programs.	● There are no changes identified that are expected to materially change OZ Minerals' level of exposure.

Material Risks	Potential Impacts	Strategic Controls and Responses	FY2021 Trend Analysis
No material movements · Increased threat · Decreased threat · Increased opportunity			
Production and Operations			
Geotechnical and underground wall stability *Threat:* The underground mining operations are subject to geotechnical uncertainty, adverse ground conditions, decline collapse, fire and uncontrolled explosion incidents.	/ Workforce health and safety and their family members / Communities and licence to operate / Government and environment / Group reputation / Financial performance and asset value / Suppliers and customers	/ Trigger action response plans to maintain the stability of the underground and open pit walls. / Geotechnical monitoring and inspection programs. / Periodic independent geotechnical review and assurance. / Emergency response plans and underground emergency facilities. / Trained, skilled and experienced personnel. / Regular inspection, reviews and monitoring of the ground conditions.	The level of geotechnical instability exposure remains an inherent potential issue as both the Prominent Hill and Carrapateena mines progress the development of their orebodies. The Pedra Branca underground mine in Brazil is a new addition. There are no changes identified at this stage that are expected to materially change OZ Minerals' level of exposure.
Third Party Performance and Operational delivery *Threat:* Our business is exposed to internal and external unforeseeable significant events that could disrupt our value chains, operations performance and critical infrastructure. Contractors, suppliers and strategic partnerships play a significant role in delivering the Company's growth, operational targets, revenue and market positioning and a failure to perform under existing contracts or obligations may lead to adverse impacts. *Opportunity:* A strategic partnership offers opportunities to access resources, increase stakeholder support and reduce operational risks.	/ Workforce health and safety and their family members / Operational and financial performance / Group, contracting partners and supplier reputation / Stakeholder support and relations	/ Partner, contractor and supplier due diligence, selection criteria and partnering framework. / Collaborative and integrated partnership with key contractors and contracting partners. / Competitive procurement processes and embedded performance structures in contracts that delivers the highest value for stakeholders. / OZWay Governance Framework, Performance Standards and HWWT principles for assets, partners or contractors. / Regular performance reviews against plans and implementation of improvement actions and opportunities. / Periodic global supply chain review. / Scenario planning and group crisis management plan. / Emerging risk identification and continuous critical control performance reviews.	There are no changes identified that are expected to materially change OZ Minerals' level of exposure.
Commercial and Market			
Commodity market cycle and macroeconomics *Opportunity:* An increase in demand for zero emissions energy, commodity prices and/or favourable foreign exchange rate movements generates positive cash flow and strengthens the Company's liquidity position, enabling the Company to pursue value creation growth options and/or increase stakeholder support. *Threat:* Commodity prices are driven by global market demand and supply. A decrease in commodity prices and a substantial unfavourable movement in inflation, foreign exchange, and interest rates will reduce cash flow profitability and directly or indirectly affect all stakeholders.	/ Cash flow, profitability and liquidity / Access to capital / Investment and/or growth opportunities	/ Diversified customers and markets. / Group liquidity and credit management Strategy. / Capital management framework. / Actively monitor markets and macroeconomics developments and trends to inform our forecasting assumptions.	The increasing demand for zero emissions energy may increase the demand for copper. The long term commodity price outlooks under the Paris-Agreement goals continue to reflect copper benefiting from the rapid pace of electrification. Threat exposure increased at the industry level due to a rise in inflation, shortage of critical labour skills, and global supply chain costs due to the operating environment and potential governments actions.

For personal use only

Material Risks	Potential Impacts	Strategic Controls and Responses	FY2021 Trend Analysis
No material movements · Increased threat · Decreased threat · Increased opportunity			
Financial			
Supply chain and concentrate quality *Threat:* A global economic slowdown, change in policy, supply chain disruption, trade, and port restrictions, concentrate grade and impurities could result in a slowdown in demand for our products and reduced earnings and cash flow.	/ Liquidity and financial performance / Operational performance / Stakeholder support / Company reputation / Partner relations / Workforce health and safety and their family members	/ Customised solutions developed in partnership with customers which matches smelter demand, concentrate grade and timing, along with a range of controls to manage impurity levels. / Ore and concentrate blending and additional flotation treatment in the processing plant. / Diversified customer portfolio to mitigate against the risk of regulatory changes to importation requirements. / Monitor market conditions and regulatory changes. / Maintain technology 'know-how' in relation to concentrate treatment plant technology.	There are no changes identified that are expected to materially change OZ Minerals' level of exposure.
Balance sheet and liquidity *Threat:* The Company's ability to refinance and attract sufficient new capital to fund current and future operations and growth through an economic downturn could be compromised by a weak balance sheet. *Opportunity:* Strong internal capital management and favourable market conditions could increase liquidity, balance sheet strength and allow the Group to pursue investment growth opportunities, pay debts and/or increase total shareholder returns.	/ Financial performance / Solvency and liquidity / Stakeholder support and reputation	/ Capital management framework. / Manage debt maturities to spread repayment and minimise refinancing risk. / Credit exposure management to ensure the Group's capital structure is not compromised if a finance counterparty fails to perform its financial obligation. / Clear business Strategy, capital discipline and a conservative capital structure encourage lenders and shareholders to continue investing in the business and to attract new capital on attractive terms and at competitive pricing.	Strong operating performance in FY2021 has allowed the Company to maintain a strong balance sheet. The Company continues to maintain its credit facilities with leading domestic and international banks.
Exploration and Resource			
Exploration, Mineral Resource and Ore Reserve and mine life expansion *Threat:* The threat that new information on Mineral Resource and Ore Reserve come to light means that the economic viability of some Ore Reserves and mine plans may be materially revised downwards. Also, the inability to discover new resources or projects could undermine the future growth pipeline. *Opportunity:* The discovery of a new viable orebody can significantly improve future growth option and mine expansion. In addition, the economic viability of some Ore Reserves and mine plans can be revised upwards.	/ Valuation, financial and operational performance / Group Strategy and reputation	/ Comply with Joint Ore Reserves Committee (JORC) guidelines and in some instances verification by independent mining experts. / Retain skilled and experienced exploration and evaluation personnel. / Production plan based on published Mineral Resource and Ore Reserve. / Maintain a database of exploration opportunities with sufficient feed into the Exploration programs. / Develop, leverage strategic third-party partnerships and utilise new technologies where appropriate for exploration and evaluation of Mineral Resource and Ore Reserve. / Review of Mineral Resource and Ore Reserve planning and statements by the Mineral Resource and Ore Reserve Team and reporting to the CEO whether governance requirements for Mineral Resource and Ore Reserve activities are being adhered to and any recommendations to address non-compliance. / Establishment of the Mineral Resource and Ore Reserve Team to provide Group wide consistency, rigour and discipline in the preparation and reporting of Mineral Resource and Ore Reserve statements and potential acquisitions reviews in accordance with industry best practice.	Growth projects strengthen Mineral Resource and Ore Reserve. The Prominent Hill underground and Carrapateena expansion have been approved by the Board extending mine life further, with construction underway. We transitioned Carrapateena from a project into operation, increasing an opportunity to focus and grow the Company through exploration – discovering a new economic body.

For personal use only

Material Risks	Potential Impacts	Strategic Controls and Responses	FY2021 Trend Analysis
No material movements · Increased threat · Decreased threat · Increased opportunity			
People and Culture			
Culture, talent and capability *Opportunity:* The ability to leverage systems, symbols, behaviours and mindsets that accelerates the attraction and development of a diverse workforce unlocking diversity of thought and enabling great people to perform at their best and create value for all our stakeholders. *Threat:* The inability to attract, retain and develop the best talent (including contracting partners) and capability to deliver the Company growth Strategy.	/ Operational performance / Financial performance / Stakeholder support and reputation / Corporate knowledge and experience / Workforce experience and wellbeing	/ A strong and purpose-driven Employee Value Proposition to attract and retain the best. / Risk assessed bullying and harassment control plans at all assets with qualitative and quantitative lead and lag indicators monitoring effectiveness of the controls. / An inclusive culture that enables both cognitive and demographic diversity and the innovation that comes with it. / Modern and inclusive talent practices for engaging employees and contingent workers that enable a non-hierarchical agile structuring of roles around great people and the work. / Agile performance management processes that promote a culture of continuous and deliberate development. / Professional and leadership development to enable our people to do the best work of their careers. / Modern, flexible working arrangements that reflect the future nature of work and promote wellbeing. / A data driven approach to measuring, strengthening and embedding culture as our intellectual property.	The Company continues to leverage and accelerate culture as its unique competitive edge that can't be easily replicated. The threat of sexual harassment in the industry has risen in terms of visibility over the course of 2021 leading to a focused set of Risk controls that accelerates workforce diversity and inclusion and leverages our culture to attract more women into our workforce. A lack of cross-border workers has been exacerbated by higher turnover and a net loss of industry knowledge, requiring the industry to pivot to distributed responsibility and leadership across almost all roles whilst rebranding itself as an attractive sector for the next generation of workers.
Health and Safety			
Health and Safety *Threat:* Occupational, process, aviation, heavy and light vehicle interactions, and other operational risks including an underground explosion or fire, geotechnical failure or underground hazardous environment pose significant health and safety risks to employees, contracting partners and community including loss of life. *Opportunity:* Consistently exceeding or meeting our health and safety commitments can enhance the Company's reputation and working relations across all our stakeholders and contributes to sustainable growth.	/ Workforce health and safety and their family members / Social performance and licence to operate / Stakeholder support and reputation / Future financial performance	/ Partnering with contractors to build a strong workplace safety, health and wellbeing culture. / Focus on elimination of drivers of health and safety incidents through implementation of a program to verify critical controls. / Regularly review and audit health and safety processes to improve control effectiveness. / Fostering a culture of reporting, investigating, and sharing learnings from health and safety incidents. / Monitoring weekly health and safety performance. / Maintaining clear Company Performance Standards, including health, safety and aviation. / Complying with applicable local laws and regulations on health and safety.	A Byrnecut underground worker was fatally injured at Prominent Hill mine on Sunday, 5 September 2021 with the incident having a profound impact on our workforce and the worker's family. There has been no change however to OZ Minerals' general level of exposure.

For personal use only

Material Risks	Potential Impacts	Strategic Controls and Responses	FY2021 Trend Analysis
No material movements · Increased threat · Decreased threat · Increased opportunity			
Communicable disease and mental health *Threat:* Communicable disease outbreak has the potential to compromise the physical and mental health and wellbeing of workforce, contractors, vulnerable communities and completely shutdown of operations and supply chains.	/ Safety, health and wellbeing / Financial and operational performance / Stakeholder support and reputation	/ Asset health management plans and controls informed by government health measures and national data. / Review, monitoring, reporting and compliance with government health measures. / Remote working and vulnerable persons management. / Disease stakeholder communication and engagement plan. / Disease detection system, hygiene protocols and wellbeing programs/support. / Workforce travel management. / Onsite vaccination, testing, case management and business continuity plans. / Crisis and incident management plans. / Monitoring weekly health and safety performance. / Partnering with contractors to build a strong workplace safety, health and wellbeing culture.	Notwithstanding our efforts and the efforts of local and national governments where we operate, the evolving communicable disease COVID-19 has impacted our workforce, as well as some local communities. It continues to have the potential to impact the safety, health and wellbeing of our workforce. Societal risks and mental health issues increased due to quarantine or social isolation from family or social relationships, extended working hours and rosters designed to prevent COVID-19 outbreak, and industry downturn, which affect Fly-in-Fly out people's sense of job security and wellbeing.
Tailings Storage Facilities (TSF) and assets' infrastructure integrity *Threat:* The collapse of a TSF or other critical infrastructure has the potential to create an extreme impact to all stakeholders and to the sustainability of the asset and its licence to operate.	/ Workforce health and safety and their family members / Communities and licence to operate / Government and environment / Group reputation / Financial performance and asset value / Suppliers and customers	/ Designing, constructing, maintaining and monitoring TSF and critical infrastructure and equipment to identified standards. / Independent TSF audits, reviews and inspection against standards and the Australian National Committee of Large Dams (ANCOLD) guidelines. / Periodic reviews of and revisions to management plans and TSF manuals against operating specifications and applicable global standards/ codes or guidelines. / Critical infrastructure and equipment maintenance strategies and programs. / Skilled, technical and experienced personnel managing the TSF. / Alignment with the Global Industry Standard on Tailings Management.	There are no changes identified that are expected to materially change OZ Minerals' level of exposure.
Technology			
Cyber security and data governance *Threat:* Ability to access, manage and maintain systems and respond to major incidents including data loss, cyber security attacks or breaches to information system or data privacy.	/ Stakeholder support and reputation / Operational or commercial disruption / Disclosure of commercial or personal information / Corruption or loss of system data / Health and safety incidents caused by operational technology system failure / Financial losses	/ Data Security Process Standard. / Cyber security awareness and training program. / Security assessment and monitoring, including regular phishing tests. / Crisis management plans and response. / Physical and system access controls. / Business continuity and disaster recovery plans. / Third-party cyber security management strategies.	The growing volume and sophistication of cyber threats globally is increasing the likelihood of compromise. OZ Minerals has taken specific steps to elevate its control strategies and ensure they remain effective.

For personal use only

Remuneration Overview and Report

For personal use only

Letter from the Chair of the People and Remuneration Committee

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to provide you with the 2021 Remuneration Report for OZ Minerals. We are proud of the Company's performance in 2021. Despite COVID-19 related workforce and supply challenges, the adaptability of our workforce enabled us to achieve Group copper guidance for a seventh consecutive year, achieve Group gold production, meet our Group cost guidance, earn record revenue of more than $2 billion and end the year with a cash balance of $215.4 million.

However, the year was marred by the fatal injury in September of one of our workforce members, a Byrnecut employee, who was working underground at Prominent Hill. The team was deeply saddened by his death. Despite the Executive Team's ongoing commitment and the improvements made in our overall injury frequency rate, where a total recordable injury frequency rate (TRIFR) of 3.77 was achieved compared with 5.29 in 2020, the Board approved the CEO's recommendation to score at zero the safety component of the Company scorecard for all Executives and score at zero the entirety of the individual component of his personal scorecard and that of the Prominent Hill General Manager. The impact of these adjustments is reflected in the Short Term Incentive (STI) payments detailed in section 3.2 (page 61).

In 2021, as we prepared for our next growth phase, we reshaped the Executive Team, recruiting four new roles across Operations, Technology, Strategy & Growth and Integration, to further complement the strength of our leadership team. All new Executives will be in their roles by mid-April 2022.

OZ Minerals' remuneration philosophy is to seek, attract and retain high performing Executives and incentivise them to lead our Company in an inspiring way and to outperform. We focus on demonstrating clear links between business performance and remuneration outcomes whilst continuing to build value for all our stakeholders. The strength of our approach is evidenced by the alignment of the 2021 KMP Remuneration outcomes and the almost trebling of the share price over the performance period of the vesting 2019 Long Term Incentive Plan (LTIP). Other 2021 shareholder value creation highlights include:

- Net Profit After Tax of $530.7 million a significant increase on the prior year of $212.6 million
- total ordinary dividends for 2021 of 26 cents per share, fully franked
- an additional fully franked special dividend of 8 cents per share enabling shareholders to share in the significant uplift in first half profit prior to our next growth phase
- growing total shareholder returns at a higher rate than most of our peers, finishing the year in the top quartile of our peer group
- advancing our organic growth projects with the Carrapateena block cave expansion and the Prominent Hill shaft enabled expansion both now underway, unlocking province potential, and the West Musgrave copper nickel project study well progressed
- further evolving our culture of innovation, collaboration and value creation with flexible and remote working arrangements more prevalent and culture increasingly becoming a differentiator for OZ Minerals
- developing an ambitious Decarbonisation Roadmap from the ground up which sees a 50 per cent reduction in Scope 1 emissions by 2027 and net zero emissions by 2030.

Our focus on value creation across all five stakeholder groups – employees, communities, shareholders, government and suppliers – is a key differentiator for OZ Minerals and has been at the core of our Strategy since 2015. Our stakeholder value creation metrics, first published in our 2020 Annual & Sustainability Report, are a performance assessment tool that help focus our work and behaviour and support the achievement of our Purpose, *Going beyond what's possible to make lives better.*

REMUNERATION OUTCOMES IN 2021

In assessing remuneration outcomes during 2021, the Board believes the following outcomes are a strong reflection of the Company's performance and are aligned with the experience of shareholders:

- Executive salaries were increased as communicated in last year's report, in line with our remuneration philosophy and supported by market data.
- Strong performance outlined above and in the Annual & Sustainability Report resulted in a Corporate Performance score of 3.39 out of 5. The details can be found in section 3.2 (page 61).
- As mentioned above, the STI award to the CEO, Andrew Cole was reduced to reflect the fatality at Prominent Hill resulting in an award of 60 per cent of his maximum STI opportunity ($897,750).
- Strong corporate and individual performances resulted in the award to the CFO / Finance & Governance Executive Lead, Warrick Ranson, of 81 per cent ($491,050); to the Projects Executive Lead, Mark Irwin, of 79 per cent ($474,000) and to the Operations Executive Lead, Matthew Reed 82 per cent ($160,338)[a].
- Thirty per cent of the STI awards will be paid in performance rights vesting after two years. STI outcomes are calculated after adjusting, where relevant, for the impact of changes in metal prices and currencies so that Executives do not receive windfall gains or losses for market related movements. Details can be found in section 3.2 (page 61).
- The 2019 LTI plan vested at 100 per cent in December 2021 following top quartile relative Total Shareholder Returns (rTSR) (76.9 percentile) performance of the Company and strong All-in Sustaining Costs (AISC) performance (104 USc/lb) over the three-year performance period. This resulted in the vesting of 138,270 performance rights for Andrew Cole 55,145 for Warrick Ranson and 53,193 for Mark Irwin. Details can be found in section 3.3 (page 63).

For personal use only

For personal use only

As we communicated last year, we are progressively aligning our STI plan with our Stakeholder Value Creation approach in order to hold us accountable for achieving outcomes for all stakeholders. Whilst not all the metrics are financial in nature, all ultimately impact our financial performance. We believe that only when we are creating value for all our stakeholders will we be a sustainable and successful Company. Further details are contained on pages 05 and 71 of the Annual & Sustainability Report.

REMUNERATION CHANGES FOR 2022

As part of the Executive Team reshaping which took place in 2021, and in recognition of the critical role that our KMP's depth of expertise and talent will play in value creation for the Company we conducted a full external benchmarking review of executive salaries, with the Board resolving to:

- ✓ increase the fixed remuneration of CEO, Andrew Cole, from $1,000,000 to $1,050,000. This reflects the increased size, scale and complexity of OZL's business in recent years, his strong performance in the role and is to ensure his pay remains competitive, relative to both market cap and industry peer groups
- ✓ increase the fixed remuneration of the CFO / Finance and Governance Executive Lead, Warrick Ranson, from $610,000 to $670,000, the Projects Executive Lead, Mark Irwin, from $600,000 to $630,000, and the Operations Executive Lead, Matthew Reed, from $585,000 to $625,000
- ✓ award Mark Irwin a one-off grant of 19,296 Performance Rights, reflecting the importance of his ongoing leadership of the Projects portfolio. See section 2.5.5 (page 59) of the Remuneration Report.

Further, in accordance with our remuneration framework in 2022, KMP will be issued performance rights under a 2022–24 LTI scheme.

Consistent with our Stakeholder Value Creation approach, the Board believes that accelerating our focus on ESG will be a key strategic driver of future value for all stakeholders. Accordingly, during 2021 the Board has considered how best to incorporate longer term measures of ESG performance into its remuneration framework.

Given the increased focus that the Company and its stakeholders are putting on ESG related outcomes, the Board concluded that a weighting of LTI plan should be attributed to the achievement of industry leading performance across ESG measures as reflected in an external, internationally recognised, transparent and independent benchmark index. The MSCI ESG Ratings Metals and Mining – Non-Precious Metals, has been chosen due to its clear targeting of the issues concerning investors in the mining sector and the communities in which mining companies operate.

With effect from the 2022-24 Plan, 20 per cent of rights issued pursuant to LTI plans will be eligible to vest according to ESG performance with 60 per cent continuing to be tested by rTSR and 20 per cent by AISC. Executives will be eligible for a full payout of the ESG component if the Company achieves an Industry-Adjusted Score of >8.23 (of 10) relative to its peer group at the end of the three year vesting period of the plan. Further details can be found in section 2.5.4 (page 56). In 2021, OZ Minerals achieved an industry-adjusted score of 7.9, up from 6.8 in 2020. As other industry participants increase their focus on ESG matters, we believe it will become more challenging to achieve and maintain industry leadership over time, setting a high bar aligned with our high ESG ambitions as a Modern Mining Company.

Following the increase to Director's fees in 2021, the Board concluded to hold base fees for the Chairman and Directors but will adjust the fees for the Chairs and members of both the People & Remuneration and Sustainability Committees. Chairs' and members' fees for these committees, including superannuation, will increase to $40,000 and to $20,000 respectively to reflect the increased workload of these Committees over time and bring them closer to fees paid to the Chair and members of the Audit Committee. In early 2022 the Board formed a Nominations Committee of the Board Chairman and two additional members. Fees for those members will be $12,500 per annum. The Chair will receive no additional fees.

The LTI plan rules require the comparator group used to calculate the relative TSR to be reviewed annually for relevance. Following the review, two companies (Zijin Mining Group and Kaz Minerals Plc) will be removed from the comparator group for the 2022–24 LTI plan and replaced with three new companies (South32, Capstone Copper and 29Metals), taking the total comparator group to 15 companies.

We are pleased that our ongoing commitment to value creation yielded strong returns for our stakeholders in 2021. We remain committed to consistently challenging our remuneration framework, to drive performance and behaviours we are proud of and that create value in both the short and long term.

Thank you for your ongoing support of OZ Minerals.



Tonianne Dwyer
Chair
People & Remuneration Committee

21 February 2022

[a] Amount for the period that Matthew Reed was a KMP following his appointment to his new role on 1 September 2021.
Note: Letter from the Chair of the People & Remuneration Committee is unaudited.

Remuneration report

Remuneration Overview

For personal use only

REMUNERATION TO EXECUTIVE KEY MANAGEMENT PERSONNEL (KMP) IN 2021

Full details of the audited cost to the Company of Executive KMP remuneration, calculated in accordance with the accounting standards and the *Corporations Act 2001*, are available in Table 14 of the Remuneration Report (page 65).

The table below (unaudited) which includes details of remuneration actually delivered to Executive KMP in 2021, has been prepared to be transparent with our shareholders regarding remuneration outcomes.

The uplift in the KMP remuneration received in 2021 is predominantly driven by the value of shares that vested through the 2019 LTI Scheme and 2019 Deferred STI Scheme. This outcome reflected the strong performance of the Company and near trebling of the share price over the three-year period. Shareholders who were invested with the Company over that period have experienced the same share price growth.

Actual 2021 remuneration paid to executive Key Management Personnel

		Cash Salary	Paid Short Term Incentives[a]	Vesting Deferred Short Term Incentives[b]	Vesting Long Term Incentives[c]	Contributed superannuation[d]	Total remuneration
		$	$	$	$	$	
Andrew Cole	2021	958,138	628,425	709,185	3,762,327	22,631	6,080,706
CEO and Managing Director	2020	878,652	834,435	–	2,429,197	21,348	4,163,632
Warrick Ranson	2021	587,369	343,735	363,178	1,500,495	22,631	2,817,408
CFO / Finance & Governance Executive Lead	2020	557,652	356,664	–	956,496	21,348	1,892,160
Mark Irwin	2021	577,369	331,800	324,916	1,447,382	22,631	2,704,098
Projects Executive Lead	2020	544,319	353,625	–	956,496	21,348	1,875,788
Matthew Reed[e]	2021	189,108	112,237	–	–	5,892	307,237
Operations Executive Lead							

[a] This amount represents 70 per cent of total STI which was paid in cash for 2021. In addition, 30 per cent of total STI will be granted in performance rights, which vest after 2 years provided certain conditions are satisfied (Table 8, page 62). 9,971 performance rights will be awarded to Andrew Cole, 5,454 to Warrick Ranson, 5,265 to Mark Irwin and 1,781 to Matthew Reed.

[b] On 31 December 2021, the 2019 STI plan vested resulting in the issue of 25,319 shares to Andrew Cole (Table 8, page 62), 12,966 shares to Warrick Ranson and 11,600 shares to Mark Irwin. The value of the deferred short term incentives which vested is calculated by multiplying the number of performance rights vested by the volume weighted average price (VWAP) of $27.21 over the period 2 December to 31 December 2021 and adding the related equivalent dividends paid.

[c] On 31 December 2021, the 2019 LTI plan vested resulting in the issue of 138,270 shares to Andrew Cole (Table 11, page 63), 55,145 shares to Warrick Ranson and 53,193 shares to Mark Irwin. The value of the LTI which vested is calculated by multiplying the number of performance rights vested by the VWAP of $27.21 over the period 2 December to 31 December 2021. The performance rights were awarded on the basis of a VWAP (20 trade days from 2 to 30 January 2019) share price of $9.22 an increase of 195 per cent over the 3 year vesting period.

[d] Represents direct contributions to superannuation funds based on quarterly contribution limits under Super Guarantee Charge regulations. Amounts greater than the maximum superannuation level have been included in cash salary.

[e] Matthew Reed became a KMP on 1 September 2021.

Remuneration Report

The Directors of OZ Minerals Limited present the Remuneration Report for the Company and the Consolidated Entity for the year ended 31 December 2021. This Remuneration Report forms part of the Directors' Report and has been audited in accordance with the Corporations Act 2001.

1.0 Key Management Personnel

The Consolidated Entity's KMP during 2021 are listed in Table 1 and consist of the Non-executive Directors (NED) and Executive KMP who are accountable for planning, directing and controlling the affairs of the Company and its controlled entities. During the year, following the restructuring of the Executive Team, a new Executive KMP role of Operations Executive Lead was created.

Table 1 – KMP during all of 2021

	Position	Period as KMP during the year
Executive KMP		
Andrew Cole	CEO and Managing Director	All of 2021
Warrick Ranson	CFO / Finance & Governance Executive Lead	All of 2021
Mark Irwin	Projects Executive Lead	All of 2021
Matthew Reed	Operations Executive Lead	From 1 September 2021
Non-executive Directors		
Current		
Rebecca McGrath	Independent Chairman	All of 2021
Tonianne Dwyer	Independent NED	All of 2021
Peter Wasow	Independent NED	All of 2021
Charles Sartain	Independent NED	All of 2021
Richard Seville	Independent NED	All of 2021
Sarah Ryan	Independent NED	From 17 May 2021

For personal use only

2.0 Remuneration Strategy

2.1 REMUNERATION PHILOSOPHY

OZ Minerals seeks to attract and retain high performing Executives and incentivise them to outperform. Our approach to remuneration is to provide Executives with a market competitive fixed remuneration and to reward outperformance through performance-linked, 'at risk' remuneration. Accordingly, we seek to position the fixed remuneration of our Executives at around the market median of relevant benchmarks, with the opportunity to earn upper quartile total remuneration for delivering outperformance.

2.2 REMUNERATION PRINCIPLES

The remuneration principles (Table 2) demonstrate the links between remuneration and business strategies and their impact on OZ Minerals' actual remuneration arrangements. The overriding business objective is to build value for all our stakeholders with 'Creating Shared Value' at the heart of the OZ Minerals Strategy.

Table 2 – Remuneration Principles

Business needs and market alignment	OZ Minerals' remuneration framework is focused on achieving our corporate objectives. Remuneration is set with regard to market practices and structured so that outcomes are aligned with stakeholder value creation.
Simplicity and equity	OZ Minerals' remuneration philosophy, principles and framework are simple to understand, communicate and implement, and are equitable across the Company and its diverse workforce.
Performance and reward linkages	A well-designed remuneration framework supports and drives Company and team performance and encourages the demonstration of desired behaviours. Performance measures and targets are few in number, outcome-focused and customised at an individual level to maximise performance, accountability and reward linkages.
Market positioning and remuneration mix	Fixed remuneration is set at a competitive level and positioned to take into account the challenges of attracting and retaining high performers in business critical roles, particularly in the mining industry. The 'at-risk' components of remuneration are based on challenging goals designed to incentivise Executives to achieve business critical objectives and create stakeholder value including shareholder returns. A substantial portion of remuneration is paid in equity and 'locked in' to encourage focus on long term outcomes.
Talent management	Remuneration framework is tightly linked with our performance and talent management frameworks to reward and recognise employees who achieve their role accountabilities and to engage future leaders.
Governance, transparency and communication with shareholders	OZ Minerals is committed to developing and maintaining remuneration practices that promote the creation of shared value for stakeholders. We openly communicate these practices to shareholders and other relevant stakeholders, and will always be within legal, regulatory and industry requirements. The Board has absolute discretion to develop, implement and review all aspects of remuneration.

2.3 REMUNERATION FRAMEWORK

The OZ Minerals Remuneration Framework aims to attract great people to deliver the OZ Minerals Strategy, offering a fixed and variable (at-risk) pay that incentivises both short term and long term performance.

Element	Structure	Performance Measures	Link to delivery of corporate Strategy
Total Fixed Remuneration (TFR)	Base cash salary and superannuation.	TFR is determined based on factors including external market benchmarking, relativity to peers and individual performance.	Fixed remuneration is set at a competitive level and positioned at market median to take into account the challenges of attracting and retaining high performers in business critical roles.
Short Term Incentive (STI)	Mix of 70 per cent cash and 30 per cent performance rights, with a subsequent two-year service period.	STI is determined based on performance against challenging, clearly defined and measurable corporate and individual targets.	The short term 'at-risk' component of remuneration is focused on incentivising Executives to achieve business critical objectives and demonstrate OZ Minerals' desired ways of working.
Long Term Incentive (LTI)	Performance rights with a three-year vesting period subject to an additional two-year holding lock period.	LTI is assessed against rTSR 70 per cent and AISC 30 per cent.[(a)]	The long term 'at-risk' component of remuneration rewards the delivery of shareholder returns and a sustainable business whilst encouraging decision making aligned to long term shareholder value creation.
Minimum Shareholding Requirements (MSR)	All Executives are expected to accumulate and hold a minimum level of vested shares in OZ Minerals over a reasonable period. There are different shareholding requirements for each level of management, which are expressed as a percentage of their TFR.		This requirement increases the sense of ownership of the Company amongst our Executives and enhances the degree to which our reward arrangements align the interests of our Executives.

[(a)] The Performance measures for LTI plans from 2022 onwards will include an ESG measure: rTSR 60 per cent, AISC 20 per cent and ESG 20 per cent.

2.4 REVIEW OF EXECUTIVE KMP REMUNERATION

Executive KMP remuneration levels are reviewed annually by the Board with support from the People & Remuneration Committee and external remuneration consultants, as required. The review ensures that Executive KMP remuneration remains consistent with the Company's remuneration framework and guiding principles, and considers:

- the Company's remuneration philosophy
- relevant market benchmarks using salary survey data from the Australian and global industrial and resources sectors
- the skills and experience required of each role in order to grade positions accurately and attract high calibre people
- individual performance against role expectations, set objectives, leadership behaviours and development plans
- Company Strategy, business plans and budgets.

For personal use only

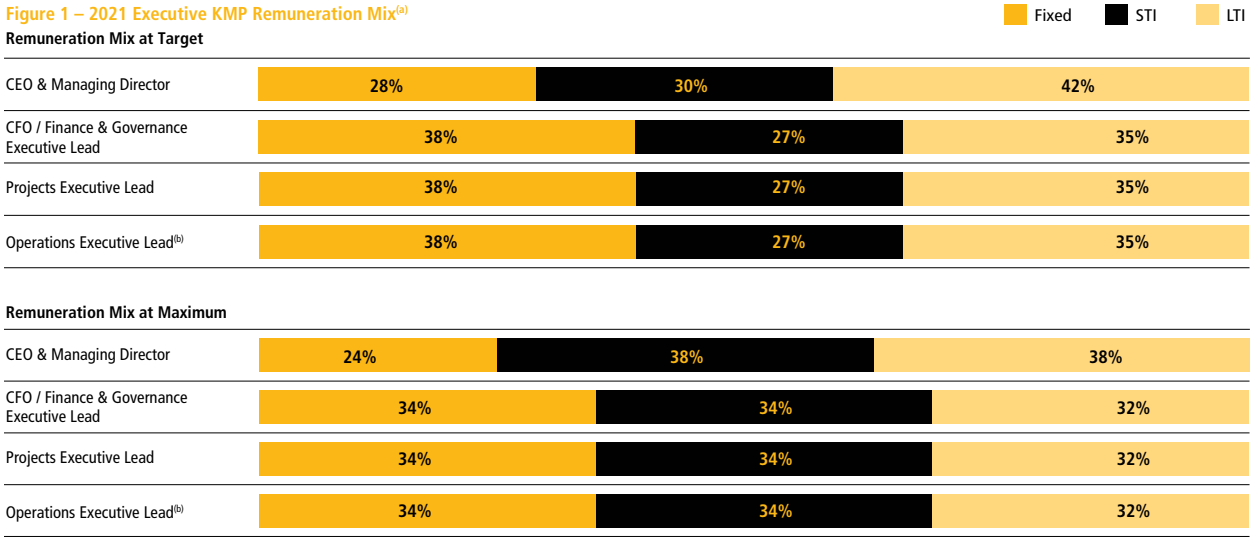
For personal use only

2.5 EXECUTIVE KMP REMUNERATION COMPONENTS

2.5.1 Remuneration mix

The mix of fixed and at-risk remuneration varies depending on the role and grading of Executives as well as the performance of the Company and individual Executives. More senior positions have a greater proportion of at-risk remuneration. If 'at target' and 'at maximum' at-risk remuneration is earned, the ratios of fixed to at-risk remuneration for KMP would be as follows.

Figure 1 – 2021 Executive KMP Remuneration Mix[a]



[a] Service and performance conditions apply to STI and LTI plans.

[b] Annualised for remuneration in new role.

2.5.2 Total fixed remuneration (TFR)

What is included in total fixed remuneration?

An Executive KMP's total fixed remuneration comprises salary and certain other benefits (including statutory superannuation contributions) that may be taken in an agreed form, such as cash, leased motor vehicles and additional superannuation, provided that no extra cost is incurred by the Company for these benefits.

When and how is fixed remuneration reviewed?

Fixed remuneration is reviewed annually. Any adjustments to the fixed remuneration for the Managing Director and CEO and other Executive KMP must be approved by the Board after recommendations from the People & Remuneration Committee. During the year, we updated the market benchmarking of executive remuneration conducted last year, mindful of the need to continue to retain our key employees in a competitive market as the Company grows, whilst staying alert to the impact of commodity cycle pricing.

Are there any changes to how TFR is determined?

No changes to our approach to determine fixed remuneration were implemented in 2021 and none are proposed for 2022. We will continue to review our executive remuneration levels annually to ensure pay levels remain competitive to attract, motivate and retain the best talent for OZ Minerals.

2.5.3 Short term incentive (STI)

Why does the Board think an STI plan is appropriate?

Variable performance-based remuneration strengthens the link between pay and performance. The purpose of this plan is to make a large proportion of the total reward package subject to meeting various targets linked to OZ Minerals' business objectives. The use of variable performance-based remuneration avoids much higher levels of fixed remuneration and is designed to focus and motivate employees to achieve outcomes which deliver the Company Strategy. A reward structure that provides variable performance-based remuneration is also a necessary component of a competitive remuneration package in the Australian and global marketplace for Executives.

How is Performance assessed?

In 2021, performance was assessed across objectives and targets in the following categories: (a) Company Goals, (b) Individual Goals and (c) our How We Work Together (HWWT) principles.

The Company Goals in 2021 determined 80 per cent of the STI award for the Managing Director and CEO with Individual Goals determining the balance of 20 per cent. The Company Goals determined 50 per cent of the STI award for the remaining KMP with the balance determined by attainment of Individual Goals (25 per cent) and the demonstration of behaviours exemplifying the Company's HWWT principles (25 per cent).

Company Goals are set through a robust process that cascades our Stakeholder Value Creation Metrics and overall annual business plan into a series of Company priorities with detailed goals and measurable objectives defining threshold, on-target and maximum rating achievement. Once Company Goals are approved by the Board each January they are cascaded into Board approved Individual Goals for each Executive KMP, ensuring alignment of focus throughout the organisation. The table below shows a summary of the goals and objectives set for the Company and individual KMP and demonstrates how they align to our Stakeholder Value Creation Metrics.

For personal use only

Table 3.1 – Goals in 2021 that applied to KMP

	CEO and Managing Director	CFO/ Finance and Governance Executive Lead	Projects Executive Lead	Operations Executive Lead
	% of STI	% of STI	% of STI	% of STI
Company Goals – Common to all KMP	**80**	**50**	**50**	**50**
Shareholder Value EBITDA, Production, Reserves Growth, Study Execution & Acceleration	32	20	20	20
Government Value Emission reductions Strategy, Waste to Value business cases	16	10	10	10
Community Value Positive engagement and zero land disturbances, Partnering framework	12	7.5	7.5	7.5
Supplier Value Improved on-time payment, Increased local suppliers	8	5	5	5
Employee Value Improved safety performance, OZ Ways of Working implemented, Capability Program established	12	7.5	7.5	7.5
Individual Goals	**20**	**25**	**25**	**25**
Shareholder Value	Drive organic growth and capabilty to execute expansions at Prominent Hill and Carrapateena. Identify value accretive inorganic growth options to compliment organic pipeline. Embed 'design around the work' and the 'devolved model' to enable an increasingly sustainable business model. 10	Drive the delivery of the 2021 Plan and Budget. Prepare balance sheet growth plan, drive TSR through enhanced 'blue sky' portfolio thinking and a proactive approach. Maintain marketing flexibility to achieve targeted concentrate sales. Develop strength and maturity of rolling forecast process. 17.5	Ensure modern, innovative organisational and construction design for West Musgrave. Deliver strong pipeline of exploration opportunities. Develop value accretive inorganic growth options to compliment organic pipeline. 17.5	Drive operational delivery of 2021 Business Plan. Shape direction of West Musgrave operational foundations. 12.5
Government Value	Ensure team and capability readiness for West Musgrave. Ensure Brazil structure and capability enables the delivery of Brazil work program. 5	–	Deliver commitment to net zero carbon emissions in West Musgrave and Exploration. 1.87	–
Community Value		–	Develop partnership with the West Musgrave Traditional Owners. 1.88	Build long term Ngaanyatjarra partnership, progress execution of NG:OZL Mining Agreement. 5
Supplier Value		–	Develop key partnering strategies across Commercial with focus on innovation and technology. 1.25	–
Employee Value	Develop Executive Leadership Team capacity, capability and bench-strength. Drive adoption and maturity of *The OZWay* and capability framework and development programs. 5	Accelerate OZWays of Working. Build succession bench-strength in core roles. 7.5	Accelerate OZWays of Working. Build succession bench-strength in core roles. 2.5	Accelerate OZWays of Working. Establish Group Operations Team and build Asset GM succession bench-strength. 7.5
HWWT	**Part of Individual Goals**	**25**	**25**	**25**
The How We Work Together principles are the same for all executive KMP and they are based on the following elements:		Thinking and acting differently Building a culture of respect that enables our people to succeed Focusing on partnerships and collaboration, not hierarchy Delivering superior results through effective planning and agile deployment Doing what we say we will do and taking action Acting with integrity and engaging with our stakeholders		
Total	**100**	**100**	**100**	**100**

Is there an overriding financial performance condition or other condition?

Yes. The availability of the STI pool is at the discretion of the Board, which takes into account the interests of the Company and shareholders. The Board can choose not to pay or reduce the amount of the STI otherwise payable.

For personal use only

How is the STI structured to reward exceptional performance?

The STI plan is designed to reward Executive KMP for the achievement of identified objectives any point in between threshold and maximum performance levels.

- Threshold performance represents the minimum level of performance required for an STI award to be paid.
- Target performance represents the achievement of planned or budgeted performance, set at a challenging level.
- Maximum performance represents outstanding performance, set at a stretch level.

What is the value of the STI opportunity?

Table 3.2 – The Target and maximum STI reward opportunity for executive KMP in 2021

Executive KMP	STI at target as % of TFR	Maximum STI as % of TFR	STI at target Value $	Maximum STI Value $
Andrew Cole	105%	150%	$1,050,000	$1,500,000
Warrick Ranson	70%	100%	$427,000	$610,000
Mark Irwin	70%	100%	$420,000	$600,000
Matthew Reed[(a)]	70%	100%	$136,874	$195,534

(a) Matthew Reed became a KMP on 1 September 2021.

How is STI assessed?

Company Goals

Comprehensive data against each separate measure within the Company Goals is collated and reviewed by the People & Remuneration Committee and the Board to assess the performance of the Company against the Company Goals and determine a rating for the Company Goal element of the STI.

Individual Goals

The People & Remuneration Committee and Board assess the performance of the Managing Director and CEO for achievement against his agreed individual performance targets and objectives and determine a rating for the Individual Goal element of his STI.

The Managing Director and CEO assesses the performance of each Executive KMP throughout the year for achievement against their individual performance targets and objectives and arrives at a summary year end assessment for discussion with the People & Remuneration Committee and the Board. The Board also reviews the performance assessment of all other Executives who report directly to the Managing Director and CEO, with a view to understanding, endorsing and/or discussing individual circumstances, performance, leadership behaviours and future development.

What happens to STI awards when an Executive ceases employment?

If an Executive leaves OZ Minerals, then the Good Leaver rules may apply (subject to the Executive's contract and Board approval) and, if the requirements are met, the STI may be granted on a pro rata basis in relation to the period of service completed. If an Executive leaves as a Good Leaver, performance rights unvested remain on foot to vest in the normal course.

How is the STI settled?

70 per cent of STI is paid in cash and 30 per cent of STI awarded in performance rights which vest, subject to fulfillment of a further service condition of an additional two years with the Company.

Have the arrangements changed from last year?

No.

2.5.4 Long term incentive (LTI) plan

Why does the Board consider an LTI plan to be appropriate?

The Board believes that an LTI plan can:

- focus and motivate Executives to achieve longer term outperformance outcomes
- ensure that business decisions and strategic planning take into account the Company's long term performance
- be consistent with contemporary remuneration governance standards and guidelines
- be consistent and competitive with current practices of comparable companies
- create an immediate ownership mindset among the Executives, aligning them with shareholders by linking a substantial portion of their potential total reward to OZ Minerals' shareholder returns.

How is the award delivered?

The LTI plan is granted using performance rights under the OZ Minerals LTI Plan (detailed in Table 3.3). The performance rights have a three-year performance period. Post vesting, they are subject to a two-year holding lock period.

Was a grant made in 2021?

A grant was made to all continuing participants in the 2021 LTI plan (Table 3.3), including the Managing Director and CEO. Using a face value approach, the number of performance rights granted to each Executive was calculated as their LTI dollar opportunity divided by the adjusted twenty-day VWAP of OZ Minerals as at the start of the performance period of $19.84. The performance period for the 2021 LTI grant is 1 January 2021 to 31 December 2023.

What was the value of the 2021 grant for Executive KMP?

Table 3.3 – The LTI granted to Executive KMP in 2021

Executive KMP	% of TFR	Value $	Rights
Andrew Cole	150%	$1,500,000	75,622
Warrick Ranson	90%	$549,000	27,678
Mark Irwin	90%	$540,000	27,224
Matthew Reed[(a)]	70%	$292,610	14,752

(a) Matthew Reed became a KMP on 1 September 2021. At time of grant he was on a different role and TFR.

What are the performance conditions?

The two performance conditions are: (a) OZ Minerals meeting the LTI plan performance conditions; and (b) the Executive KMP meeting the service condition.

The LTI plan performance conditions for the 2021 Plan are as those from the 2020 Plan and are as follows:

1. Relative Total Shareholder Return (rTSR)

Relative TSR is the primary LTI performance hurdle measured against a comparator group. The Board considers rTSR to be an appropriate performance measure because it ensures that a proportion of each participant's remuneration is linked to Value Creation for shareholders and that participants only receive a benefit where there is a corresponding direct benefit to our shareholders as reflected in the relative economic return to shareholders.

TSR reflects benefits received by shareholders through share price growth and dividend yield and it is the most widely used long term incentive measure in Australia. The Company employs an independent organisation to calculate the TSR ranking to ensure an objective assessment of the relative TSR comparison. Performance rights in respect to this hurdle vest in accordance with the following table.

Table 3.4 – Performance rights vesting according to relative Total Shareholder Return

TSR of OZ Minerals relative to TSRs of constituents of the nominated peer group	Proportion of performance rights that vest
Below 50th percentile	Nil
50th percentile	50%
Between 50th percentile and 75th percentile	Straight line vesting between 50% and 100%
75th percentile or above	100%

The rTSR performance hurdle accounts for 70 per cent of the LTI plan award.

2. All-in Sustaining Costs (AISC)

AISC is an industry accepted measure of the total operating cost of producing a unit of metal.

Comparative data is sourced from CRU's global copper mine database. The annual AISC performance is recalculated across the full three-year period (total three-year absolute costs divided by total three-year copper metal production). The comparison is to the average published AISC benchmark across that same period and is subject to audit.

Performance in relation to this hurdle is measured over the three-year performance period and vests in accordance with the following table.

Table 3.5 – Performance rights vesting according to All-in Sustaining Costs

TSR of OZ Minerals AISC over the performance period	Proportion of performance rights that vest
Above 50th percentile	Nil
50th percentile	50%
Between 50th percentile and 25th percentile (Lowest cost)	Straight line vesting between 50% and 100%
25th percentile or below	100%

The AISC hurdle accounts for 30 per cent of the LTI plan award.

Service condition

In general, if Executives cease employment as a 'Good Leaver' prior to vesting of their rights at the end of the performance period, a pro rata portion of their rights, having regard to the portion of the performance period that has elapsed, will continue on foot and be subject to their original terms as though they had not ceased employment. Any remaining rights will lapse immediately. Their shares still subject to a holding lock, will continue on foot and be subject to their original terms as though they had not ceased employment.

Why were these measures chosen?

It is standard market practice to link individual Executive performance (including mandatory service periods) and Company performance to the vesting of performance rights. The conditions link Executives' retention and performance directly to rewards, but only where shareholder returns are realised (TSR) and the operating cost of producing a unit of metal is kept competitive (AISC). The focus on employee-held equity is also part of a deliberate policy to strengthen engagement and direct personal interest to achieve returns for shareholders.

For personal use only

For personal use only

What is the Comparator Group?

The comparator companies selected for the LTI plan are considered to be alternative investment vehicles for local and global investors seeking exposure to copper and nickel. They are impacted by commodity prices and cyclical factors in a similar way to OZ Minerals. The Comparator Group is reviewed annually for market changes with this group being adjusted for the 2022-24 plan, as reflected in the table below.

Table 3.6 – Long Term Incentive Plan Comparator Groups

2019 Vested	2020 in Flight	2021 in Flight	2022
Antofagasta	Antofagasta	Antofagasta	Antofagasta
Capstone Mining Corp	Boliden AB	Boliden AB	Boliden AB
Central Asia Metals Plc	Central Asia Metals Plc	Ero Copper Corp	Capstone Mining Corp
Dundee Precious	Ero Copper Corp	First Quantum Minerals	Ero Copper Corp
First Quantum Minerals	First Quantum Minerals	Freeport McMoran	First Quantum Minerals
Freeport McMoran	Freeport McMoran	Hudbay Minerals Inc	Freeport McMoran
Hudbay Minerals Inc	Hudbay Minerals Inc	Independence Group	Hudbay Minerals Inc
Independence Group	Independence Group	Jiangxi Copper Company	Independence Group
Kaz Minerals Plc	Jiangxi Copper Company	Kaz Minerals Plc	Jiangxi Copper Company
Lundin Mining Corporation	Kaz Minerals Plc	KGHM Polska	KGHM Polska
Metals X Limited	KGHM Polska	Lundin Mining Corporation	Lundin Mining Corporation
Sandfire Resources	Lundin Mining Corporation	Nickel Mines	Nickel Mines
Taseko Mines	Sandfire Resources	Sandfire Resources	Sandfire Resources
Western Areas	Taseko Mines	Zijin Mining Group	South32
	Zijin Mining Group		29Metals

Are any changes to the plan proposed for 2022?

Yes. It is proposed to introduce an Environment, Social and Governance (ESG) rating as a third LTI plan performance hurdle. The Board considers the MSCI ESG Ratings Metals and Mining – Non-Precious Metals to be an appropriate performance hurdle as it provides the most accurate peer group for OZ Minerals, aligns closely with OZ Minerals Value Creation Metrics, is modified from time to time to reflect evolving shareholder and societal expectations and is normalised against industry peers, reflecting our desire to be an industry leader in ESG performance. MSCI ESG Ratings measures a company's resilience to long term ESG risks based on publicly available information, is independent and transparent. Performance rights in respect of this hurdle will vest in accordance with the following table:

Table 3.7 – Environment, Social and Governance

MSCI ESG Ratings Industry-Adjusted Score (out of 10)	MSCI Band	Proportion of Performance Rights that vest
Below 7.143	A	Nil
7.143	AA	50%
Between 7.143 and 8.23	AA	Straight line vesting between 50% and 100%
8.23 or above	AA	100%

What happens to performance rights granted under the LTI plan when an Executive ceases employment?

If the Executive's employment is terminated for cause, all unvested performance rights will lapse unless the Board determines otherwise. In all other circumstances, unless the Board determines otherwise, a pro rata portion of the Executive's performance rights, calculated by reference to the portion of the performance period that has elapsed, will remain on foot. If and when these performance rights vest, shares will be allocated (or a cash equivalent amount will be paid) in accordance with OZ Minerals Limited Omnibus Incentive Plan and any other conditions of grant.

What happens in the event of a change of control?

In the event of a takeover or change of control at OZ Minerals, the Board has the discretion to determine that the vesting of all or some of the performance rights should be accelerated. If a change of control occurs before the Board has exercised its discretion, a pro rata portion of the performance rights will vest, calculated on the portion of the relevant performance period that has elapsed up to the change of control. The Board retains discretion to determine if the remaining performance rights will vest or lapse.

Is there any ability for the Company to 'clawback' LTI awards?

In the event of fraud, dishonesty, gross misconduct or material misstatement of the financial statements, the Board may make a determination that could include the lapsing of unvested performance rights, the forfeiture of shares allocated on vesting of performance rights, and/or repayment of any cash payment or dividends to ensure that no unfair benefit was obtained.

The Board can also adjust awards granted under the STI or LTI plans in the event that there is a catastrophic safety, environmental, or other event, in which an adjustment is warranted.

Does the Company have a policy in relation to margin loans and hedging at risk remuneration?

Under the Company's Securities Trading requirements, all Executives, Directors and Officers are prohibited from entering into financing arrangements where the monies owed to the lender are secured against a mortgage over OZ Minerals' shares.

The Company's Securities Trading Policy also prohibits Executives and employees from entering into any hedging arrangement over unvested securities issued pursuant to any share scheme, performance rights plan or option plan.

Were there any changes to 2021 LTI Plan from the previous year?

No. The 2021 LTI Plan was unchanged from the 2020 LTI Plan.

2.5.5 KMP Retention Award

During the year, and as part of the Executive Restructuring designed to prepare the business for the next phase of growth, the Board approved the award of a one off discretionary award to Mark Irwin to support his retention as Projects Executive Lead during the critical delivery phase of our major strategic projects.

The award of 100 per cent of Fixed Remuneration was granted using a mix of cash (25 per cent) and performance rights (75 per cent) under the OZ Minerals Omnibus Incentive Plan. The cash portion of the Retention Award was $150,000 and the number of performance rights granted was 19,296. For the cash and performance rights award to vest, Mark Irwin must remain employed by OZ Minerals with no intention to resign at 31 December 2024.

2.6 REMUNERATION CONSULTANTS

The Board of Directors and the People & Remuneration Committee seek and consider advice from independent remuneration consultants to ensure that they have all of the relevant information at their disposal to determine Executive KMP remuneration. Remuneration consultant engagement is governed by internal protocols that set the parameters around the interaction between management and consultants to minimise the risk of any undue influence and ensure compliance with the *Corporations Act 2001*.

Protocols

Under the protocols adopted by the Board and the People & Remuneration Committee:

- remuneration consultants are engaged by and report directly to the Board or the People & Remuneration Committee
- the Committee must, in deciding whether to approve the engagement, have regard to any potential conflicts of interest including factors that may influence independence such as previous and future work performed by the Committee and any relationships that exist between any Executive KMP and the consultant
- communication between the remuneration consultants and Executive KMP is restricted to minimise the risk of undue influence on the remuneration consultant
- where the consultant is also engaged to perform work that does not involve the provision of a remuneration recommendation, prior approval of the Board or People & Remuneration Committee must be obtained in certain circumstances where the consultant continues to be engaged to provide remuneration recommendations.

The Board and the People & Remuneration Committee use remuneration consultants' advice and recommendations from time to time. The Board makes its decisions after it considers the issues and the advice from the People & Remuneration Committee and consultants.

During 2021, SW Corporate was engaged to undertake market benchmarking for the CEO's remuneration and for the Non-executive Directors. Their analysis was considered by the People & Remuneration Committee and the Board in forming their views on remuneration matters. The work completed did not constitute a remuneration recommendation in accordance with the *Corporations Act 2001*.



For personal use only

For personal use only

3.0 Company performance and remuneration outcomes

Our remuneration framework is designed to reward Executives for the creation of value for our stakeholders. We recognise the importance of clearly demonstrating the link between business performance and value creation over time and executive remuneration outcomes.

3.1 COMPANY PERFORMANCE OVER TIME

Over time Executive performance rewarded via both Short Term and Long Term Incentive Plans has reflected the year on year creation of value across a range of measures.

Table 4 – Company performance[a]

Measure	2017	2018	2019	2020	2021
EBITDA – $ million	539.4	534.5	462.4	606.3	1162.4
Net profit after income tax – $ million	231.1	222.4	163.9	212.6	530.7
Net cash inflow from operating activities – $ million	342.9	449.6	510.6	550.4	971.0
Basic earnings per share – cents	77.4	71.5	50.7	65.2	159.6
Share price at end of year – $	9.2	8.8	10.6	18.9	28.2
Dividend per share – cents	20	23	23	23	34
Total Shareholder Return – %[b]	7.6	5.1	26.2	78.9	48.2
Market Capitalization – $ billion	2.74	2.84	3.11	6.25	9.4
Relative Total Shareholder Return – Quartile[c]	Q1	Q1/Q2[f]	Q1	Q1	Q1
All-in Sustaining Cost – 'USc/lb'[d]	119.9	117.7	111	56.9	134.3
All-in Sustaining Cost – Quartile[e]	Q1	Q1	Q1	Q1	Q1

(a) Refer to the Financial Review section (page 32) in the Directors' Report for a commentary on the consolidated results, including performance of the Consolidated Entity.
(b) Absolute TSR in the year.
(c) Quartile position TSR in relevant comparator group for the three-year performance period ending in that year.
(d) Absolute AISC in the year.
(e) Quartile position AISC in the year as determined by data sourced from CRU.
(f) Reflects the quartile position for 2015 LTI (Q1) and 2016 LTI (Q2) plans.

Figure 2.1 – Net Profit after Tax

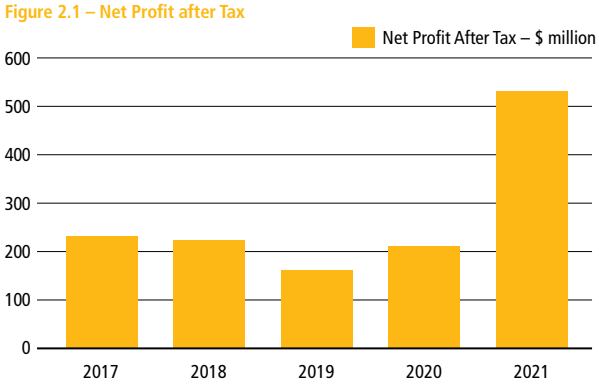
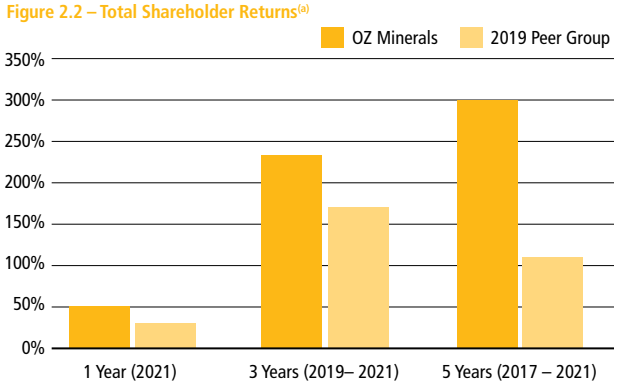
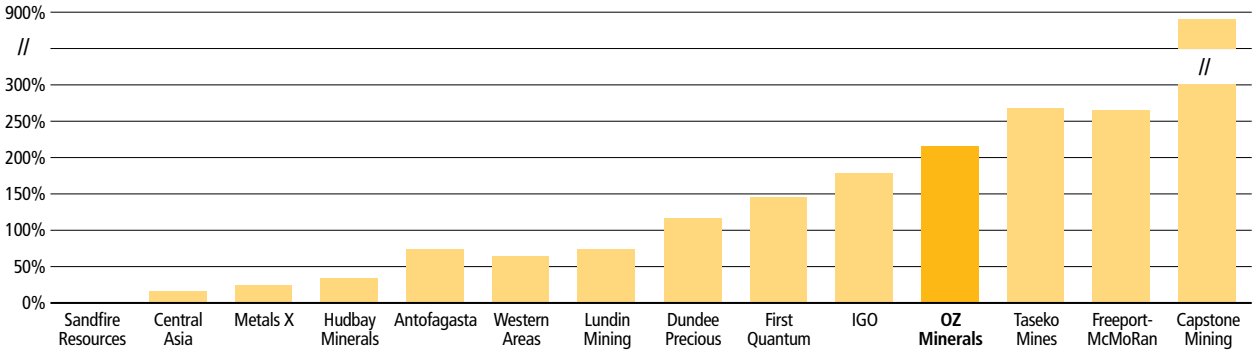


Figure 2.2 – Total Shareholder Returns[a]



(a) Average of 2019 peer group (excluding OZL).

Figure 2.3 – Relative Share Price (2019 to 2021)[b]



(b) Relative share prices calculated with the VWAP prior to the performance period (20 trade days from 30 November to 31 December 2018) and at the end of the performance period (20 trade days from 2 December to 31 December 2021).

Table 5 – At risk remuneration performance

Measure %	2017	2018	2019	2020	2021
STI[a]	83.5	83.5	76.6	88.0	75.9[d]
LTI[b]	100.0	94.2[c]	100.0	100.0	100.0

[a] % of available STI achieved based on Company scorecard results not individual KMP performance.
[b] % LTI plan vested.
[c] % reflects vesting of 2015 LTI (100%) and 2016 LTI (88.3%) plans.
[d] % reflects adjustments in recognition of the fatality in Prominent Hill.

3.2 COMPANY PERFORMANCE AND STI OUTCOMES FOR 2021

The 2021 Company Goals which represent 50 per cent of the STI Plan were set based on key company priorities designed to drive value across all of our stakeholders, in line with our value creation Strategy. A series of measures were set for each stakeholder group, each with on-target (3) and maximum (5) rating criteria. Performance was tracked throughout the year and assessed at year end with a detailed review by the Board on delivery against set targets.

Notwithstanding the significant operational challenges posed by the pandemic related disruption to workforce mobility and supply chains, 2021 saw OZ Minerals deliver operationally. We continued our track record of achieving Group production and cost guidance, as well as advancing our growth projects with the Carrapateena Block Cave Expansion and the Prominent Hill Wira Shaft expansion and progressing the West Musgrave study. We also commenced production at Pedra Branca and declared a maiden Mineral Resource estimate for Santa Lúcia. This led to:

- Record revenue of $2.1 billion with a strong closing cash balance of $215.4 million and undrawn debt facilities after growth investments
- NPAT of $530.7 million, up 150 per cent on 2021
- Extension of the Prominent Hill mine life by 6 years to 2036
- Ore Reserves were stable after mining and stockpile depletion.

This performance along with performance across the full range of weighted Company Goals led to a Board approved overall rating assessment of 3.39 out of 5.

Table 6 – Company Perfomance Indicators and Outcomes for 2021

Stakeholder Group	Weighting %	Value Creation Metric	Target	Outcome	Performance not achieved 0% / 1	Threshold Performance 50% / 2	Target Performance 70% / 3	4	Maximum Performance 100% / 5
Shareholder Value	40	Share Price & DIvidends, Reserve Growth	EBITDA, Production, Organic Ore Reserve Growth, Study execution & acceleration	Achieved					
Government Value	20	Emissions and Waste	Emmission reductions strategy	Slightly Exceeded					
Community Value	15	Cultural Heritage and Parterning	No land disturbances, Parterning framework	Exceeded					
Supplier Value	10	One time payments and Suppliers NPS	Improve on-time payment, local suppliers	Maximum					
Employee Value	15	Safety Performance and Workforce Engagement	Improve safety performance, OZWays of working implemented	Not achieved					
	100		Company KPI Performance	**Slightly Exceeded**					

OUTCOMES FOR 2021

Shareholder Value: In a challenging year we achieved an EBITDA of $1.16 billion against Plan of $816 million ($1.29 billion when flexed for commodity price and foreign exchange) and delivered full year production of 125,486 tonnes of copper and 237,263 ounces of gold, materially in line with Plan on a CuEq basis and within guidance. Significant additional value for shareholders was created as we advanced our organic growth pipeline, with the approval of the Prominent Hill and Carrapateena expansions and work now commenced. The West Musgrave Project study was advanced well and a number of aspects of the project have been technically de-risked with a Final Investment Decision on track to be made in H2 2022. Additional Reserve definition exceeded depletion and added to mining inventory.

Government Value: Emissions reduction activities for Prominent Hill, Carrapateena and West Musgrave were identified and incorporated into the 2022-26 Base Plan and a Company Decarbonisation Roadmap was developed and announced on 21 February 2022.

Community Value: The threshold objective of zero land disturbances was delivered. 2-day partnership health checks were held with Traditional Owners at both Prominent Hill and Carrapateena and a long term Ngaanyatjarra partnership Mining Agreement was progressed. Executive remuneration goals are now more closely reflecting our value creation focus and a sustainability long term performance measure targeting top quartile ESG rating was approved. A formal Partnering framework was developed.

For personal use only

Supplier Value: A 26 per cent improvement in on-time payments was delivered and 30 local supplier opportunities were created with contract values totalling $89 million.

Employee Value: Whilst an annual Company TRIFR of 3.77 was achieved against a target of 4.90 and a 2020 actual of 5.29, the whole Company was shocked by a fatal accident at Prominent Hill in September 2021. To reflect this tragedy the safety performance rating for all Executives was reduced to zero as was the 20 per cent and 25 per cent 'individual' component of STI for the CEO and the General Manager of Prominent Hill respectively.

In accordance with the procedure set out in Table 3.1 (page 55), an assessment was undertaken of the performance of each of the eligible Executive KMP against their 2021 KPIs. Individual KPIs reflect strategic business objectives and deliverables in an individual's area of direct accountability and leadership of operational, financial, strategic and sustainability initiatives across their teams and the Company as a whole.

The assessment of Company scores and individual outcomes resulted in the following % awards of STI to KMP.

Table 7 – STI award percentage for Executive KMP

Executive KMP	Company KPI performance as per cent of maximum performance %	Individual KPI performance as per cent of maximum performance[a] %	Overall performance outcome as per cent of maximum performance[b] %
Andrew Cole	75.9	0[c]	59.9
Warrick Ranson	75.9	85.0	80.5
Mark Irwin	75.9	82.0	79.0
Matthew Reed	75.9	88.0	82.0

[a] Individual KPI considers the assessment of Individual Goals and HWWT principles

[b] Andrew Cole's STI composition is 80 per cent Company and 20 per cent Individual. Remaining KMP are 50 per cent Company, 25 per cent Individual and 25 per cent HWWT.

[c] Andrew Cole's individual component was set at zero per cent to reflect fatality at Prominent Hill.

Details of STI payments made to Executive KMP in February 2022 are included in the table below:

Table 8 – STI payments to Executive KMP in 2021

Name	Total Payment $	Maximum potential value of payment[a] $	Per cent of maximum grant awarded %	Per cent of maximum grant forfeited %	Cash Payment (70%) $	Performance Rights granted (30%) $
Andrew Cole	897,750	1,500,000	59.9	40.1	628,425	269,325
Warrick Ranson	491,050	610,000	80.5	19.5	343,735	147,315
Mark Irwin	474,000	600,000	79.0	21.0	331,800	142,200
Matthew Reed[b]	160,338	195,534	82.0	18.0	112,237	48,101

[a] The minimum potential value of the payments was nil. The maximum potential value of payment represents the achievement of stretch target.

[b] Matthew Reed became a KMP on 1 September 2021.

Table 9 – 30 Per Cent STI awards on foot

Current	Year	Total Value $	Rights[a]	Service period	Expiry date	Vesting outcome
Andrew Cole	2021	269,325	9,971	01/01/2021 – 31/12/2023	15/2/24	To be determined
	2020	357,615	18,029	01/01/2020 – 31/12/2022	15/2/23	To be determined
	2019	266,437	25,319	01/01/2019 – 31/12/2021	15/2/22	100% Vested
Warrick Ranson	2021	147,315	5,454	01/01/2021 – 31/12/2023	15/2/24	To be determined
	2020	152,856	7,706	01/01/2020 – 31/12/2022	15/2/23	To be determined
	2019	136,447	12,966	01/01/2019 – 31/12/2021	15/2/22	100% Vested
Mark Irwin	2021	142,200	5,265	01/01/2021 – 31/12/2023	15/2/24	To be determined
	2020	151,553	7,641	01/01/2020 – 31/12/2022	15/2/23	To be determined
	2019	122,070	11,600	01/01/2019 – 31/12/2021	15/2/22	100% Vested
Matthew Reed	2021	48,101	1,781	01/01/2021 – 31/12/2023	15/2/24	To be determined

[a] The number of rights for 2021 were calculated by dividing 30 per cent of STI by $27.01 being the VWAP over the period 2 January to 1 February 2022.

For personal use only

3.3 LTI PERFORMANCE AND OUTCOMES

Performance rights granted under the OZ Minerals LTI Plan are granted for no consideration. Performance rights granted under the LTI Plan carry no dividend or voting rights. One ordinary share in the Company will be allocated on vesting of a performance right. For grants from 2019 onwards the vesting conditions are the relative TSR and AISC performance weighted at 70 per cent and 30 per cent respectively.

With a TSR of 233 per cent over the performance period, the Company achieved top quartile performance against the 2019 Comparator Group with a relative TSR ranking (assessed by Orient Capital) of 76.92 percentile. As a result, the rTSR component of the LTI plan vested at 100 per cent as per the conditions.

The OZL average AISC across the 2019-2021 vesting period was 104 USc/lb, below the 25th percentile of the Average CRU AISC over the same period (129 USc/lb), confirming OZ Minerals continues to be a leading low cost producer. As a result the AISC component of the LTI plan vested at 100 per cent vesting as per the conditions outlined in Table 10.

Table 10 – 2019–2021 CY Average CRU All-in Sustaining Costs

	US$/t	US$/t		USc/lb	USc/lb	USc/lb
Measure	**25th Percentile**	**50th Percentile**		**25th Percentile**	**50th Percentile**	**OZL**
2019 AISC	2,910	4,021	>>> Convert to lb @2204.62	132	182	111
2020 AISC	2,700	3,608		122	164	58
2021 AISC	2,923	3,692		133	167	134
Average AISC	2,844	3,774		129	171	104

Source: CRU Global Copper Mine Database (at 6 January 2022).

The LTI awards history are detailed below:

Table 11 – LTI awards on foot

	Grant date	Rights	Maximum value of grant[a] $	Weighted average fair value[b] $	Performance period	Expiry date[d]	Vesting outcome
Andrew Cole	1 April 2021	75,622	2,165,058	17.93	01/01/2021 – 31/12/2023	15/2/24	To be determined
	17 April 2020	128,287	2,532,385	6.73	01/01/2020 – 31/12/2022	15/2/23	To be determined
	29 May 2019	138,270	1,595,636	6.92	01/01/2019 – 31/12/2021	15/2/22	100% Vested
Warrick Ranson	26 February 2021	27,678	792,421	16.26	01/01/2021 – 31/12/2023	15/2/24	To be determined
	24 February 2020	49,519	977,505	6.71	01/01/2020 – 31/12/2022	15/2/23	To be determined
	29 May 2019	55,145	636,373	6.92	01/01/2019 – 31/12/2021	15/2/22	100% Vested
Mark Irwin[c]	1 November 2021	19,296	552,444	23.33	01/09/2021 – 31/12/2024	15/2/25	To be determined
	26 February 2021	27,224	779,423	16.26	01/01/2021 – 31/12/2023	15/2/24	To be determined
	24 February 2020	47,808	943,730	6.71	01/01/2020 – 31/12/2022	15/2/23	To be determined
	29 May 2019	53,193	613,847	6.92	01/01/2019 – 31/12/2021	15/2/22	100% Vested
Matthew Reed	26 February 2021	14,752	422,350	16.26	01/10/2021 – 31/12/2023	15/2/24	To be determined

[a] The minimum value of each grant is nil. The maximum value of grant is calculated by applying the highest price of OZ Minerals' shares during the year in which the rights were issued (2021: $28.63).

[b] The weighted average fair values were calculated proportional to the fair value of each hurdle in the plan. In accordance with the requirements of applicable Accounting Standards, remuneration includes a proportion of the notional value of performance rights as compensation granted or outstanding during the year. The notional value of performance rights granted as compensation is determined as at the grant date and progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual Executives may in fact receive. The values were calculated by an external third party based on a Monte-Carlo simulation model.

[c] Performance rights granted on 1 November 2021 under the 2021 retention award were a one off allocation for retention purposes.

[d] Expiry date does not consider holding lock periods.

3.4 MINIMUM SHAREHOLDING REQUIREMENT

All Executives and certain senior management are expected to accumulate and hold a minimum level of vested shares in OZ Minerals over a reasonable period. Table 12 shows the extent of compliance.

Table 12 – Minimum Shareholding Requirements KMP in 2021[a]

Executive KMP	Shareholding requirement (% TFR)	Shareholding (% TFR)[b]
Andrew Cole	100	2,256
Warrick Ranson	50	666
Mark Irwin	50	667
Matthew Reed	50	9

[a] Information at 31 December 2021 based on share price at that date. With expected levels of vesting of the deferred equity element of the STI and LTI plans, it is anticipated that all Executive KMP should meet their minimum shareholding requirement within the required timeframe.

[b] Includes shares owned and exercisable and performance rights awarded where vesting is only contingent on a service condition being satisfied.

For personal use only

For personal use only

4.0 Executive KMP employment arrangements

Remuneration arrangements for Executive KMP are formalised in executive service agreements. Each agreement provides for the payment of fixed remuneration, performance-related cash and equity bonuses under the STI plan, other benefits, and participation in the Company's LTI plan.

Table 13 – Executive KMP key provisions

Name	Term of contract	2021 TFR $	Notice period	Termination benefit
Current				
Andrew Cole	Permanent – ongoing until notice has been given by either party.	1,000,000	∕ Twelve months' notice by the Company. ∕ Six months' notice by Andrew Cole. ∕ Company may elect to make payment in lieu of notice. ∕ No notice period required for termination by Company for cause.	Twelve months fixed remuneration in the case of termination by the Company.
Warrick Ranson	Permanent – ongoing until notice has been given by either party.	610,000	∕ Three months' notice by either party. ∕ Company may elect to make payment in lieu of notice. ∕ No notice required for termination by Company for cause.	Nine months fixed remuneration in the case of termination by the Company.
Mark Irwin	Permanent – ongoing until notice has been given by either party.	600,000	∕ Three months' notice by either party. ∕ Company may elect to make payment in lieu of notice. ∕ No notice required for termination by Company for cause.	Nine months fixed remuneration in the case of termination by the Company.
Matthew Reed	Permanent – ongoing until notice has been given by either party.	585,000	∕ Three months' notice by either party. ∕ Company may elect to make payment in lieu of notice. ∕ No notice required for termination by Company for cause.	Nine months fixed remuneration in the case of termination by the Company.



5.0 Executive KMP Remuneration

Table 14 – Total rewards to Executive KMP as per accounting standards

		Short term benefits					Long term benefits				
		Salary, Fees & Allowances	Benefits & Allowances [a]	Accrued annual leave[b]	Super-annuation[c]	Short Term Incentive[d]	Other Long Term Benefits[e]	Value of performance rights[f]	Value of performance rights (STI deferred)[g]	Total rem-uneration	Performance Related
		$	$	$	$	$	$	$	$	$	%
Andrew Cole	2021	958,138	–	(10,754)	22,631	648,680	40,759	1,057,927	297,792	3,015,173	66.5%
CEO & Managing Director	2020	878,652	–	(16,674)	21,348	834,435	40,369	892,270	208,017	2,858,417	67.7%
Warrick Ranson	2021	587,369	–	19,985	22,631	354,108	20,837	387,560	145,539	1,538,029	57.7%
CFO / Finance & Governance Executive Lead	2020	557,652	–	18,628	21,348	356,664	14,155	345,295	96,434	1,410,176	56.6%
Mark Irwin	2021[h]	577,369	–	9,255	22,631	341,080	24,791	400,480	138,608	1,514,214	56.6%
Projects Executive Lead	2020	544,319	–	5,822	21,348	353,625	11,556	336,948	91,208	1,364,826	57.3%
Matthew Reed	2021	189,108	–	11,047	5,892	112,237	2,082	27,900	16,034	364,300	42.9%
Operations Executive Lead											
Total	2021	2,311,984	–	29,533	73,785	1,456,105	88,469	1,873,867	597,973	6,431,716	60.7%
	2020	1,980,623	–	7,776	64,044	1,544,724	66,080	1,574,513	395,659	5,633,419	62.4%

[a] Other benefits include the value (where applicable) of benefits such as compulsory annual health checks, car parking or other benefits that are available to all employees of OZ Minerals, and are inclusive of Fringe Benefits Tax where applicable.

[b] Annual leave has been separately categorised and is measured on an accrual basis and reflects the movement in the accrual over the 12 month period. Any reduction in accrued annual leave reflects more leave taken/cashed out than that which accrued in the period.

[c] Represents direct contributions to superannuation funds. Amounts greater than the maximum superannuation level have been paid and included in cash salary.

[d] For 2021 it includes the cash proportion of 2021 STI and the equivalent dividends paid for 2019 STI deferred.

[e] Represents the net accrual movement for Long Service Leave over the 12 month period which will only be paid if Executive KMP meet the required service conditions.

[f] The fair values were calculated as at the grant dates. In accordance with the requirements of applicable Accounting Standards, remuneration includes a proportion of the notional value of equity rights compensation granted or outstanding during the year. The notional value of equity rights granted as compensation which do not vest during the reporting period is determined as at the grant date and progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual Executives may in fact receive. The values were calculated by an external third party based on a Monte Carlo simulation model.

[g] Reflects actual value of deferred STI which is provided in the form of performance rights. The total value of the deferred STI is recognised proportionally over the period the Executive is required to provide service.

[h] Retention Award cash payment component included under 'Other Long Term Benefits' and performance rights component under 'Value of Performance Rights' for Mark Irwin.

6.0 Non-executive Director remuneration

6.1 NON-EXECUTIVE DIRECTOR REMUNERATION POLICY

Non-executive Director remuneration is reviewed annually by the Board. Non-executive Directors receive a fixed remuneration consisting of a base fee and additional fees for Committee roles. Consistent with best practice, Non-executive Directors do not receive any form of equity incentive entitlement, bonuses, options, other incentive payments or retirement benefits. As approved at the OZ Minerals General Meeting on 18 July 2008, the maximum fees payable per annum are $2.7 million in total.

All Directors (including the Chairman) are entitled to superannuation contributions (or cash in lieu thereof) in line with Australian Superannuation Rules calculated on base Board and Committee fees listed in Table 15 and are entitled to be reimbursed for travel and other expenses properly incurred by them in attending any meeting or otherwise in connection with the business or affairs of the Company, in accordance with the Company's constitution. The Chairman of the Board does not receive additional fees for being a member of any Board Committee.

For personal use only

Table 15 – Details of Board Fees in 2021

Fees per Annum	Chair $	Member $
Board	358,524	132,345
Audit	43,056	21,528
Sustainability	28,256	14,128
People & Remuneration	28,256	14,128

6.2 TOTAL FEES PAID TO NON-EXECUTIVE DIRECTORS

In 2021, Non-executive Directors received $1.3 million (2020: $1.1 million) in total fees, compared to the maximum approved fees payable of $2.7 million.

Table 16 – Total remuneration paid to NEDs

		Board fees & cash benefits	Committee fees	Non-monetary benefits	Superannuation[a]	Total fixed remuneration
		$	$	$	$	$
Rebecca McGrath *Chairman*	2021	380,800	–	–	11,784	392,584
	2020	360,168	–	–	–	360,168
Tonianne Dwyer *Non-executive Director*	2021	132,345	49,671	–	17,745	199,761
	2020	126,330	48,438	–	16,603	191,371
Peter Wasow *Non-executive Director*	2021	141,947	61,193	–	4,724	207,864
	2020	129,330	57,853	–	13,027	200,210
Charles Sartain *Non-executive Director*	2021	132,345	49,671	–	17,745	199,761
	2020	126,330	48,438	–	16,603	191,371
Richard Seville *Non-executive Director*	2021	132,345	30,952	–	15,914	179,211
	2020	126,330	34,983	–	15,325	176,638
Sarah Ryan[b] *Non-executive Director*	2021	91,068	24,479	–	–	115,547
Total	2021	919,782	191,487	–	67,912	1,294,728
	2020	868,488	189,712	–	61,558	1,119,758

[a] Represents direct contributions to superannuation funds. Any amounts greater than the superannuation maximum contribution base have been paid and included in Board fees and cash benefits. Note that Rebecca McGrath, Peter Wasow and Sarah Ryan have Superannuation Guarantee Employer Shortfall Exemption Certificates in place to reduce their superannuation liabilities with OZ Minerals.

[b] Sarah Ryan became a Independent NED on 17 May 2021.

6.3 MINIMUM SHAREHOLDING REQUIREMENTS NON-EXECUTIVE DIRECTORS

Non-executive Directors are required to accumulate and maintain a holding in OZ Minerals' shares that is equivalent to at least 100 per cent of the Non-executive Directors base fee (calculated on the purchase price of shares) within five years from the date of appointment as a Director or as a Chair.

Table 17 – Minimum Shareholding Requirements NED in 2021[a]

NED	Shareholding % Annual Fees[b]	Deadline
Rebecca McGrath	95	24/05/2022
Tonianne Dwyer	113	22/03/2022
Peter Wasow	130	01/11/2022
Charles Sartain	479	01/08/2023
Richard Seville	71	01/11/2024
Sarah Ryan	140	17/05/2026

[a] Information at 31 December 2021.

[b] Calculated as amounts paid per share divided by the directors' annual fees.

For personal use only

7.0 Equity instrument disclosure relating to KMP

The movement in the number of shares held by each KMP during the year is set out below:

Table 18 – NEDs and KMP shareholdings

	Balance at 1 January 2021 or date becoming KMP	Share acquired on exercise of rights	Net other movements	Balance at 31 December 2021 or date ceasing to be KMP
Non-executive Directors				
Rebecca McGrath	52,292	–	–	52,292
Tonianne Dwyer	19,900	–	–	19,900
Peter Wasow	20,000	–	–	20,000
Charles Sartain	80,000	–	–	80,000
Richard Seville	11,580	–	85	11,665
Sarah Ryan	2,500	–	6,000	8,500
Executive KMP				
Andrew Cole	477,546	130,285	–	607,831
Warrick Ranson	11,400	51,300	45	62,745
Mark Irwin	12,400	51,300	–	63,700
Matthew Reed	–	–	–	–
Total	687,618	232,885	6,130	926,633

Table 19 – KMP performance rights holdings

	Balance at 1 January 2021	Granted as remuneration[a]	Value of rights granted[b] $	Vested	Exercised	Value of rights vested[c] $	Lapsed	Balance at 31 December 2021	Vested and exercisable[d]
Andrew Cole	422,161	93,651	1,713,517	163,589	130,285	4,451,257	–	385,527	163,589
Warrick Ranson	168,930	35,384	602,900	68,111	51,300	1,853,300	–	153,014	68,111
Mark Irwin	163,901	54,161	1,044,391	64,793	51,300	1,763,018	–	166,762	64,793
Matthew Reed	–	14,752	239,868	–	–	–	–	14,752	–
Total	754,992	197,948	3,600,677	296,493	232,885	8,067,575	–	720,055	296,493

[a] Does not included performance rights from the 2021 STI that will be granted. Table 9 (page 62) contains details of rights granted subsequent to year end.

[b] The value of performance rights granted represents the sum of: LTI performance rights issued during the year multiplied by the fair value per instrument at grant date as set out in Table 11; performance rights issued under the Retention Plan during the year multiplied by the fair value of each instrument at grant date as set out in Table 11, and the total value of STI awards for the 2020 STI plan for which performance rights were issued in February 2021.

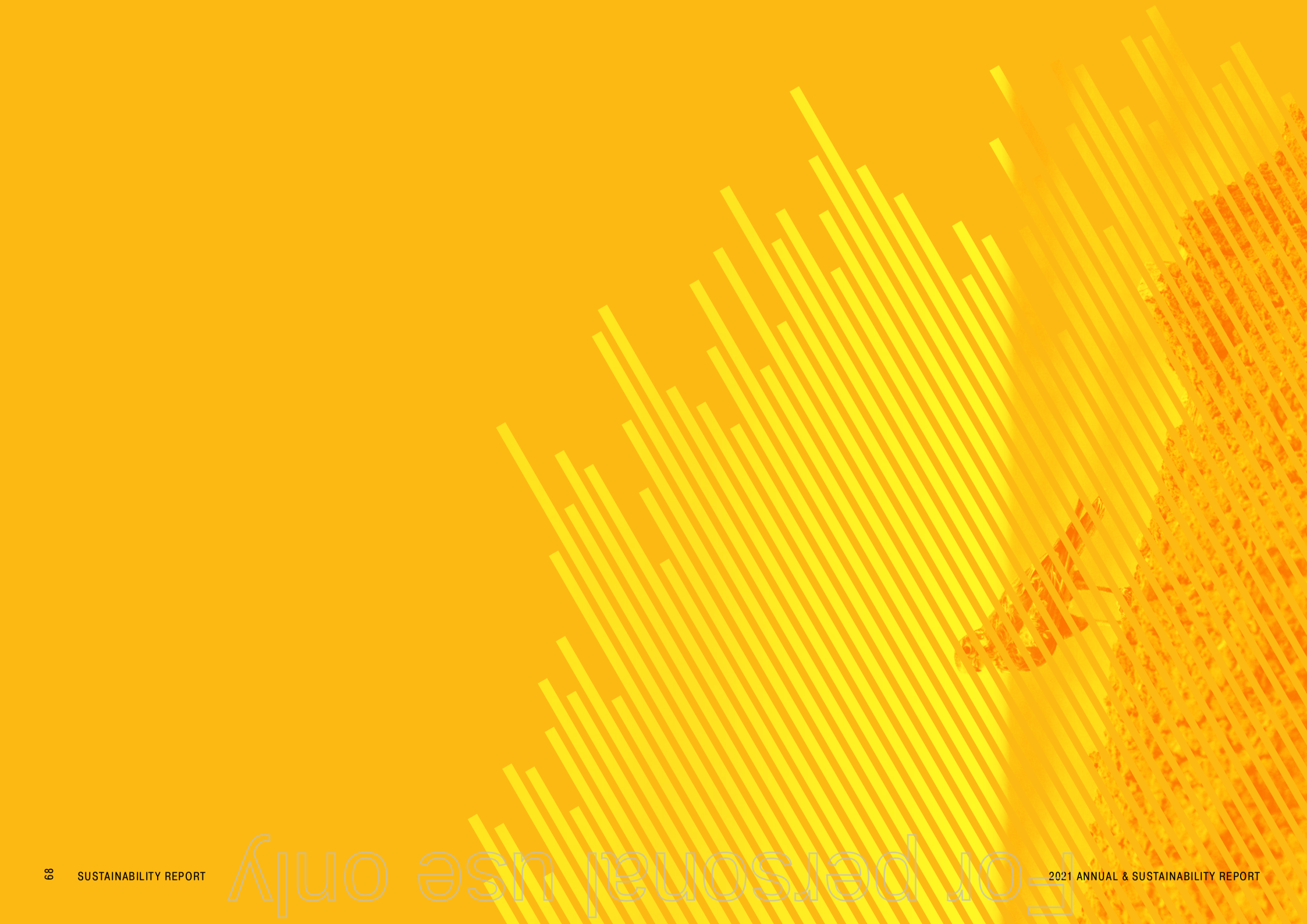
[c] Value of rights vested calculated as number of rights vested times VWAP over the period 2 December to 31 December 2021 ($27.21).

[d] Rights vested and exercisable are considered in the Balance at 31 December 2021. They represent rights which vested on 31 December 2021 for which shares are issued in early 2022.

8.0 Other transactions with Executive KMP or NEDs

There were no loans made to Executive KMP, NEDs or their related parties during the year. There were no other transactions between the Company and any Executive KMP, NEDs or their related parties other than those within the normal employee, customer or supplier relationship on terms no more favourable than arm's length.

For personal use only



For personal use only

Sustainability Report

For personal use only

The sustainability section of this report reflects our efforts to address material sustainability topics, including risks (opportunities and threats) at OZ Minerals. We began reporting our sustainability performance in 2008.

In 2016, we combined our disclosures into a single Annual & Sustainability Report to demonstrate the interconnectivity and interdependency of sustainability with Company performance. Elements of sustainability can be found throughout the combined report.

The focus of this report remains firmly on creating value for our stakeholders which is the centre of the Company Strategy and the lens through which we view sustainability. Other key themes are the development of our Decarbonisation Roadmap along with how we're progressing our inclusive culture; all of which align with the findings of our materiality survey.

ORGANISATIONAL SCOPE AND BOUNDARY

We disclose sustainability data in accordance with the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) Metals and Mining Standard, and general industry standards. Supporting documents that form part of our sustainability disclosures are available on our website.

Our 2021 Sustainability Report covers the performance of our Australian assets and projects: Prominent Hill, Carrapateena and West Musgrave and our Brazilian assets in the Carajás Province. These are facilities over which OZ Minerals had or gained operational control[a] during the 2021 calendar year. Joint ventures which we do not operate are excluded.

STAKEHOLDER ALIGNMENT

Our 2021 Sustainability Report shows how the elements of sustainability align with our five stakeholder groups: employees, community, shareholders, governments and suppliers. In addition, we have illustrated our alignment with select United Nations Sustainable Development Goals (SDGs) and discuss how our Company Strategic Aspirations align with specific SDGs.

ASSURANCE

OZ Minerals engaged KPMG to undertake Reasonable Assurance over the energy and emissions data for our Australian assets and Limited Assurance over other selected information in this report. The full details of the process, scope of assurance and outcome are detailed in KPMG's assurance statement on page 104 and 105.

[a] As defined by the National Greenhouse and Energy Reporting Act 2007.



Sustainability The OZWay

Value creation for stakeholders is at the heart of our Strategy. The concept of value creation is embedded via *The OZWay* through our governance systems and processes. *The OZWay* determines how we conduct our business activities and manage material sustainability risks while delivering performance to exceed our stakeholders' expectations.

Our sustainability responsibilities at OZ Minerals span the areas of health and safety, inclusion, diversity, human rights, the natural environment and the communities in which we operate. Our Strategic Aspirations help focus our work on high-impact activities as a Modern Mining Company to support achieving our Purpose, *Going beyond what's possible to make lives better*.

At OZ Minerals, sustainability is embedded through *The OZWay* and our governance systems and processes, including our Value Creation Policies, Global Performance Standards, and Stakeholder Value Creation Metrics. We maintain agility by embracing our devolved operating model and leveraging our lean business processes to drive clear accountabilities and enable growth, innovation and collaboration across the Company.

Sustainability Governance

Our Stakeholder Value Creation Policies, and Global Performance and Process Standards are key enablers of our governance model (see page 37). They guide our approach and provide the minimum standards of performance we expect. They allow us to review the effectiveness of OZ Minerals' strategies and policies in relation to sustainability matters, material sustainability risks[a] and monitor performance against our Stakeholder Value Creation Metrics (see page 05 and 71).

Our Global Performance Standards are informed by globally recognised declarations, principles and goals relevant to our macro environment including:

- Universal Declaration of Human Rights
- United Nations (UN) Guiding Principles on Business and Human Rights
- UN Voluntary Principles on Security and Human Rights
- UN Sustainable Development Goals (SDGs)
- UN Global Compact Principles.

The Global Performance Standards describe the minimum requirements of assets and corporate functions to carry out activities in a financially, environmentally and socially responsible way. The Standards apply to our workforce and anyone undertaking work on behalf of OZ Minerals. Performance Standards are grouped into four categories – safety, environment, health and wellbeing, and social – and guide our management of sustainability related opportunities and threats across OZ Minerals. In March 2021, we launched revised Performance Standards to reflect the evolution of our global business model and changing stakeholder expectations in our macro environment.

Our Performance Standards are complemented by a suite of Global Process Standards and associated specifications which enable us to work effectively within our devolved operating model. They are a key component of our internal control framework, protecting our interests and ensuring the integrity of financial and non-financial reporting.

Process Standards describe the accountabilities and authorities of the Board, CEO, Executive Leadership Team and the Leads of our assets and corporate functions in relation to key business processes and management activities. These Standards are used by our workforce to determine the processes that must be followed and the delegations within which they can conduct their work. Compliance with the Performance and Process Standards are reviewed by the Executive Leadership Team throughout the year with material incidents and learnings elevated to the relevant Board Committee (see page 21).

[a] Refer to page 39 for overview of key risks, including sustainability risks.

Stakeholder Value Creation Metrics

Our Stakeholder Value Creation Metrics (SVCMs), created in 2020, are aligned to our five stakeholder groups – employees, communities, shareholders, governments and suppliers. The SVCMs allow us to measure and transparently report our performance on how we are creating value for stakeholders. The SVCMs are framed by our Purpose, Strategy, and *The OZWay.*

In 2021, we continued our efforts to embed the SVCMs into our governance and operations across assets and corporate functions. We reference the SVCMs and our year-on-year performance throughout this Sustainability Report. For a detailed outline of the SVCMs, see page 05.

For personal use only

STAKEHOLDER VALUE CREATION METRICS

2021 Performance Rating Criteria ● Positive Performance ◐ Positive progress ○ Further focused required ○ Not yet assessed

	Metrics	Performance criteria	2020	2021	Page no.
SHAREHOLDER	Share price and dividends	Grow share price: measured relative to peer group	●	●	4, 60
		Sustainable dividend: measured relative to OZL's dividend track record	●	●	4, 60
	Bottom half of cost curve	Measured relative to global copper producers	●	●	60
	Reserve growth	Grow OZL's Reserves: measured relative to OZL's reserve at the end of previous year	●	◐	107
	Governance	Compliance with ASX's corporate governance principles and recommendations	●	●	21
GOVERNMENT	Employment by jurisdiction	Workforce – local / state / out of state / Indigenous and Land Connected Peoples	◐	◐	102
	Tax and royalties	Income tax expense / royalties (total and Jurisdictions)	●	●	100
	Capital Investment	Capital Investment	●	●	35, 120
	Emissions	Scope 1 & 2 emissions per tCO_2-e per t Cu Eq / Scope 1 & 2 absolute emissions	○	○	85, 98
	Energy	Renewable energy percentage	◐	●	85
		Net energy intensity per t Cu eq	◐	○	85
	Local content	Value spent with local suppliers through supply chains	◐	◐	100
COMMUNITY	Working with stakeholders	Number and average duration for resolution of concerns, complaints and grievances	◐	◐	94
		Partnering Case Studies	◐	◐	91, 95, 96
	Community engagement	Social contribution (quantitative and qualitative)	●	●	100
	Human rights	Modern Slavery Act Roadmap implementation and Number of incidents	◐	○	96
	Cultural heritage	Unauthorised cultural heritage breaches / significant environmental and social incidents	●	●	94, 99
	Water	Water consumed per t Cu Eq / water withdrawal in areas of extreme water stress (%)	◐	◐	85, 98
	Waste	Non-mineral waste produced per t Cu Eq	◐	◐	85
	Land and biodiversity	Area (ha) disturbed in high value biodiversity areas	○	●	99
EMPLOYEE	Safety performance	Total Recordable Injury Frequency Rate (TRIFR)	◐	◐	98
		Zero fatalities	●	○	98
	Workforce engagement	Employee Survey Results above industry benchmark	●	●	81
	Inclusion	Inclusion maturity upward trend	●	○	82
	Diversity	Diversity of thought and demographic	◐	○	102, 103
SUPPLIER	Net Promoter Score (NPS)	First survey conducted in 2021	○	◐	81
	On time payment	The proportion by number and value of invoices paid on time within payment terms	○	◐	61
	Supplier Value by jurisdiction	OZ Minerals local, state, national, international and total spend	●	●	100

For personal use only

Sustainability Governance and Accountability

VALUES – HOW WE WORK TOGETHER

Everyone at OZ Minerals is expected to behave in accordance with our How We Work Together (HWWT) principles in their dealings with our five stakeholder groups. The HWWT principles form part of our Strategy and are embedded into our core systems and processes to guide our workforce in their day-to-day dealings with each other and our stakeholders.

How We Work Together Principles

- Thinking and acting differently
- Building an inclusive culture that enables our people to succeed
- Focusing on partnerships and collaboration, not hierarchy
- Enabling superior results through effective planning and agile deployment
- Doing what we say we will do and taking action
- Acting with integrity across all stakeholders.

BUSINESS ETHICS

Our Code of Conduct applies to everyone who works at OZ Minerals including employees, directors, contractors and partners. It provides the highest order of corporate governance and is designed to ensure our business activities are conducted with honesty and integrity, guided by our HWWT principles.

We maintain an open working environment that allows our employees, contractors and contingent workforce to Speak Up and report instances of misconduct without risk of reprisal. Reports can be made directly through one of the following Company representatives: our Chief Executive Officer, People Executive, Company Secretary and Head of Legal, and Chairman of the Board.

We use STOPline as the independent disclosure hotline service for reporting of unacceptable conduct under the 'Speak Up' (Whistleblower) Global Process Standard. The service is accessible via phone, email, in person or online in all countries of operation and maintains the highest level of independence, as well as impartiality and confidentiality to encourage reporting.

ACCOUNTABILITIES

At a corporate level, we drive and monitor our approach and outcomes through Our Work (see *The OZWay* on page 08) by considering risks, business plans and capability. Each Operating Asset is accountable for delivering the sustainability elements relevant to its operating context.

The Board Sustainability Committee, which met three times in the reporting period, maintains oversight of strategy, governance and compliance in relation to sustainability. The Committee monitors the macro environment to identify developments that may affect OZ Minerals and maintains oversight of our sustainability performance in relation to our Global Performance Standards and Stakeholder Value Creation Metrics, as well as our public reporting and disclosures.

Key items addressed by the Sustainability Committee include:

- Launch and monitoring of the revised Global Performance Standards

  Oversight of the review of our 30 Performance Standards and assessment against compliance with the revised Standards. The Executive Leadership Team led the gap analysis and identified management plans to progressively address and close critical gaps. The Committee supported the implementation of these plans through ongoing monitoring of progress against sustainability Key Performance Indicators (KPIs) for each asset and project.
- Assurance of outcomes of all significant incident investigation reviews and reported high potential incidents during the year
- Aboriginal cultural heritage, including relevant outcomes of the Juukan Gorge Senate Inquiry
- Assurance of integrity of tailings storage facility management at operating sites including references to the Global Industry Standard on Tailings Management
- Value Creation Policies
- Climate risk, decarbonisation, and strategy development including development of the Company's Decarbonisation Roadmap published in this report on page 88
- Trends in shareholder sustainability performance and disclosures (Environmental, Social, Governance–ESG indices and shareholder activism)
- Significant incidents.

Further information on our approach to sustainability governance can be found in our Corporate Governance Statement.

Materiality Assessment

Our annual materiality assessment identifies the topics most important to our stakeholders and our Performance. Outcomes of the materiality assessment allow us to better understand our context and inform the choices that drive delivery of our Strategy, our work and performance.

We assess the importance of sustainability topics using two criteria: importance to our stakeholders and importance to our business in terms of growth, economic and social impact. Further information on sustainability is available on the OZ Minerals website (ozminerals.com/sustainability).

METHODOLOGY

We used a range of inputs to form an understanding of what emerging issues, trends and opportunities are material to OZ Minerals. This included consultation with stakeholders, stakeholder surveys, market intelligence (e.g. peer benchmarking and industry reports[(a)]), analysis of media reports featuring OZ Minerals in relation to material topics, developments in operating jurisdictions, material company risks, and internal reviews, including feedback from the Sustainability Committee and the Board.

In 2021, we identified 19 material topics that inform the different operating context of our assets as a global business. Three additional topics were brought into our consideration since 2020: air quality, equality and equity, and business continuity and crisis response. In addition, we have clarified the topic of biodiversity to also include ecology, ensuring we adequately address our reliance on and impacts to local ecology and biodiversity – and the link to ecosystem services. We have linked the discussion of these topics across five areas of our operating model throughout this report: safety performance, health and wellbeing, capability and inclusion, environmental performance, and social performance.

(a) Including the World Economic Forum's Global Risk Report and the United Nations Sustainable Development Agenda.

For personal use only

Material Sustainability Topics		Definition	Section in report	Page no.
1	**Occupational Health and Safety**	Activities or tasks that have the potential to adversely affect the safety of our Workforce or visitors	Safety, Health & Wellbeing	78
2	**Business Ethics**	The ethical conduct of all avenues of our business	Governance	72
3	**Climate Change and Emissions**	Physical and transition climate change impacts and greenhouse gas emissions	Environmental Performance	85
8	**Energy**	Liquid fuel and electrical energy, including energy usage and supply security and reliability	Environmental Performance	85
4	**Business Continuity and Crisis Response**	Plans and management processes to ensure continuity of critical operations and services during a crisis event	Safety, Health & Wellbeing, Environmental Performance	79, 80
19	**Partnerships**	Long-term, mutually beneficial and collaborative relationships	Discussed throughout the report in Case Studies	93
7	**Employment, Training and Education**	Employment and development opportunities	Capability & Inclusion	96, 97
16	**Economic Performance**	Our financial performance	Social Performance	97
17	**Procurement Practices**	Employment and enterprise opportunities proactively provided to local communities	Social Performance	96
14	**Local Communities**	The stakeholders, townships, groups and peoples in proximity to our operations	Social Performance	95
13	**Land-Connected and Indigenous Peoples**	Members of the local community who have a cultural, physical, or other connection with land	Social Performance	95
18	**Human Rights**	The inherent dignity and equal and inalienable rights of all members of the human family	Social Performance	96
5	**Diversity**	Diversity of thought and demographic diversity	Capability & Inclusion	82
9	**Water**	Water withdrawal, usage and discharge	Environmental Performance	91
6	**Equality and Equity**	Fairness and equal treatment	Capability & Inclusion	83
15	**Indirect Economic Impacts**	Economic opportunities and contribution created outside direct expenditure	Social Performance	97
11	**Biodiversity and Ecology**	Natural ecosystems and species	Environmental Performance	92
12	**Effluents and Waste**	Liquid and solid wastes	Environmental Performance	91
10	**Air Quality**	Point and non-point source air emissions and ambient air quality	Environmental Performance	92

OZ MINERALS' 2021 MATERIALITY MATRIX



For personal use only

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The UN SDGs help us better understand the global context in which we operate and where to focus our influence and impact based on our activities. As outlined below, we have identified a subset of the SDGs material to our operations. At a company level, our Strategic Aspirations and Material Risks (threats and opportunities) illustrate how OZ Minerals contributes to specific SDGs, consistent with delivering our Purpose, *Going beyond what's possible to make lives better.*

SDG	Material sustainability topics	OZ Minerals Material Risks	Strategic Aspirations
8 DECENT WORK AND ECONOMIC GROWTH	/ Economic performance / Local communities / Business ethics / Procurement practices / Indirect economic impacts / Employment, training and education / Occupational health and safety / Equality and equity	/ Attract and retain key talent / Mental and physical health	/ Our business model empowers Assets to optimise for their local conditions / We attract investment due to how we operate, our strong financial returns and our top quartile shareholder returns / Our Partnering and diversified ownership models create shared responsibility across all stakeholders / Our Assets are brought to full value early through a rapid approach to our project pipeline and provide optimal value for stakeholders
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	/ Energy / Climate change and emissions / Local communities	/ Operational productivity / Innovation and Strategy delivery acceleration	/ We challenge all assumptions about how and where work needs to be done and what's possible / We use data and technology for tactical decision making, repetitive work and to improve safety, allowing our people to focus on complex and innovative thinking / We work with the best talent and capability no matter where it resides, driving an outcome-based organisation / Our Assets are scalable and adaptive
10 REDUCED INEQUALITIES	/ Land Connected and Indigenous Peoples / Local communities / Indirect economic impacts / Equality and equity	/ Social Performance and cultural heritage sites / Diversity and Inclusion / Attract and retain key talent / Mental and physical health	/ We are a virtual organisation bound by our Purpose and Aspirations, not by geography or physical infrastructure / We deliberately weave personal and professional growth into our everyday work, enabling people to do the best work of their lives / We are a low bureaucracy organisation structured around the work to be done rather than traditional concepts of roles, to enable rapid decision-making free from traditional hierarchy
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	/ Water / Biodiversity and ecology / Effluents and waste / Climate change and emissions / Land Connected and Indigenous Peoples	/ Water management / Environment, closure and Rehabilitation / Tailings storage facilities	/ We responsibly produce clean value-adding products in partnership with our customers in a transparent manner / We consume and produce in a way that generates zero net waste and creates value for stakeholders / Our simplified systems and processes are a competitive advantage
13 CLIMATE ACTION	/ Climate change and emissions / Energy / Water / Effluents and waste / Air quality / Business continuity and crisis response	/ Climate change and emissions / Environment, closure and rehabilitation	/ We will emit zero Scope 1 emissions and strive to systematically reduce Scope 2 and 3 emissions across our value chain
15 LIFE ON LAND	/ Biodiversity and ecology / Land Connected and Indigenous Peoples / Local communities / Effluents and waste	/ Biodiversity management / Social performance and cultural heritage sites / Land access / Environment, closure and rehabilitation	/ We strive to minimise water use and add value when we do
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	/ Business ethics / Occupational health and safety / Local communities / Land Connected and Indigenous Peoples / Diversity	/ Human rights, ethics and security / Geopolitical stability / Regulatory, regulation and compliance	/ We deliver the activities along our value chain to enable our local stakeholder aspirations for generations to come
17 PARTNERSHIPS FOR THE GOALS	/ Partnerships / Local communities / Business ethics	/ Environment, closure and Rehabilitation / Social performance and cultural heritage sites / Operational productivity	/ We work closely with our stakeholders to create mutual value by building each others' capability and capacity

How we engage with our stakeholders

How we engage with our stakeholder groups informs our choices and how we create value. Every stakeholder and every context is unique, so we engage and interact in multiple ways as outlined in the table below.

Stakeholder group	About the stakeholder	How we engage
Shareholders		
Shareholders	Retail and institutional shareholders.	Annual General Meeting, Strategy sessions, Annual & Sustainability Reports, Quarterly Reports and webcasts, ASX and media releases, investor meetings and conference presentations, direct phone contact with investor relations, presentations at industry conferences, site visits, investor presentations.
Lenders and investment community	Lenders, mainstream brokers, analysts and fund managers, retail investment advisers, potential shareholders.	Annual General Meeting, Annual & Sustainability Reports, Quarterly Reports and webcasts, ASX and media releases, direct phone contact with investor relations, presentations at industry conferences, site visits, investor presentations.
Governments		
Governments	Local, state and national regulators and government agencies.	Regular formal and informal communications with corporate and operational senior management and employees through site visits, meetings, events and reporting. OZ Minerals does not make political donations.
Industry associations	Mining and metals industry.	Representatives on boards and committees, engagement on specific projects. OZ Minerals is a member of the South Australian Chamber of Mines and Energy (SACOME), Association of Mineral Exploration Companies (AMEC), International Copper Association Australia, and Committee for Economic Development of Australia (CEDA).
Other mining companies and academia	Other mining companies, mining regulators, industry associations, minerals industry academics, and industry alliances.	Papers and presentations given by executives at various industry-related conferences, location-specific industry meetings, informal communication and working groups.
Communities		
Local community	Individuals and groups local to our operations, including landowners, Traditional Owners, development groups, local businesses, and councils.	Location-specific community relations personnel, site management, community meetings, formal and informal communications, website, as well as social media.
Non-government organisations (NGOs)	Local, regional and international environmental, human rights, development, corporate social responsibility and sustainability organisations.	Direct communications with corporate and operational management, environment and community relations departments, Annual & Sustainability Reports, ASX and media releases.
Media	Print, radio, television and online platforms.	Regular engagement with business and regional media through teleconferences, one-on-one discussions, interviews, ASX releases, media releases and site visits undertaken by our Communications function.
Employees		
Employees	Our workforce in Australia is comprised of employees, contracting partners, and contingent workers. Our workforce is predominantly South Australian based, fly-in fly-out employees covered by collective bargaining agreements.	Regular communication with our workforce through presentations and discussions, the intranet, internal social media, email alerts, hard copy newsletters, noticeboard items, live interactive broadcasts from the CEO, regular electronic newsletter from the CEO and bi-monthly Pulse surveys.
Suppliers		
Suppliers	From local businesses to large international organisations.	Regular meetings with commercial and operational employees.
Customers	Smelters, refiners and downstream copper product fabricators around the world.	Regular formal and informal communication with marketing department, executive management and process management employees through site visits, meetings, events and reporting, site visits to customer plants.

For personal use only

For personal use only

External recognition, voluntary commitments, and external benchmarking

MSCI ESG ratings

MSCI is a leading provider of critical decision support tools and services for the global investment community. In August 2021, OZ Minerals' rating was upgraded from 'A' to 'AA' for our ESG performance by MSCI in the Metals and Mining – Non-Precious Metals category. We are in the top quartile in six of the nine ESG categories and in the 98th global percentile.

Member of the International Copper Association Australia

OZ Minerals is a member of the International Copper Association Australia, the Australian branch of the peak body for the copper industry globally whose core work is sustainable development and advocacy for the global copper industry. The benefits of copper range widely; from renewable energy and energy access to climate-change mitigation and adaptation. Many global trends driving the sustainable development agenda rely on copper and its unique properties.

Global Reporting Initiative

GRI is an independent international organisation which has established the leading international framework and standards for sustainability reporting. OZ Minerals prepared the Sustainability section of the 2021 Annual & Sustainability Report in accordance with the GRI Standards Core and voluntary disclosures.

Diversity Council Australia

In August 2021, OZ Minerals signed Diversity Council Australia's member pledge 'I stand for respect'. 'I stand for respect' is a public pledge by CEOs against gendered harassment and violence in all its forms, and a commitment to taking steps to address sexual and sex-based harassment to make the workplace safe for everyone.

Australian Council of Superannuation Investors (ACSI)

OZ Minerals 2020 ESG Disclosures were assessed as 'Detailed' by the Australian Council of Superannuation Investors.

WORK180 Partnership

WORK180 endorses employers that are committed to diversity, equity and inclusion. This endorsement is based on assessment of organisations who recognise the moral and economic necessity for gender equity, and their collective efforts are raising workplace standards to make this happen.

Sustainability Accounting Standards Board (SASB)

SASB is an independent non-profit organisation. SASB's mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors.

2021 South Australian Department of Mining and Energy Awards

Commendation – Innovation and collaboration in the resources sector for the Prominent Hill Shaft Expansion study.

Commendation – Community award in the resources sector with the Kokatha Aboriginal Corporation – Lab courier contract.

Sustainalytics

Sustainalytics provides ESG research, rating and data, including assessment of companies' ESG risk. In 2021, OZ Minerals received a medium ESG risk rating from Sustainalytics, placing us 22nd of 161 companies in our Industry Group. Our risk exposure remained unchanged, while our ESG risk management score increased relative to 2020.

The Dow Jones Sustainability Index (DJSI)

OZ Minerals has participated in the DJSI since 2012. While we were not selected as a constituent of the DJSI in 2021, our Total Sustainability Score has increased significantly, moving from the 42nd percentile in 2020 to the 74th in 2021.

Workforce

For personal use only

Our Context

Our employees, contracting partners and contingent workforce are essential to the development and operations of OZ Minerals. They allow us to put our Purpose into action and drive value creation for all our stakeholders.

It is important we create an environment where our people can enjoy coming to work, feel engaged, and in turn have a positive impact on OZ Minerals and the communities we operate in. We achieve this by prioritising the safety, health and wellbeing of our workforce and creating a diverse, inclusive and equitable workplace.

As we progressively embed the concept of value creation for stakeholders into our *OZWay* ecosystem we are also now aligning executive short term remuneration outcomes with value creation and are introducing a Long Term Incentive goal with a 20 per cent weighting based on performance against an external ESG rating.

SAFETY PERFORMANCE

The physical and psychological risks associated with mining activities require active management through safety leadership and governance frameworks that enable identification, evaluation and satisfactory management of threats. We aim to equip our workforce with the skills and confidence to identify and act on the safety hazards around them, know their personal obligations, learn from incidents, and strive to continually improve our health and safety performance.

At OZ Minerals, a safe work environment is one that is also free of any form of harassment. Our Global Safety Performance Standards guide our approach to managing risks and support us in protecting the safety of all parties undertaking work at our assets, corporate functions and remote locations.

In particular, we acknowledge the challenge of sexual harassment and bullying in the mining industry that has been the focus of recent government inquiries and other reports. Notwithstanding our determined efforts to build a strong and inclusive culture across the organisation we acknowledge that we cannot be immune from the systemic issues and are committed to placing even more effort into, and emphasis on, the culture of our workplaces to ensure that every person at our operations can enjoy a work environment where they are both physically and psychologically safe.

HEALTH AND WELLBEING

We recognise the interrelation between physical, mental, emotional and social health on the overall wellbeing of our workforce. A strong sense of wellbeing is a key driver of employee engagement and participation at OZ Minerals. We strive to create a supportive workplace that prioritises the psychological safety of our workforce by responding to the unique needs of individuals. We achieve this through targeted programs guided by our Global Health and Wellbeing Performance Standards.

CAPABILITY AND INCLUSION

We want to have an inclusive and diverse workplace that recognises everyone's value and creates opportunities for everyone to fully contribute and thrive. Our approach is designed to drive systemic, long-term change by building mindsets and embedding inclusive business practices into our operations. We achieve this through inclusive talent practices (counteracting risk of unconscious biases) and People Process Standards, targeted training and development programs, tracking lag and lead indicators of diversity and inclusion, flexible working practices and team retrospectives. We regularly track progress around the experiences of our workforce through our independent workforce Pulse survey conducted every second month. We also have regular 'lunch & learn' forums where we invite internal and external speakers to share experiences and invite questions from our workforce to raise awareness and build mindsets around inclusion.

For personal use only

Safety Performance

OUTCOMES – FY20 & FY21

	Stakeholder Value Creation Metrics		FY20	FY21
EMPLOYEE	Safety performance	Total Recordable Injury Frequency Rate (TRIFR)	In 2020, the TRIFR of 5.29 per million hours worked represented an improvement of 30 per cent from the previous year's TRIFR of 7.52[a].	2021 saw a continued improvement in our TRIFR with 3.77 per million hours worked against a target of 4.90. This represents a 29% improvement on 2020.
	Safety performance	Zero fatalities	In 2020 there were no fatalities within our direct and contractor workforces.	In 2021 we experienced the loss of a member of our underground workforce with a fatality at our Prominent Hill mine (see below).

OUR STRATEGIC ASPIRATIONS

Strategic Aspirations relevant to Safety Performance include:

- Our assets are scalable and adaptive.
- We are a low bureaucracy organisation structured around the work to be done rather than traditional concepts of roles, to enable rapid decision-making free from traditional hierarchy.
- We use data and technology for tactical decision making, repetitive work and to improve safety, allowing our people to focus on complex and innovative thinking.

FOSTERING A SAFETY CULTURE

At OZ Minerals safety is everyone's responsibility. We strive to create a culture where every employee is empowered to act. Despite our best efforts to ensure that every member of our workforce returns home safely, an underground Byrnecut worker was fatally injured while working at our Prominent Hill mine in September. Following the incident, our Prominent Hill operations were suspended while OZ Minerals, South Australia Police and Safework SA conducted investigations. The incident had a profound impact on the family of the worker and our workforce. We worked with Byrnecut Mining and relevant authorities to conduct investigations of the incident and will share our learnings.

Incident Management and Safety Programs

We are committed to preventing workplace injuries and illnesses through continuous monitoring of key indicators. We investigate all safety incidents and implement corrective actions upon thorough investigation. The Learning Through Incidents and Risk Management Process Standards set out the process for identifying, evaluating and reporting incidents, including those pertaining to safety.

Incidents and near misses are rated internally against potential or actual consequence and likelihood. Every incident is also assessed for its impact on our five stakeholders groups. All significant safety incidents (actual or potential) are investigated thoroughly using the Incident–Cause–Analysis Method (ICAM).

In 2021, our TRIFR of 3.77 across the group represented an improvement of 29 per cent vs the prior year. We have a TRIFR target of a 10 per cent reduction on 2021 for 2022[b], reflecting continuous improvement target-setting across the assets.

The safety teams at each asset lead the design and delivery of programs suited to their operating needs and safety performance. We implement awareness and training programs to build the capability of our workforce to understand precursors to safety incidents and protect themselves and their colleagues.

Key safety programs such as the Critical Risk Safety Program allow us to increase employee awareness, minimise the frequency of incidents and reduce the likelihood of serious incidents. At Prominent Hill, we identified that 30 to 40 per cent of injuries were the result of sprains and strains from muscular stress. We implemented a critical risk management program designed to increase employee awareness and minimise the frequency of these types of incidents.

We have zero tolerance for sexual harassment. During 2021, we conducted a company-wide risk assessment of our workplace culture specifically relating to a sexual harassment incident or event, to understand our collective risk status across the Company. Workshops were held globally, with a focus on:

- **People –** leadership culture, diversity, respectful and inclusive workplace behaviours for our workforce, gender balance and infrastructure.
- **Process –** understanding how assets are managing their obligations and capturing risk and improvement actions.
- **Governance –** does our governance framework sufficiently set the high level of expectation.
- **Response –** how we respond to and investigate incidents that occur.

As an outcome of this assessment, we have updated and strengthened existing actions and will continue to review and strengthen these. We will also continue to strengthen our long term focus on gender equality and gender balance of our workforce and leadership and building safe, inclusive and respectful environments for everyone at OZ Minerals.

[a] Includes both employees and contractors.

[b] Safety statistics are calculated per one million working hours and inclusive of our Prominent Hill, Carrapateena mines in Australia, our Antas, Pantera, Centro Gold and Pedra Branca Brazilian operations, as well as facilities under OZ Minerals' operational control, including the West Musgrave Project, exploration sites and our corporate offices.

For personal use only

Contractors and Supplier Safety

We work in collaboration with our contractors and suppliers. They are required to adhere to our Global Performance Standards and must respect our HWWT principles (refer to page 72). We maintain the following controls to manage safety risks among contractors and suppliers:

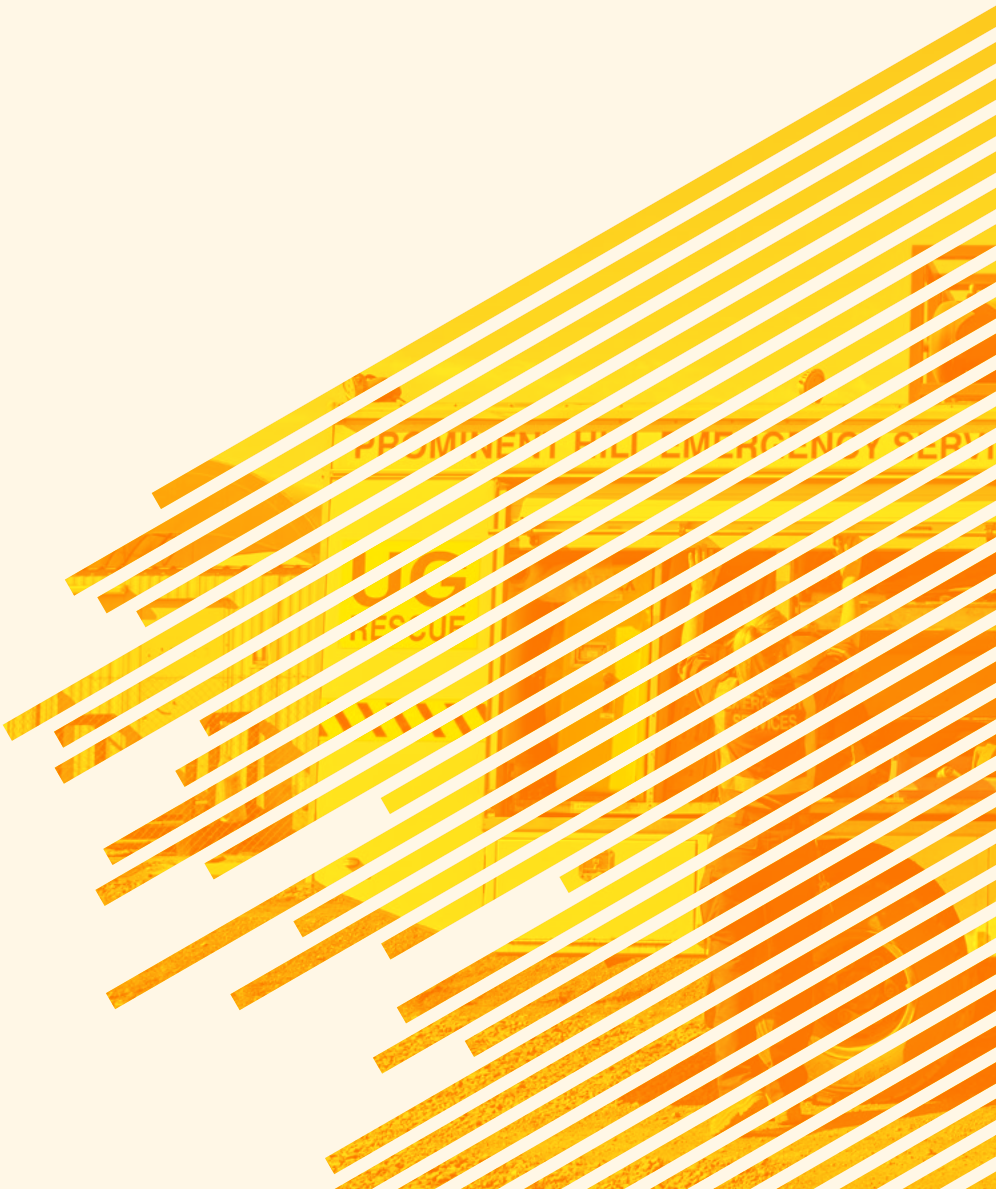
- **Pre-qualification process** – contractors are comprehensively evaluated against criteria including safety, health, environment, and community aspects as well as risk management, internal auditing processes and employee management.
- **Acceptable thresholds** – all contracts have minimum safety, social and environmental criteria as well as performance criteria (including operating performance and site management) applied to manage associated risks.

RISK MANAGEMENT

The Board oversees our approach to managing safety risks through the Sustainability Committee. Our Global Safety Performance Standards are designed to be in line with the statutory requirements of the jurisdictions in which we operate at a minimum and guide our approach to risk evaluation. All risk management activities are carried out in accordance with the OZ Minerals Risk Management process (detailed in the Risk section on page 36).

All assets and corporate functions maintain systems to manage and monitor compliance. We collect safety data for the entire workforce at an asset and corporate level and review on a weekly basis. The Executive Leadership Team monitors the progress of investigations within 30 days of an event and shares learnings across the business. Safety risks are reported weekly to OZ Minerals' management, including the CEO.

The outcomes of the ICAMs from Significant Incidents with an actual or potential rating of high or above are reviewed by the Sustainability Committee.



For personal use only

Health and Wellbeing

OUTCOMES – FY20 & FY21

	Stakeholder Value Creation Metrics		FY20	FY21
EMPLOYEE	Workforce engagement	Employee Survey Results above industry benchmark	In 2020, OZ Minerals' engagement survey score was 8.2, placing us in the top five per cent of the industry (energy and utilities).	In 2021 we expanded participation in the survey to encompass our wider workforce resulting in an increase in participation from 537 to 1573 in 2021 and our engagement score was 7.9 placing us in the top 25 per cent of Energy and Utilities companies.

OUR STRATEGIC ASPIRATIONS

Strategic Aspirations relevant to Health and Wellbeing include:

- We deliberately weave personal and professional growth into our everyday work, enabling people to do the best work of their lives.
- We are a virtual organisation, bound by our Purpose and Aspirations, not by geography or physical infrastructure.

MAINTAINING THE HEALTH AND WELLBEING OF OUR PEOPLE

Our health and wellbeing programs are designed to create an inclusive culture where people can prioritise their physical, mental, social and emotional wellbeing.

Fitness For Work

Our Fitness For Work Performance Standard is a core component of our approach to managing safety and wellbeing. It encompasses a wide range of activities that educate our people on fatigue management, provide access to employee assistance initiatives, role-based assessments as well as fitness and drug and alcohol programs. It is expected that all assets and corporate functions maintain compliance with the Performance Standard.

Work-life plans

In 2020, we introduced work-life plans for all our employees. These plans allowed us to reframe the traditional expectations for Fly-In-Fly Out (FIFO) and site-based employees, and challenge our assumptions on how work is done in the industry. The plans also support people to effectively balance work and personal commitments and manage their wellbeing so they can be at their best. Since its introduction, we have reshaped roles, improved our remote working capability and introduced additional flexibility to FIFO roles. Approximately 85 per cent of our employees have work-life plans and engage in regular reviews with their managers to maintain relevance to individual circumstances.

COVID-19 Programs

COVID-19 elevated our focus on the physical and mental wellbeing of people as we adjusted to the changing work practices and health requirements. We continued to evolve our work practices in response to COVID-19 requirements in Australia and Brazil. In addition, we introduced vaccination programs at all sites to increase uptake for our workforce and we extended our support to host communities where possible, through a second year of our Stakeholder Support Program[a].

We supplemented these efforts with a vaccine recognition program which offered a gift voucher reward for all fully vaccinated members of our workforce. This helped encourage vaccination uptake across all our assets and corporate functions.

[a] Our $4m fund to support our stakeholders in building capability and resilience, and to protect and enhance our communities' health and wellbeing associated with COVID-19, established at the start of the pandemic in 2020.

For personal use only

CASE STUDY: VACCINATION HUBS



Our vaccination programs successfully increased vaccination rates at our sites and in our host communities.

Our Carrapateena mine became a registered vaccination centre and enhanced its capability to manage COVID-19 risks through the introduction of a PCR (polymerase chain reaction) machine and rapid antigen testing facilities on site. The mine maintains a strong working relationship with South Australian health authorities as it protects the wellbeing of our workforce and host communities. To date, 456 vaccinations have been administered onsite, including to members of the community.

At our West Musgrave Project, we provided the local community with the option to obtain vaccinations and funded a vaccination incentive program as well as a health coordinator to help protect the health of the local Indigenous community.

Vaccinations were also offered on site to our workforce at Prominent Hill and in the Carajás in Brazil, we provided transport to vaccination facilities and arranged for vaccinations to be administered at the site.

Under the direction of our Traditional Owners and local Aboriginal Health Services, we funded rewards and incentives from local businesses to encourage vaccinations and in turn, investment in the community. Over 840 people participated in this initiative.

MENTAL HEALTH

We continue to develop a culture where people can talk openly and freely about mental health. We work to remove stigma through dedicated mental health programs and training at all our assets and corporate functions.

The West Musgrave Project (WMP) is currently in the process of developing a Health and Wellness program aligned to the evolving mental health regulations of Western Australia. When established, the WMP Health and Wellness program will be supported by specific plans, procedures and controls that support How We Work Together and the Codes of Practice for the FIFO workforce, to provide professional management during situations that require general wellbeing, behavioural awareness and mental health support.

Carrapateena is coming to the end of its current five-year mental health program and is working with an external provider to develop the next phase of its program. The new plan will focus on four elements: education, awareness, leader training and workforce resilience. Carrapateena has also introduced Mental Health Ambassadors who have undergone specialised training to increase support across the workforce.

Employee Assistance Program (EAP)

Our EAP provides free, professional and confidential counselling to all employees, contractors and their immediate family members. The EAP is provided through a leading global health and wellness company and provides access to a network of accredited counsellors and psychologists who can support with both work and personal issues. Our global workforce also has access to corporate health plans and income protection.

We saw decreased utilisation of EAP across our assets of 38.5 per cent in 2021 compared to 2020.

MEASURING EMPLOYEE ENGAGEMENT

We use our bi-monthly, anonymous Pulse survey to track progress around engagement and workforce experience of our culture. The survey has been in place for three years and is a key lever for feedback. The survey is distributed to all OZ Minerals Australian and Brazilian employees, Carrapateena contractors (Mining Alliance and Site Services), and Prominent Hill contractors. The survey measures overall engagement and emerging trends against key drivers of engagement. In accordance with industry best practice, results are reported as both an average score out of 10 and a Net Promoter Score (NPS)[(b)].

Our most recent Pulse survey in December 2021, had a response rate of 44 per cent. It indicated an engagement score of 7.9 and an NPS of 33 which represents a slight decrease from 2020 (score in December 2020 was 8.2 and NPS was 32). This score places OZ Minerals in the top 25 per cent of Energy and Utilities companies.

Going forward, we are developing an integrated approach to generate data driven insights that will strengthen and embed our culture where a diverse workforce can thrive. This will enable us to pick up and respond to weak signals and emerging trends earlier and more effectively across OZ Minerals (including our entire workforce – employees, contracting partners and contingent workers).

[(b)] Calculated based on: NPS = % Promoters (responses of 9-10) - % Detractors (responses of 0-6)

Capability and Inclusion

OUTCOMES – FY20 & FY21

	Stakeholder Value Creation Metrics		FY20	FY21
EMPLOYEE	Inclusion	Inclusion maturity upward trend	In 2020 OZ Minerals recorded an inclusion maturity score of 7.8.	In 2021 OZ Minerals recorded an inclusion maturity score of 7.9, a slight increase from 2020.
	Diversity	Diversity of thought and demographic	4.9% Aboriginal and/or Torres Strait Islander, 15.1% Female.	4.7% Aboriginal and/or Torres Strait Islander, 13.9% Female.

Note: Employees and contracting partners included. In FY21, 20.7% of Employees were female. In FY20, 19.3% of Employees were female.

OUR STRATEGIC ASPIRATIONS

Strategic Aspirations relevant to capability and inclusion include:

- We work with the best talent and capability no matter where it resides, driving an outcome-based organisation.
- We deliberately weave personal and professional growth into our everyday work, enabling people to do the best work of their lives.
- We are a virtual organisation, bound by our Purpose and Aspirations, not by geography or physical infrastructure.
- We challenge all assumptions about how and where work needs to be done and what's possible.

DEVELOPING CAPABILITY

We aim to create a culture where everyone can thrive, irrespective of their role or location. We enable this through systems, symbols, mindsets and behaviours that are deliberately developmental in our everyday work, for example development plans, team retrospectives, embedding giving and receiving feedback into our culture and building the coaching capability of our leaders. It also includes targeted initiatives and training programs designed to enhance safety and ethical behaviour, increase role proficiency and technical capability, and maintain compliance.

In 2021, we continued to invest in embedding our HWWT culture among our workforce. Our efforts in 2020 centred on mindsets and behaviours. In 2021, we focused on systematising HWWT by making key changes to our Process Standards and commencing development of *The OZWay* Capability Framework. The Framework helps us build future-focussed organisational capabilities and enables our workforce to understand, apply and leverage all aspects of *The OZWay*, supporting individual and business growth.

Evolution of talent processes

We provide employees with continuous opportunities to engage in growth and career development. All employees have development plans that support career aspirations. In 2021, we reviewed our approach to performance management and evolved our remuneration philosophy in Australia, building short term incentive payments into fixed remuneration for most employees to create the enabling environment for agile and developmental performance management.

We challenged traditional performance review methods that reward past behaviour at the expense of improving current and future performance. Recognising that this approach is not conducive to a modern mining workforce and our cultural aspirations, we moved to an agile cadence of high performance. The cadence includes ongoing performance reviews and feedback that facilitate learning, personal and team development, tough conversations, and increased accountability.

Our Remuneration philosophy is a key component of this approach and it differentiates us within the industry. The new Remuneration philosophy has moved away from incentivisation to enablement by:

- paying upfront for the performance we expect
- providing the opportunity to share in the success of OZ Minerals through continued use of an equity-based performance rights plan

The modernisation of our Remuneration philosophy was one part of the total systems approach we adopted in 2021. Changes were also made to the other, inter-dependent elements of our people processes – recruitment, agile goal setting, feedback, developmental ways of working, enhanced leadership capability and performance management. This focus will continue in 2022.

The OZWay Capability Framework

We create opportunities for continuous development by focusing our efforts on activities that enhance knowledge and develop skills and behaviours specific to success at OZ Minerals. In 2021, we created *The OZWay* Capability Framework to bring clarity to the capabilities we need to invest in and develop as an organisation, and accelerate the adoption of *The OZWay*.

We identified 30 capabilities that will be built into the Framework.

The Framework is being designed to develop future-focussed entrepreneurial and digital capabilities and remove traditional organisational hierarchies to empower our workforce. When implemented over the course of 2022, the Framework will enable self-driven development and enable our workforce to take ownership of their careers.

CREATING A DIVERSE AND EQUITABLE WORKFORCE

Inclusion and diversity is a key enabler of our Strategic Aspirations. We believe a culture that embraces demographic diversity and diversity of thought drives greater engagement, encourages collaboration, and fuels innovation, enabling superior business outcomes.

In 2021, we revised the Company inclusion and diversity statement which outlines our approach to achieving diversity objectives. Throughout the year, we focused our efforts on progressing our roadmap to accelerate the integration of inclusion and diversity through systemic change, education and awareness, and data.

We also reviewed our talent and succession planning practices and updated our key Process Standards to embed inclusive hiring practices to:

- counteract risk of unconscious biases
- identify the value of difference and transferrable skills and experiences when building teams
- identify a broad range of networks to advertise roles and increase diversity of applicants.

For personal use only

CASE STUDY: SENIOR LEADERSHIP DEVELOPMENT

Over the past two years, we invested in The Exceptional Leaders Program (ELP) to build the mindset and skills of our senior leaders to lead effectively in an increasingly complex environment. This was grounded in our Including and Collaborating HWWT principles and behaviours. Specific learning outcomes and capabilities included:

- leading complex change, thinking contextually and decision-making in the face of ambiguity
- noticing and challenging assumptions and adjusting behaviours
- working effectively across difference to enable innovation
- actively supporting an inclusive culture
- embedding reflective learning practices.

While we recognise that behaviour change takes time, insights from the evaluation surveys and interviews with the participants indicate the program has been effective at helping them notice and challenge assumptions and adjust their behaviour, reflect and apply what they have learned to their work and build an inclusive culture. In addition, senior leaders valued the opportunity to build strong connections with their peers, enabling greater collaboration.

We leveraged learnings from this program into the next phase of development, which focuses on role modelling and creating conditions for teams to innovate and learn. We will also shift from a formal program format to self-driven learning and deliberate development in the context of everyday work via *The OZWay* Capability Framework.

Our integrated solution for future senior leadership development includes embedding reflective learning into our work methodology (retrospectives and development plans), access to an online library of tools and resources to apply concepts 'in the work' and the creation of a broader OZ Minerals Coaching Panel to support team and individual development. This will amplify the impact of senior leadership development more broadly across OZ Minerals.

This includes practical tools and guidelines to support hiring leaders as well as reporting on the gender balance of applicants, shortlisted and hired through our recruitment processes to increase awareness and accountability.

To further systematise counteracting the risk of unconscious bias, we evolved the previous role of Bar Raisers (who interviewed and assessed for cultural fit) to the expanded role of How We Work Together Coaches and partnered with organisational psychologists to develop a HWWT Questionnaire.

How We Work Together Coaches support Hiring Managers to champion inclusive hiring practices and cultural fit. They introduce candidates to our culture through the HWWT questionnaire which is used to interview top candidates and explore strengths, natural preferences, development areas and learned skills aligned to HWWT and provide this feedback to both the Hiring Managers and candidates.

Anyone can nominate themselves or others to become a HWWT Coach. These nominations are reviewed to ensure people role model and champion our culture, and coaches go through extensive training and development to build competencies to become endorsed as a Coach. This focus on creating inclusive team environments is now embedded into our *OZWay* Capability Framework.

In addition, we established external partnerships with Diversity Council Australia, Pride in Diversity and Parents at Work. Our objective for 2022 is to have a target of 40:40:20 in relation to our Non-executive Directors and Executive Leadership Team composition.

We use data to measure and track our inclusion. Women make up 21 per cent of the workforce directly employed by OZ Minerals (2 per cent increase from 2020) and 20 per cent of our total Leadership. The Board has 50 per cent female representation and the Executive Leadership Team has 50 per cent female representation.

There are approximately 160 Aboriginal people working at Prominent Hill and Carrapateena (as employees and contractors) a small increase over 2020.

Equal remuneration is offered for all our employees, reflective of the type of job, years of experience and the period for which employees have held their position. Annual salary reviews are conducted to ensure salaries are competitive and equitable in terms of gender and internal relativities.

In 2021, we started our journey to consider broader demographic data including cultural background, industry experience and language capabilities, building on the gender and cultural categories we have traditionally used in assessing diversity. This information will be used to:

- empower and support leaders to better understand the diverse mix in teams (when Building a Workforce) to harness diversity of thought
- design initiatives to enhance experiences of inclusion and belonging for specific groups (as identified from data driven insights).

We will also start gathering this information in recruitment to understand how effectively we are attracting and hiring a diverse workforce to OZ Minerals.

In line with ASX requirements, we publish measurable objectives for gender diversity in our Corporate Governance Statement. The People and Remuneration Committee and the Board set measurable objectives and annually review the objectives for inclusion and diversity, and OZ Minerals' approach in achieving them. The Executive Leadership Team is accountable for the implementation of inclusion and diversity and undertakes periodic review of our inclusion and diversity statement.

Inclusion Maturity Index Results

In addition to employee engagement, we use data from the Pulse to create our Inclusion Maturity scores as well as report on Excellence KPIs: Psychological Safety, High Performing Teams and Leadership. Our Inclusion Maturity score is based on the average score across three levels of inclusion maturity: level 1 – fairness and respect, level 2 – value and belonging, and level 3 – confident and inspired.

As of December 2021, our Inclusion Maturity score was 7.9, a slight increase on the December 2020's Inclusion Maturity score of 7.8. Employees who are in minority groups, whether gender (females), ethnicity (Aboriginal and Torres Strait Islander) or age reported slightly lower experiences of inclusion.

We recognise our greatest opportunity continues to be around enhancing experiences of inclusion for demographic groups who are in the minority, and as we continue to focus on the value of a diverse mix in teams and creating inclusive environments, we expect to see continuous improvement. Our efforts to systematise and amplify HWWT in our practices have supported an increased focus on inclusion and diversity. However, we will continue to progress efforts to attract, hire and develop a diverse workforce as well as continue to embed inclusion into our culture.

For personal use only

Environmental Performance

Our Context

As a global Modern Mining Company, we rely on the natural environment and recognise the impact our operations can have on our stakeholders. We are committed to maintaining a high standard of care for the natural environment through progressive practices that facilitate effective organisational planning, compliance with regulatory and statutory requirements, reduction of our environmental footprint and regeneration of the land and ecosystems we occupy.

Our Global Environmental Performance Standards are aligned with the statutory requirements of the jurisdictions in which OZ Minerals operates as a minimum and outline additional requirements that go further to optimise our assets to reduce impacts across greenhouse gas emissions, air quality, water usage, waste generation and biodiversity.

Notably, during 2021 we progressively built from the ground up a Decarbonisation Roadmap, published with this report. In the Roadmap our assets are required to reduce Scope 1 emissions by 50 per cent by 2027 and achieve net zero emissions by 2030. It is ambitious and challenging whilst also achievable. See page 88 for further information.

For personal use only

OUTCOMES – FY20 & FY21

	Stakeholder Value Creation Metrics		FY20	FY21
GOVERNMENT	Emissions	Scope 1 & 2 emissions per tCO_2-e per t CuEq / Scope 1 & 2 absolute emissions	There was a slight decrease in Scope 1 emissions (~1,800 tCO_2-e) at our Australian assets and a small increase in Scope 2 emissions (~11,500 tCO_2-e) over the prior year. Our overall Scope 1 and 2 emissions footprint is higher in 2020 as we have included emissions from our Brazilian assets for the first time. Combined Scope 1 and 2 emissions intensity is fairly consistent across our assets, ranging from 1.4 tCO_2-e per t CuEq to 1.7 tCO_2-e per t CuEq.	Combined scope 1 and 2 emissions have increased 26% in FY21 relative to FY20. This increase was primarily due to a 10% increase in Scope 1 emissions, driven by 20% increase in diesel at PH (associated with haulage) and 162% increase at West Musgrave (associated with increased activity), and a 32% increase in Scope 2 emissions, driven by 217% increase in grid electricity usage at Carrapateena (associated with ramp-up). Our group combined Scope 1 and 2 emissions intensity was 1.8 tCO_2-e/tCuEq in 2021, representing a slight increase compared with 2020. Asset emissions intensity ranged from 0.4 to 1.9 tCO_2-e/tCuEq.
	Energy	Renewable energy percentage	Our assets are in jurisdictions with high renewable penetration, particularly in Brazil where over 80% of grid electricity is renewable. Our South Australian assets operate on 57% renewable energy.	The renewable energy percentage of both the South Australian and relevant Brazilian electricity grids increased in 2021 to 66% and 95% respectively.
	Energy	Net energy intensity per t CuEq	Energy intensity is similar across our assets, ranging from 16 to 18 GJ per t CuEq. Our overall group energy intensity is 16.8 GJ per t CuEq.	Total energy (liquid fuels and electricity) consumed increased by 22% with energy intensity increasing to 21.2 GJ/tCuEq at a group level (assets ranged from 10-22 GJ/tCuEq).
COMMUNITY	Water	Water consumed per t CuEq / water withdrawal in areas of extreme water stress (%)	In 2020, our Australian assets consumed between 0.06 and 0.08 ML per t CuEq. Carrapateena recycled 59% of water, while Prominent Hill recycled 22% No OZ Minerals assets withdraw water in areas of extreme water stress[a].	2021 water intensity at our assets was between 0.05 and 0.07 ML/tCuEq, a decrease compared with 2020. Over 95% of water is recycled at our Brazilian assets, with our Australian assets between 17% and 27%. Consistent with 2020, in 2021 no OZ Minerals assets withdrew water in areas of extreme water stress[a].
	Waste	Non-mineral waste produced per t CuEq	Non-mineral waste intensity across our assets ranges from 0.02 t per t of CuEq to above 0.1 t per t CuEq. Generally waste intensity is higher at newly constructed assets as more materials are utilised in bringing the operation to production.	At a group level in 2021, waste intensity was 0.02 t/tCuEq, consistent with 2021 performance. Waste intensity was highest at Pedra Branca (0.035 t/tCuEq), largely due to construction activities.
	Land and biodiversity	Area (ha) disturbed in high value biodiversity areas	No land was disturbed in high biodiversity conservation areas at our Assets during 2020.	No land was disturbed in high biodiversity conservation areas at our Assets during 2021.

OUR STRATEGIC ASPIRATIONS

Strategic Aspirations relevant to environmental performance include:

- We strive to minimise water use and add value when we do.
- We will emit zero Scope 1 emissions and strive to systemically reduce Scope 2 and 3 emissions across our value chain.
- We consume and produce in a way that generates net zero waste and creates value for stakeholders.

CLIMATE CHANGE & EMISSIONS

In 2021, we continued our focus on incorporating climate change opportunities and threats into our Strategy and business planning through implementation of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) via our Action Plan (page 90). The following section outlines our 2021 TCFD disclosures and how we have delivered against our Action Plan.

Our focus this year shifted toward value creation for stakeholders as the world decarbonises and the role of our Company in this transition. Central to this work was undertaking a full review of our Company Strategy using a scenario aligned to the 1.5°C goal of the Paris Agreement (refer to Strategy section, page 86) and the creation from the ground up of a Decarbonisation Roadmap including emissions reduction commitments released on 21 February 2022 (refer to Metrics and Targets, page 88).

We also used our updated internal carbon price and applied it in determining the valuation of our $600 million Prominent Hill Expansion Project, a practice we will adopt in other OZ Minerals projects going forward. Our internal capability regarding climate change, climate risk, greenhouse gas management and decarbonisation lifted significantly in 2021, as we hosted a suite of external subject-matter-experts in learning workshops and undertook 'deep dives' on specific topics with our Board, Executive Leadership Team and key contracting partners.

As we look to 2022 and beyond, our efforts will be on delivering our Decarbonisation Roadmap and commitments. This includes commencing trials of zero emissions equipment, further understanding how we can reduce our Scope 3 emissions, considering risks to our supply chain, and refining our approach to assess and incorporate new assets and projects into our portfolio, while maintaining our pathway to achieving our aspiration to emit zero Scope 1 emissions.

[a] Water stress as defined by the World Resources Institute Aqueduct Water Risk Atlas.

For personal use only

Governance

The Board Sustainability Committee maintains oversight of material sustainability risks, including climate change and emissions. The Committee met three times in 2021, with climate change and emissions being a topic of discussion at each meeting. Emphasis was placed on emerging trends and developments regarding climate and emissions policy and market developments, including United Nations Climate Change Conference of the Parties (COP26), and our Decarbonisation Roadmap and emissions reduction commitments. The full Board was also engaged in the evolving Decarbonisation Roadmap and other related issues.

OZ Minerals' management implements our governance structure and Risk Management Framework, which includes climate-related risks and our Process and Performance Standards, several of which pertain to emissions and climate (page 36). Key management roles accountable for climate-related risks include our Finance and Governance, Corporate Affairs, and Operations Executives, as well as asset General Managers.

To further build capability within our workforce and among key stakeholders, we hosted dedicated workshops with subject-matter-experts on topics including the Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Report (AR6), carbon offsetting, Scope 3 emissions, mine decarbonisation, internal 'showcase' events to share learnings from the Decarbonisation Roadmap and deep dives with key contracting partners and our Board. These sessions were additional to our monthly cross-functional Social and Environment Community of Practice meetings, which serve as a platform for knowledge sharing regarding climate risk and emissions, among other themes.

Strategy

We leverage existing capability to mine copper as the driver of value. Copper is widely recognised as a metal critical to enabling the transition to a low carbon economy and one for which demand is forecast to increase significantly.

The role of copper in global decarbonisation was a central focus of a comprehensive review of our Strategy undertaken in 2021. The review included four scenarios, including a scenario aligned with the 1.5°C goal of the Paris Agreement (see below), and was conducted via a dedicated Corporate Strategy Team comprised of senior management from assets and corporate, and led by our Group Strategy function. Several scenario-focused Strategy workshops were also undertaken with the Board.

The review of our Strategy found retaining our focus on copper to be the most value accretive pathway for OZ Minerals, especially under the 1.5°C scenario. The scenario analysis involved evaluating the copper focus across 21 metrics through three streams: supply, demand, and value. Among several aspects, these metrics included exposure to the renewable energy, decarbonisation, and electrification thematics[a], and ESG risk, including water stress (a physical climate risk metric).

Core elements and metrics associated with our 1.5°C scenario

Scenario overview	**Accelerated net zero (1.5°C scenario)** A global coalition led by major economies coordinates government efforts together with non-governmental organisations and revitalised multilateral frameworks to reduce emissions and address climate change impacts and environmental degradation. Developed countries support developing to transition to low carbon economies through aid and transfers of low emissions technologies, recognising how rapidly these global challenges spread across borders.	
Element	**By 2030**	**By 2050**
Energy & economy	7% less energy for an economy 40% larger	8% less energy for an economy twice the size, with 9 billion people
Electrification	Annual investment in electricity networks is US$820 billion EV battery production increases to 6600 GWh in 2030, from 160GWh today	2.5 times increase in electricity generation, 70% of which is solar and wind Fossil fuels reduce to 20% of total world energy, down from 80% today
Transport	60% of new vehicles are EVs 40 million EV charging points exist in 2030, from 1 million today Annual investment in hydrogen climbs to US$40 billion in 2030	No new Internal Combustion Engine (ICE) cars are sold from 2035 Hydrogen is commercially viable for heavy transport from the 2030s
Renewables	630GW of solar and 390GW of wind is installed annually, equivalent of 4 times the 2020 levels	Two-thirds of total energy supply is renewable, solar is one-fifth
Carbon pricing	Carbon pricing applies in nearly all regions of the globe to electricity generation, industry and energy production. Carbon border tariffs are used to account for leakage	Emissions trading occurs at an international scale, encompassing much of the global economy.
Climate change	'Locked in' impacts materialise	Worst effects of climate change are avoided

Reference scenarios

Our 1.5°C scenario centres on the International Energy Agency (IEA) Net Zero Emissions by 2050 (NZE2050) scenario, supplemented with the following scenarios:

- IEA Stated Policies Scenario (STEPS)
- Shell Sky scenario
- Intergovernmental Panel on Climate Change Representative Concentration Pathway 2.6 (RCP 2.6)
- The Role of Critical Minerals in Clean Energy Transitions, IEA (reference report)

[a] Drawn from, but not limited to, the International Energy Agency's NZE2050 scenario and Role of Critical Minerals in Clean Energy Transitions report, 2021.

For personal use only

Linking with our Strategy review, our 2022 Business Planning Context Statement, which underpins development of annual business plans across OZ Minerals, included significant focus on emissions reduction and decarbonisation. This further connects our Strategy and Aspirations to our on-the-ground business plans, capital requests and forecasting, and the actions we will take to deliver on our Decarbonisation Roadmap and commitments.

Transition risks

Linking with the outcomes of the Strategy review, at a company level, we see significant opportunities for copper in the transition to a low carbon economy. These include:

- increased demand through economic decarbonisation and increased electrification
- greater focus on circular economy and copper recycling
- potential price premium resulting from lower emissions metal production.

Within the Company, our individual assets have identified opportunities to transition their operations away from the current reliance on diesel, linking with our Decarbonisation Roadmap.

At the same time as we have identified transition opportunities, threats exist in the form of:

- exposure to greenhouse gas regulation and carbon pricing
- delivery of performance and progress consistent with our Decarbonisation Roadmap
- changed public sentiment toward heavy industry, including mining.

Consistent with our approach to risk management (page 36), the risks (opportunities and threats) above are held in our risk management system by relevant corporate functions or assets. Our Decarbonisation Roadmap and Company Strategy alignment, together with our approach to risk, enable us to optimise our position regarding opportunities and remain in front of threats.

Further physical risk assessment

This year, we expanded our physical climate risk assessment to our Brazilian assets. Consistent with our assessment of our Australian assets, this assessment used IPCC Assessment Report 5 (AR5) Representative Concentration Pathways RCP8.5 and RCP4.5. We also considered the SSP3-7.0 and SSP5-8.5 scenarios released in the IPCC's 2021 AR6 report.

Overall, increased temperatures (including extreme daytime temperatures), extreme rainfall events, and reduced rainfall were identified as the key potential physical climate-related impacts in the Carajás. While these impacts create risks for our operations, all identified risks were rated low. The physical climate-related risks to our Brazilian operations identified included:

- extreme rainfall events
  - operational disruption and damage to infrastructure
  - obstruction or delay of access to site and survey areas
  - mud-rush or inrush and/or landslides
  - water contamination, including the tailings dam
- increased temperatures
  - increased ventilation and refrigeration requirements
  - more prevalent incidents of workforce heat exposure and thermal discomfort
  - increased energy consumption and cost
  - increased incidence of fire in the surrounding landscape disrupting site access
- reduced rainfall
  - increased power cost or supply disruption due to decreased grid hydroelectric generation
  - increased dust suppression requirements
  - reduced groundwater recharge and decreased underground mine pumping requirements (an opportunity)

Outside our direct operations all three physical climate-related impacts have the potential to impact the community in our region, particularly farmers, and local biodiversity.

Our Brazilian assets maintain a suite of controls to manage the above risks including health and safety protocols, mine design, monitoring, pumping and flow control, maintenance, and constructed mitigations (such as firebreaks) to reduce the potential impact to operations.

In addition to the risk assessment of our Brazilian assets, we also reviewed Material physical climate-related threats identified for our South Australian assets. The review concluded that the threat of extreme weather remains Material, primarily through impacts from extreme summer temperatures and extreme rainfall events and the potential to impact the safety and wellbeing of our workforce. It is not financially material.

Risk Management

Climate change has been identified as a Material risk by OZ Minerals since 2017. Assessment and management of climate-related physical and transition risks (threats and opportunities) occurs through our Risk Management Framework, consistent with the process for all risks at OZ Minerals.

Physical climate risks are assessed by our assets and projects to account for their individual operating contexts. As noted in the Strategy section, Material physical climate risks identified by our Australian assets in 2020 were reviewed in 2021. Our assets also maintain risks (opportunities) linked to the execution of their decarbonisation plans which support our Decarbonisation Roadmap. Assessing and managing these risks at our assets means controls and actions identified are specific to the asset, and accountability for their execution rests with the asset management team.

Transition risks are identified and managed at a corporate level. We identify transition risks through monitoring of trends and themes across markets, governments, industry, and other landscapes relevant to our business, as well as through formal processes such as our Strategy review.

Once identified, specific transition risks and controls are held by different corporate functions. Managing climate-related risks at both the asset and corporate levels collectively supports our integrated approach to pursue opportunities and mitigate threats associated with climate change and emissions reduction.

Metrics and Targets

In February 2022, we released our Decarbonisation Roadmap. As outlined below, the Roadmap and its commitments illustrate our short, medium, and longer-term absolute and net emissions reduction commitments and key actions we will undertake to achieve them. The Roadmap was developed over a 14 month period by a dedicated team comprised of senior management and technical representatives from our operations and corporate office.

For personal use only

OZ Minerals' Decarbonisation Roadmap

Our Strategic Aspiration: emit zero Scope 1 emissions and systematically reduce Scope 2 and 3 emissions across our value chain

Our Decarbonisation Roadmap

Our actions[a]	How we plan to deliver
50% reduction in Scope 1 emissions by 2027	Invest in electric hoisting shaft at Prominent Hill ($275m) and extend the electric materials handling system at Carrapateena ($140m). Committed and being actioned. $6.9m investment at Pedra Branca in 2022 to convert diesel to grid-electricity via substation. Committed and being actioned.
Ongoing zero emissions equipment trials, to address majority of remaining Scope 1 emissions	By 2023, up to $12m in equipment trials will be underway and, if successful, will provide a pathway for removing the bulk of the remaining operational diesel. Investment in equipment replacement to remove remaining operational diesel to be determined post trials. Trials and equipment replacement will be ongoing to support achievement of our aspiration to emit zero Scope 1 emissions.
Net zero[b] Scope 1 & 2 by 2030	Focus on directly reducing our emissions. Leverage electricity grid decarbonisation. Net zero residual Scope 1 and 2 emissions.
Systematically reduce Scope 3 emissions	Develop a reduction pathway focussing on key sources.

All new assets or acquisitions required to have a Decarbonisation Plan to reach at least net zero Scope 1 and Scope 2 emissions[b] as part of Final Investment Decision (FID).

[a] Current operating assets, relative to FY21 baseline, excluding construction periods

[b] Our approach requires all technically and economically feasible emissions reduction options to be exhausted prior to the application of certificates, in the form of offsets and/or renewable energy certificates.

Decarbonisation The OZWay

Our journey to decarbonisation is guided by our Purpose, *Going beyond what's possible to make lives better* and our Strategic Aspiration to *emit zero Scope 1 emissions and systematically reduce Scope 2 and 3 emissions across our value chain.*

Through our Decarbonisation Roadmap, OZ Minerals aims for our current operating assets to **reduce our Scope 1 emissions by 50 per cent by 2027**, relative to a FY21 baseline. We will do this by electrifying materials handling to reduce trucking at our South Australian operations and **commencing trials of zero emissions equipment by 2023** to inform a pathway to reducing remaining operational emissions as a priority.

As a signpost on our journey, we have set a **medium-term commitment of net zero emissions by 2030** which includes residual Scope 1 and 2 emissions. Our commitment will be supported by the rapid decarbonisation of the electricity systems in South Australia and Pará State, further absolute reductions in Scope 1 emissions, and application of quality offsets (or renewable energy certificates) which **create value for our stakeholders**.

Certificates will be used only to address residual emissions; our priority remains to reduce our carbon footprint.

We will continue to work with our suppliers and partners to **reduce Scope 3 emissions**, focusing on key sources. Our approach will be guided by development of a reduction pathway.

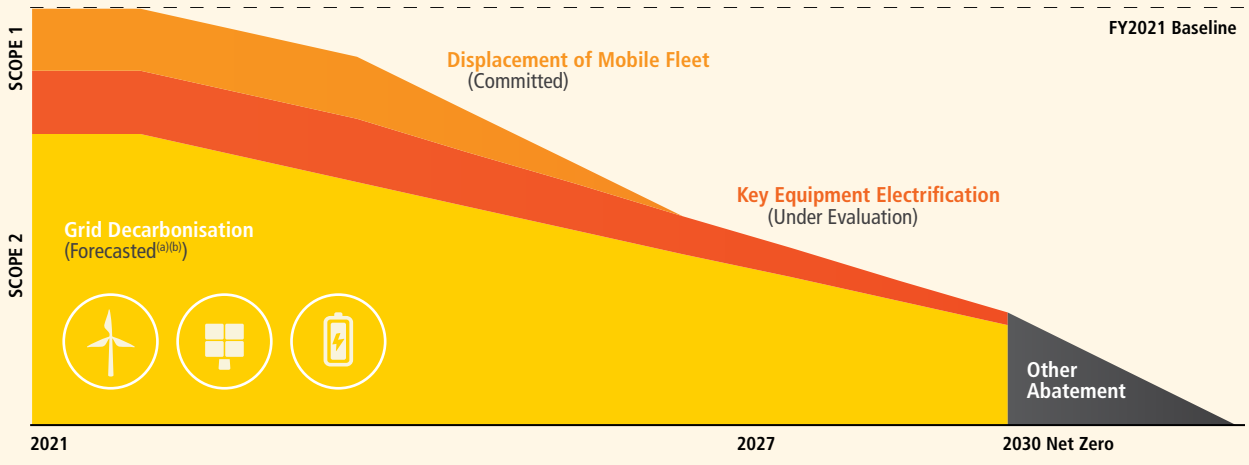
Our decarbonisation journey is **delivered through *The OZWay*** which systematises the commitments and ensures we create value for our stakeholders.

As a growth company, new assets or acquisitions which become part of the OZ Minerals portfolio will be required to have an ambitious actionable Decarbonisation Plan to reach at least net zero, or zero Scope 1 and Scope 2 emissions[b] where technically and economically feasible to do so.

Our current Scope 1, 2, and 3 emissions:

- **Scope 1** 94,720 tCO_2-e
- **Scope 2** 249,902 tCO_2-e
- **Scope 3** 324,915 tCO_2-e

Figure 1 – Scope 1 and 2 emissions reduction pathway for current operating assets



Note: Illustrative only.

[a] Location Based Reporting.

[b] Forecast decarbonisation of the SA grid in line with *Australian Emission Projections 2021, by Department of Industry, Science, Energy and Resources.*

For personal use only

In addition to setting our commitments, we have commenced a series of emissions reduction initiatives and partnerships, including the launch of our Hydrogen Hypothesis challenge which invites innovators from inside and outside our industry, across the globe to propose safe experiments to demonstrate the role hydrogen could play in the mining value chain. We are also exploring partnerships with hydrogen and battery-powered heavy haulage manufacturers to understand options for reducing emissions associated with transport of our product. We are a member of the CRC for Transformations in Mining Economies (CRC TiME), Electric Mine Consortium and NEXGEN SIMS, collaborations focusing on climate change and emissions reduction for mining. We explored a range of government funding opportunities associated with renewable energy and emissions reduction technology in 2021 and will continue to do so into the future.

Metrics

In addition to our internal carbon pricing scenarios which were updated in 2021, our Stakeholder Value Creation Metrics (SVCMs) (page 71) are a central component of our work methodology, forecasting, and business performance. The SVCMs complement our existing disclosures of key metrics (page 98) and include several energy, emissions, and climate-related metrics:

- Scope 1 emissions
- Scope 2 emissions
- Emissions intensity (Scope 1 and 2 emissions per tonne copper equivalent (tCO_2-e/tCuEq)
- Renewable energy percentage
- Net energy intensity (GJ/tCuEq)
- Water intensity (ML/tCuEq)
- Water withdrawal in areas of extreme water stress.

Scope 3 emissions

In 2021, we baselined our Scope 3 emissions for the first time. Our total Scope 3 emissions are 324,915 tCO_2-e, with the majority (>62 per cent) from downstream processing and smelting. Other key sources include charter flights to our assets (9,899 tCO_2-e) and shipping of our product (17,430 tCO_2-e).

In recognition of the importance of delivering our decarbonisation commitments, executive short term remuneration now contains elements related to implementation and the Long Term Incentive contains an ESG measure with a 20 per cent weighting.

THE OZWAY: OUR PERFORMANCE – SCOPE 3 BASELINE

Figure 2 – Overview of our Scope 3 emissions

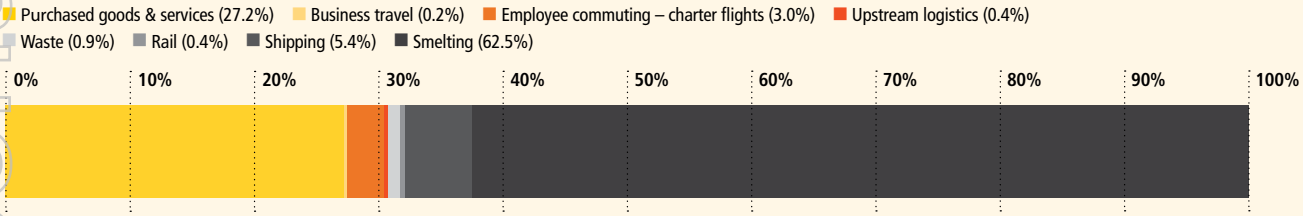
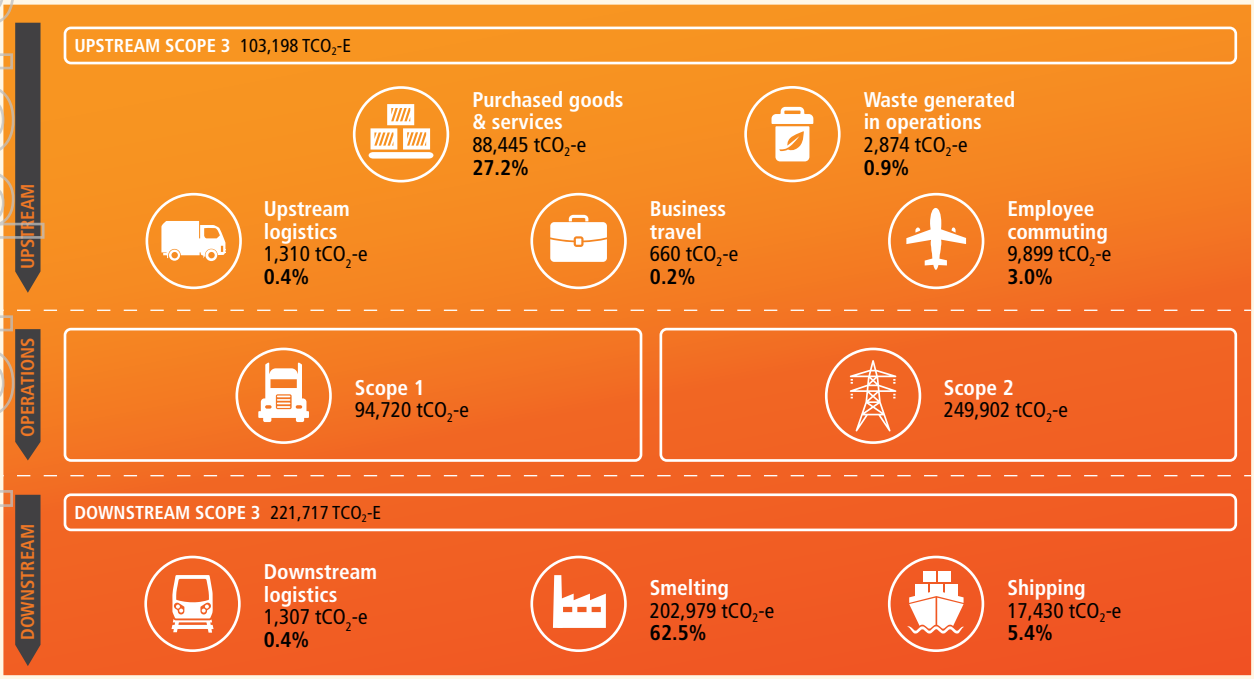


Figure 3 – Emissions profile



Illustrative of main Scope 3 greenhouse gas emissions sources. May differ from individual asset or corporate function value chain.

Note:

- Our Scope 3 baseline has been calculated using methodology adapted from the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard
- Data for some Scope 3 sources covers the 1 July 2020 to 30 June 2021 period, while others cover the 1 January to 31 December 2021 period
- Downstream Scope 3 emissions have not been calculated beyond smelting
- Industry-specific emissions factors have been used in the calculation where raw data were unavailable.

For personal use only

TCFD Action Plan

TCFD category and recommended disclosures	2021 Actions Defining our performance	2021 Actions	2022 Maturing our approach
Governance			
a) Board's oversight of climate -related risks and opportunities b) Management's role in assessing and managing climate-related risks and opportunities	∕ Bi-annual review of climate-related control actions ∕ Continue to build employee capability regarding climate-related risk ∕ Further build internal capability, including Scope 3 emissions	∕ Reviewed and updated of material physical climate risks. Reviewed emissions reduction risks to align with Decarbonisation Roadmap ∕ Climate risk and decarbonisation workshops with external SMEs, show-case event, deep dives with Board, reporting of climate and decarbonisation to Sustainability Committee, and key contractors, Scope 3 emissions framework	∕ Review governance approach to climate-related threats and opportunities ∕ Review climate-related roles and responsibilities, including for implementation of our Decarbonisation Roadmap
Strategy			
a) Climate-related opportunities and threats the organisation has identified over short, medium, and long-term b) Impact of climate-related risks and opportunities on business Strategy and financial planning c) Resilience of organisation's Strategy, including to a 2°C or lower scenario	∕ Conduct further physical and transition climate-related opportunity and threat assessment using scenario analysis, incorporating asset and corporate functions. Consider outcomes as part of annual Strategy reviews ∕ Implement priority control actions ∕ Further refine internal decision-making tools (e.g. carbon pricing) ∕ Undertake transition risk assessment using scenarios aligned to Paris Agreement goals ∕ Consider approaches for financial analysis and disclosure ∕ Enhance suite of GHG reduction tools	∕ Paris Agreement-aligned scenario included in review of Company Strategy, including consideration of transition risks ∕ Carbon pricing scenarios updated and used in PHOX project (will be component of all future OZ Minerals project valuations) ∕ Power and emissions driver trees developed for Asset decarbonisation plans ∕ Capital allocation quantified in asset decarbonisation plans ∕ Launch of *Hydrogen Hypothesis* TAD challenge	∕ Consider material climate-related threats and opportunities in asset planning ∕ Enhance suite of internal decision-making tools ∕ Continue review of Company Strategy in context of decarbonisation opportunities ∕ Commence implementation of Decarbonisation Roadmap ∕ Consider climate-related risks (threats and opportunities) across value chain and supply chain ∕ Further consider how climate-related issues serve as an input to financial planning, time periods, and risk prioritisation
Risk management			
a) Process for identifying and assessing climate-related risks and opportunities b) Process for managing climate-related risks and opportunities c) How climate-related risk management is integrated into overall risk management	∕ Ensure climate-related opportunity and threat control ownership is clearly defined ∕ Support risk owners to manage climate-related opportunities and threats ∕ Review and update physical climate risk assessments	∕ Reviewed physical climate change and emissions reduction risks, including physical climate risk assessment for Brazil assets ∕ Formation of dedicated multi-asset operational and management 'Power Team'	∕ Review process and climate-related risks for value chain ∕ Further refine approach to climate-related risk management ∕ Develop our approach to carbon offsets
Metrics and targets			
a) Metrics used to assess climate-related risks and opportunities in line with Strategy and risk management processes b) Scope 1 and 2 GHG emissions, and if appropriate, Scope 3 c) Targets used to manage climate-related risks and opportunities and performance against targets	∕ Benchmarking of disclosure frameworks, standards and peers' approaches ∕ Engagement with ESG analysts re disclosures › Establishment of internal monthly Asset metrics reporting framework › Development of Stakeholder Value Creation Metrics	∕ Decarbonisation Roadmap and commitments released 21 February 2022 ∕ Asset decarbonisation plans developed as part of Company Decarbonisation Roadmap › Assets report SVCMs monthly › SVCMs reported with trend in 2021 Sustainability Report › Scope 3 emissions baselined	∕ Continue to report on SVCMs ∕ Report on delivery of Decarbonisation Roadmap ∕ Further investigate opportunities for working with value chain partners to reduce Scope 3 emissions via development of a reduction pathway focussing on key sources ∕ Disclose metrics which are more closely aligned with the identified climate-related risks ∕ Review and evolve SVCMs as required and leverage to embed performance

For personal use only

Waste Management

MINERALS WASTE

We recognise the importance of ensuring safe, long-term impoundment of mine tailings and residues to prevent any detrimental impact on the environment, downstream communities and workforce facilities. We operate active tailings facilities at Prominent Hill and Carrapateena in South Australia, and at the site of the Antas mine in the Carajás East Hub in Brazil. The Carajás East Hub also processes ore from the Pedra Branca satellite mine.

The OZ Minerals Tailings Global Performance Standard guides our approach to managing mineral waste within our Tailings Storage Facilities (TSFs). The Standard is written to ensure TSFs are designed, constructed and managed to enable safe impoundment of mine tailings and residues and prevent uncontrolled releases and seepage to groundwater. In 2021, we undertook a review of the Standard and updated our guidelines to ensure alignment with the requirements of the Global Industry Standard on Tailings Management (GISTM).

OZ Minerals' Australian TSFs are designed, constructed, and operated in accordance with Australian National Committee on Large Dams (ANCOLD) requirements. In Brazil, we undertake quality assurance and monitoring activities as a normal course of business with bi-monthly reporting provided to the Mines Department (ANM).

No potentially acid-forming (PAF) material was mined at at any of our assets over the reporting period, with the assets moving a total of 16.6 m tonnes of material and 2.2 m tonnes of waste rock, respectively. Most of the waste rock generated is placed in rock dumps, with a proportion of non-acid forming (NAF) rock used to construct mine infrastructure, such as the TSFs and roads.

CASE STUDY: REPURPOSING THE ANTAS OPEN PIT TO A TAILINGS STORAGE FACILITY



Currently, ore from our Pedra Branca mine is being processed at the Carajás East Hub, which leverages the now depleted Antas open pit mine's existing processing infrastructure. Repurposing the depleted Antas open pit into a tailings storage facility allows for tailings from Pedra Branca's ore processing to be securely stored for the extent of Pedra Branca's mine life, allowing for operational continuity. As the Hub is designed to be able to process ore from several nearby satellite mines, this will further increase the useful life of Antas' existing processing infrastructure, should other 'spokes' be added in future. The repurposing of the open pit also significantly reduces water use, with 95 per cent of tailings water reused in the processing plant.

NON-MINERAL WASTE

We aim to avoid the generation of non-mineral waste wherever possible and proactively minimise the risk of negative post-mining impacts at every site. Non-mineral waste is managed through the waste management hierarchy of avoid, reduce, reuse, recycle, recover, treat and dispose in accordance with our Non-Mineral Waste and Wastewater Performance Standard. Each asset implements Waste Management Strategies optimised for their local context and lifecycle of the asset.

CASE STUDY: PROMINENT HILL PARTNERSHIPS FOR WASTE MANAGEMENT

Our Prominent Hill asset partners with local agencies and waste contractors to facilitate the management of non-mineral waste across the site.

The asset contracts AMY Environmental Services (AMYES), an initiative of the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC) to provide a full range of integrated Waste Management Services at the Prominent Hill site. Organic waste is collected by a local contractor who converts it into soil and mulch and resells it to the local community. We also recycle used boots in partnership with Save our Soles Recycling who converts it into anti-fatigue matting for uses such as gym flooring and offices. Through these and other partnerships, we have diverted approximately 1,871 tonnes of waste from landfill and increased our recycling rates by 6 per cent.

Water

Water is an essential consumable for our operations and a critical resource for our stakeholders, particularly for the communities in which we operate. We recognise the need to responsibly consume water. At our South Australian assets, we use hypersaline water drawn from aquifers that do not compete with demand from natural systems or other land-connected people.

Our Australian assets, Prominent Hill and Carrapateena, are located in arid areas and are dependent on saline groundwater to sustain operations. Our assets are accountable for managing water consumption and the impacts on local catchments, in particular optimising net water consumed per equivalent copper tonne and water withdrawal in areas of extreme water stress[a]. We monitor water levels and quality in previously agreed pastoral wells and assess changes to downstream surface water quality through ongoing sediment monitoring.

In 2021, the development of the Western Access Road created the highest demand for water at Carrapateena. The asset utilised hypersaline water that is not suitable for local pastoral activities, processing the water via reverse osmosis to provide potable water for operations. The Carrapateena Tjungu Camp provides treated greywater suitable for livestock consumption to local pastoralists with the aim to supply treated wastewater amounting to 100 kL per day by 2022. In 2021, Prominent Hill's water intensity was 0.074 ML/tCuEq, while at Carrapateena water intensity was 0.058 ML/tCuEq.

In Brazil, our Carajás Hub assets are situated in a region with a high annual rainfall of over 1,800 mm. However, water sources are not located near mining sites. To supplement water sourced from local systems, we have implemented initiatives to recycle water from tailings dams. In addition, the Carajás East processing hub at the now depleted Antas mine undertakes a Water Resources Management Program which aims to monitor and evaluate surface and groundwater and manage consumption.

[a] Water stress as defined by the World Resources Institute Aqueduct Water Risk Atlas.

For personal use only

Air Quality

We aim to protect the health of our workforce, the local community and the environment through initiatives that manage and monitor air quality emissions and ambient air quality. Our assets are guided by the Air Emissions Performance Standard to minimise adverse impacts by identifying and addressing any hazardous, controlled or regulated air pollutants.

OZ Minerals' operations have the potential to affect air quality through fuel combustion emitting sulphur and nitrogen oxides, and carbon monoxide and oxides of nitrogen generated during blasting. The transition of our operations underground over the past few years has reduced the impact of dust, which is among the largest of our air quality emissions.

The majority of our dust emissions are generated by stockpiling materials and the movement of vehicles over unsealed surfaces. At Prominent Hill, we recognised increased disturbance on the 45 km long access road. To address this, we reduced the speed limit of the road that intersects paddocks containing livestock from 60 km/h to 40 km/h. We also introduced an additional dust monitoring gauge to monitor dust levels that could impact livestock health.

At Carrapteena, we introduced a Real-time Radiation monitoring system that detects radionuclides such as Radon and its progeny, which cannot naturally be identified by workers without specialised equipment and training. The monitoring system translates the radiation concentration into a traffic light system, resulting in rapid, easy to understand visual cues.

This technology is being used to monitor fluctuations during mine activities, identifying areas of elevated risk, and provides another tool to empower workers to identify and manage radiation to avoid adverse health impacts associated long term exposure at elevated levels.

In 2021, there were no adverse impacts on workers, the community and the environment as a result of air quality issues at Prominent Hill, Carrapateena and Carajás Province. There are no ozone-depleting substances, persistent organic pollutants or stack emissions produced at our assets.

Biodiversity and Ecology

Our Land and Biodiversity Performance Standard sets out the guidance for assets to manage their obligations in line with regulatory requirements and the needs of our host communities. Each asset engages knowledgeable members of the local communities and land connected people in conservation activities.

Biodiversity management plans focus on protection of flora and fauna (specifically endangered species) and management of invasive species. Where ecological impact cannot be mitigated, assets are encouraged to consider environmental offsets as a last resort. In 2021, no land was disturbed in high biodiversity areas at our assets.

We continue to manage Significant Environmental Benefit (SEB) offset areas at our Prominent Hill and Carrapateena mines. Protected species within our SEB offset areas include:

- **Prominent Hill:** the nationally threatened Plains Mouse and Thick-billed Grasswren (eastern subspecies), both listed as vulnerable under the Environment Protection and Biodiversity Conservation Act 1999 (Cth), and the Chestnut-breasted whiteface listed as rare under the National Parks and Wildlife Act 1972 (SA). All three species are also listed in the International Union for Conservation of Nature's (IUCN) Red List of Threatened Species.
- **Carrapateena:** the nationally threatened Plains Mouse occurs within the mine area, while a further three species listed under the National Parks and Wildlife Act 1972 (SA) have been identified as occurring within or in proximity to the mine, including the plant species Frankenia Subteres (rare), the Perigrine Falcon (rare) and the Australian Bustard (vulnerable). Two environmental offset areas are established to support the Carrapateena mine.

At the West Musgrave Project, we are implementing plans to reduce the total physical footprint of the project below 3,800 ha, and to have a net return on biodiversity values. The Project team has conducted over 50 multidisciplinary studies to characterise the physical and social environment at West Musgrave, which included the involvement of Traditional Owners for both cultural and fauna survey activities. Based on the results of these studies, the disturbance envelope was reduced and reoriented to avoid impacts to environmental and cultural values leading to the Western Australian Government assigning a moderate level of assessment known as 'assessment on referral information'. Attaining this level of regulatory assessment is a significant achievement for a project of this scale.

CASE STUDY: CARRAPATEENA PLAINS MOUSE MOTION CAPTURE



Last year, OZ Minerals Carrapateena established the Plains Mouse conservation project in partnership with engineering consultancy Jacobs, non-for-profit Nature Foundation South Australia and our pastoralist neighbours at South Gap Pastoral Station.

Camera traps at eleven locations in the Northern offset provided low-impact, year-round surveillance of the mouse. Nature Foundation SA working in collaboration with OZ Minerals refined the detection methodology, which aligns to objectives within the National Recovery Plan, allowing us to obtain a more accurate understanding of population response dynamics following large rain events which are the catalyst for boom cycles.

Over the course of 2021, we saw the results of our surveillance efforts with the first sighting of the nationally protected species on the Northern offset. Detection provides proof of presence at the site for the Commonwealth Government and a baseline from which further work can quantify future population trends.

Social Performance

For personal use only

Our context

We rely on the support of our partnerships, including with governments and communities where we operate, for the ongoing operation of our assets. Traditional Owners (Indigenous and Land Connected Peoples), and host communities rely on OZ Minerals to act with transparency and build sustainable partnerships based on trust and collaboration. Governments, universities, and other government-funded organisations support us to create value through cross-sector collaboration and investment in the jurisdictions where we work.

Building and maintaining strong supportive relationships drives value creation for stakeholders and OZ Minerals. We seek to deliver long-term benefits by engaging and collaborating, understanding the impacts of our activities, maximising opportunities and minimising negative effects.

Our Global Social Performance Standards set out the levels of stakeholder engagement and social performance expected by our workforce and suppliers. These Standards are guided by and align with the United Nations frameworks for human rights (page 70), including the rights of the Traditional Owners of the lands on which we operate. Where Traditional Owners have legally recognised rights and interests that coincide with those of an asset, these Standards enable us to ensure that our partnering approach enables reciprocity, is equitable, transparent and satisfies the tenets of 'Free Prior and Informed Consent' (FPIC).

For personal use only

OUTCOMES – FY20 & FY21

	Stakeholder Value Creation Metrics		FY20	FY21
COMMUNITY	Community engagement	Social contribution (quantitative and qualitative)	Our total economic contribution for 2020 was more than $1.39 billion and included: / more than $79.2 million in wages and benefits in Australia and Brazil / payments to Suppliers of over $1.13 billion / $74.6 million in dividends to shareholders / $57.8 million in royalties and $48.3 million in taxes / $2.3 million in social contributions including ongoing partnerships, bushfire relief and through our COVID-19 Stakeholder Support Program.	In 2021, our total economic contribution was over $1.95 billion and included: / over $133 million in wages and benefits in Australia and Brazil / payments to Suppliers of over $1.4 billion / $109 million in dividends to Shareholders / $93 million in royalties and $226 million in taxes / $1.9 million in social contributions including our COVID-19 Stakeholder Support Program
	Working with stakeholders	Number and average duration for resolution of concerns, complaints and grievances	We recorded two complaints in our Stakeholder Management System for 2020. The average resolution time was 7 days.	We received one concern and one complaint in 2021, the average resolution time for which was 3 days. No grievances were reported.
	Working with stakeholders	Partnering Case Studies	/ Antakirinja Matu-Yankunytjatjara Aboriginal Corporation 'Tjunguringanyi', p. 99 / Kokatha Aboriginal Corporation, p. 100 / Prominent Hill Underground Mining Alliance, p. 84 / Global Maintenance Upper Spencer Gulf, p. 104 / Capture the Spark, p. 17	/ Prominent Hill Partnerships for Waste Management, P.91 / West Musgrave Social Impact Opportunity Assessment, p. 95 / Energy Logistix, p.96
	Cultural heritage	Unauthorised cultural heritage breaches/significant environmental and social incidents	We did not record any unauthorised cultural heritage breaches or significant social or environmental incidents at our operations.	No unauthorised cultural heritage breaches or significant social incidents were recorded at our operations in 2021. One significant environmental incident, a saline water spill, was recorded at Carrapateena.
	Human rights	Modern Slavery Act implementation and number of human rights incidents	We did not identify any Human Rights incidents or instances of Modern Slavery in our operations or supply chains. We undertook the pre-work required to release in conjunction with this report our updated Modern Slavery Statement (February 2022) as part of how we protect and manage human rights in our assets and supply chains.	In 2021, we continued our efforts to strengthen our systems and processes by identifying, assessing, mitigating and addressing human rights risks, including modern slavery, as part of our Human Rights Performance Standard. Our global performance standards are informed by globally-recognised declarations, principles and goals, including: / Universal Declaration on Human Rights / United Nations Guiding Principles on Business and Human Rights / UN Voluntary Principles on Security and Human Rights
GOVERNMENT	Local content	Value spent with local suppliers through supply chains	/ Local – ~$21 million over 83 suppliers, / State – ~$282 million over 746 suppliers, / National – ~$854 million over 937 suppliers, / International – ~$52 million over 140 suppliers, / Total spend ~$1.209 billion over 1,411 suppliers	/ Local – $95 million (South Australia and Brazil) ~150 suppliers, / State – $335 million ~517 suppliers, / National – $909 million ~943 suppliers, / International – $50 million ~130 suppliers, / Total spend $1.406 billion over 1,600 supplier

For personal use only

OUR STRATEGIC ASPIRATIONS

Strategic Aspirations relevant to social performance include:

- Our business model empowers assets to optimise for their local conditions.
- We deliver the activities along our value chain to enable our local stakeholder aspirations for generations to come.
- We work closely with our stakeholders to create mutual value by building each other's capability and capacity.
- Our assets are brought to full value early through a rapid approach to our project pipeline and provide optimal value for stakeholders.

ENGAGING WITH OUR HOST COMMUNITIES

Building and maintaining strong, transparent, and supportive relationships with host communities is critical to the success of our global operations. It helps us understand the social, environmental, and economic impacts of our activities on each of the unique communities in which we operate.

We maintain respectful and inclusive engagement practices with host communities by operating on the principles of quality contact and procedural and distributional fairness. Our assets maintain context-specific stakeholder engagement programs that allow us to capture feedback, identify shared aspirations and co-design activities with input from local stakeholders on whom we may have a direct or indirect impact (i.e. regulatory bodies, suppliers, government agencies, special interest groups, communities, Indigenous and Land Connected Peoples).

Dedicated Community Relations functions at each asset are responsible for monitoring and reviewing key communication and consultation activities. Local level agreements provide stakeholders with the rights to escalate concerns. We proactively provide fit-for-purpose information in a timely and accurate manner to maintain transparency and promote internal and external feedback through community meetings, formal and informal communications, and social media.

All community concerns, complaints, disputes and grievances are recorded through our global stakeholder management software. We work to address matters raised promptly and appropriately. In 2021, we recorded one concern, one complaint, zero disputes and zero grievances in our Stakeholder Management System.The two issues raised pertained to a water leak and communications by a supplier. The average resolution time for these complaints was three days.

SUPPORTING TRADITIONAL OWNERS

We recognise Aboriginal and Torres Strait Islander Peoples as the first people of Australia. We respect their unbroken cultural connection, cultural authority and the importance for their voice to be heard.

Our activities have an inherent impact on the unique knowledge, experiences, histories, and values of Traditional Owners. We embrace a collaborative approach in our efforts with this stakeholder group to facilitate mutual benefits. Each asset maintains structured and direct relationships with Indigenous and Land Connected stakeholders. Our leadership team has continuous engagement with Traditional Owners at Prominent Hill, Carrapateena and the West Musgrave Project. In Brazil, our workforces are not located in areas previously occupied by Traditional Owners.

We work to protect and respect country and culture by supporting the principles of Voice, Treaty and Truth and support the effort being made to achieve National Reconciliation. In 2019, we engaged in extensive consultation with our Traditional Owners with respect to the need for a collective company Reconciliation Action Plan (RAP). It was their view that our Partnering Agreements superseded a RAP. These agreements enshrine our commitment to work in the spirit of shared value and mutual obligation and inform the management of our production assets' specific Native Title Mining Agreements:

- Kokatha Aboriginal Corporation and Carrapateena Mine – Nganampa palyanku kanyintjaku 'Keeping the future good for all of us'.
- Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC) and Prominent Hill Mine – Tjunguringanyi – tjaku 'Coming together'.
- Our West Musgrave Project is in the process of developing our relationship with the Yarnagu People of the Ngaanyatjarra Lands.

CASE STUDY: WEST MUSGRAVE SOCIAL IMPACT OPPORTUNITIES ASSESSMENT

Our West Musgrave Project is located in a unique setting where Ngaanyatjarra People have retained an unbroken connection to country. There is no history of mining within Ngaanyatjarra Lands and cultural surroundings of Ngaanyatjarra People will be affected by the presence of our project in the landscape.

Social Impact

Recognising that the West Musgrave Project can transform the community, we partnered with the Centre for Social Responsibility in Mining at the University of Queensland to conduct a Social Impact Assessment (SIA) to understand the socio-economic profile of the community.

The assessment, which commenced in June 2021, was designed to gather data that would enhance our understanding of the cultural nuances that drive the Ngaanyatjarra People's expectations. We overlayed these insights against our operational plans to identify the direct and indirect impacts of the proposed West Musgrave Project.

The SIA process involved consultations with over 150 Ngaanyatjarra People and 59 per cent of the Jameson population (aged 15 years and over). The analysis was also supported with data gathered from Local, State and Federal Government departments and agencies. Results were presented to OZ Minerals in the form of a 'Baseline and Impact Report' in November 2021. In 2022, we will leverage the insights of this report to co-develop with the Ngaanyatjarra Council, a tailored Social Management Plan to address the issues and opportunities we can influence through the West Musgrave Project.

Cultural Heritage

The social surroundings of the Ngaanyatjarra People are not just represented by the ethnographic sites, which we have taken great care to avoid, but also through their relationship to the broader landscape. We recognise that the presence of the Project will affect the way in which the People relate to their land.

To address this, we worked closely with elders and Ngaanyatjarra anthropologists to undertake heritage surveys of over 70,000 ha and enhance our understanding of how they want to manage their cultural heritage. Through these efforts, we co-developed a Cultural Heritage Management Plan with avoidance and minimisation measures that define work areas, enhance cultural competence across our workforce and facilitate adaptive management of heritage during constructions, operations, and closure.

For personal use only

PROTECTING HUMAN RIGHTS

At OZ Minerals, we aim to advance and promote human rights throughout our value chain. We have zero tolerance of Human Rights abuse and Modern Slavery and expect this of our employees, suppliers and partners.

Our Human Rights Global Performance Standard is guided by national and international guidelines, including:

- UN Guiding Principles on Business and Human Rights
- Universal Declaration on Human Rights
- Voluntary Principles on Security and Human Rights (VP)
- International Labour Organisations (ILO) Conventions
- International Council on Mining and Metals (ICMM) Principles
- Australian *Modern Slavery Act 2018 (Cth).*

It is mandatory for all employees to complete our online Human Rights training, which includes guidance around child, forced or compulsory labour and our salient Human Rights risks. As of December 2021, 85 per cent of all employees had completed training. In addition, assets raise awareness of human rights responsibilities with senior management, employees, contractors (particularly security personnel), and other stakeholders through Asset Induction Training.

We recognise Modern Slavery as a global issue that requires addressing and prevention by businesses. Our first Modern Slavery Statement (for the year 2020) was released in early 2021. It outlined our approach to identify, assess, mitigate, and address the risk of Modern Slavery in our operations and supply chains. During the remainder of 2021, we continued our efforts to strengthen our systems and processes by identifying, assessing, mitigating and addressing human rights risks, including modern slavery, as part of our Human Rights Performance Standard. Our 2021 Modern Slavery Statement can be accessed here. Our Global Performance Standards are informed by globally-recognised declarations, principles and goals, including:

- Universal Declaration on Human Rights
- United Nations Guiding Principles on Business and Human Rights
- UN Voluntary Principles on Security and Human Rights

If a Human Rights incident were to occur, we would seek to mitigate the situation as appropriate based on our policies and Global Performance Standards. Our confidential and independently operated whistleblowing service STOPline is available to all employees, suppliers and contractors to report concerns in line with our Speak Up Policy. Both asset level grievance mechanisms and processes under the Speak Up material may be used to raise concerns about Modern Slavery. We did not identify any Human Rights incidents or instances of Modern Slavery in our operations or supply chains in 2021.

ENABLING LOCAL PROCUREMENT

Our efforts to create long-term value for our host communities extend into our employment and procurement practices. We seek to employ local people where possible and preferentially purchase goods and services within the region or state where we operate.

Each asset carries out targeted programs to co-create products and services and develop local businesses. We encourage people to tender for business opportunities with our assets by providing them with the support and guidance to understand our pre-qualification processes and procurement standards. In 2021, we had over 1,600 suppliers. Our supplier value by jurisdiction is outlined below:

- Local – $37 million over 150 suppliers,
- State – $335 million over 500 suppliers,
- National – $909 million over 940 suppliers,
- International (incl. Brazil) – $126 million over 130 suppliers,
- Total – spend $1.4 billion over 1,600 suppliers

  These figures do not include wages and salaries paid to major contractors or expenditure by contractors in the local region.

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

CASE STUDY: ENERGY LOGISTIX FREIGHT CONTRACT



In 2021, our team at Carrapateena partnered with a South Australian mother and son freight business, Energy Logistix, on an initial three-year contract to service the mine.

Energy Logistix supports tier one mining, resources, energy and defence customers to manage critical supply chains, moving supplies from across the world to remote areas of Australia.

Both organisations are driven by stakeholder value creation and are aligned on our environmental aspirations. Since contract commencement, Energy Logistix has mobilised Euro 6 emission standard trucks. These trucks together with optimising trailing combinations, are expected to provide up to 25 per cent more energy efficiency compared to industry-standard prime movers, at Carrapateena.

Though this partnership, Energy Logistix will be able to add 10 new jobs to its 80-strong workforce and create more opportunities for other Upper Spencer Gulf businesses

For personal use only

Community investment and sponsorship

Our social investment decisions expand our community efforts beyond our immediate sphere of influence and allow us to develop sustainable legacies across our assets. This year, we contributed a total of $1.9 million in community support.

We work to ensure that our decisions are defined, driven and informed by the needs of the community and provide long-term benefits. In addition to funding, our employees and contract partners provide in-kind assistance by donating time, expertise and resources for community events and initiatives. Priority areas for support include:

- locally organised events and activities with broad community appeal
- skills development and educational programs
- environmental projects, sustainable development objectives, community education and conservation programs
- health and wellbeing programs.

In 2021, we continued our COVID-19 Stakeholder Support Fund established at the onset of the pandemic. This year, the fund contributed over $1.3 million to support communities and organisations in the areas where we operate in Australia and Brazil including:

- a Health Coordinator for the Ngaanyatjarra Council
- Brazil COVID-19 related PPE including oximeters, masks, alcohol gel kits and 5,000 rapid anitgen tests and awareness campaigns
- tailored governance training supplied by the Australian Institute of Company Directors for the Traditional Owner Corporations associated with out South Australian assets
- Foodbank SA
- funding to support lifting the vaccination rates in the Indigenous communities where we operate.

Ongoing initiatives that we support include:

- The Educating the Next Generation Flagship Social Contribution Program which supports:
  - The Clontarf Foundation which encourages Aboriginal boys to remain in secondary school through sport
  - The Smith Family to provide educational support to girls predominantly in the areas near our South Australian assets
  - The Royal Flying Doctor Service, which provides medical assistance to our remote mine sites and the surrounding remote communities.

CASE STUDY: PROMINENT HILL RESOURCES INFRASTRUCTURE CERTIFICATE II

In 2021, the Community Relations team at Prominent Hill implemented a training program to upskill Aboriginal secondary school students in Coober Pedy and Port Augusta.

The program was designed to provide students with the skills, confidence and competencies necessary to secure entry level employment opportunities with OZ Minerals and other resource and civil companies within the region.

Seven young women and six young men; representing the Antakirinja Matu-Yankunytjatjara, Kokatha and other Aboriginal groups in South Australia participated in the 'Certificate II Resources Infrastructure Work Preparation'. The course came to a conclusion in November 2021 with seven students finding employment opportunities, of which four will be with Prominent Hill in 2022.

The program was developed in partnership with Coober Pedy (CPAS) and Port Augusta Secondary School (PASS), Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC), Career Employment Group (CEG) and OZ Minerals. OZ Minerals funded CEG to deliver the course in 2021. The course has been recognised by State Government Members of Parliament and has been approved for government funding in 2022.

Total economic contribution

Operating a sustainable and successful Company allows us to create economic value for all of our stakeholders. We make significant contributions to local, regional and national economies directly through the payment of taxes and royalties, income taxes, social investment, payment of dividends, and payments to our workforce and suppliers. Our total economic contribution for 2021 was more than $1.95 billion and included:

- more than $133 million in wages and benefits in Australia and Brazil
- payments to Suppliers of over $1.4 billion
- $109 million in dividends to shareholders
- $93 million in royalties and $226 million in taxes
- $1.9 million in social contributions including ongoing partnerships, and through our COVID-19 Stakeholder Support Program.

More details are available in the Financial Report (page 112) and in the socioeconomic performance tables in the Sustainability Data section of the report (page 100).

For personal use only

Sustainability Reporting data

SAFETY

Table 1 – Safety performance

	2021	2020	2019	2018	2017
Employee fatalities	0	0	0	0	0
Contractor fatalities	1	0	1	0	0
TRIFR (employees and contractors)	3.77	5.29	7.52	7.24	6.39
LTIFR (employees and contractors)	0.42	1.32	1.54	0.93	0.36
Significant safety incidents[a]	39	39	38	63	65

[a] As defined by OZ Minerals internal classification.

ENVIRONMENT

Table 2 – Energy (1 July, 2020- 30 June, 2021)

Energy consumption (GJ)	Energy consumed	Energy produced	Energy consumed (net)
Prominent Hill	1,986,824	1301	1,985,523
Carrapateena	1,280,569	0	1,280,569
Antas	153,739	11	153,728
Pedra Branca	89,505	5,870	83,635
West Mugrave	32,693	0	32,693
Group offices & other*	1,546	0	1,546
Total	3,544,876	7,182	3,537,694

* Includes Exploration

Table 3 – Emissions (1 July, 2020- 30 June, 2021)

Total direct and indirect emissions (all company)	2020-2021	2019-2020	2018-2019	2017-18	2016-17	2015-16	2014-15
Greenhouse gas emissions Scope 1 (t CO_2-e)[a]	94,720	85,555	77,271	85,258	105,648	142,669	180,290
Greenhouse gas emissions Scope 2 (t CO_2-e)[b]	249,902	192,334	176,627	167,980	177,306	190,825	199,209
Total of Scope 1 and Scope 2 (t CO_2-e)	344,622	277,889	253,898	253,238	282,954	333,494	379,499
Sulphur Hexaflouride SF6 (t CO_2-e)*	17	16	16	11	11	11	11
Oxides of Nitrogen N2O (t)*	400	699	783	632	342	994	
Sulphur dioxide (t)*	0.32	0.47	0.46	0.45	1.30	0.85	
Total volatile organic compounds (VOC) (t)*	29	50	52	35	108	52	
Particulate matter <10um (t)*	1,440	2,771	2,316	2,180	3,310	4,488	

[a] Scope 1 refers to emissions produced directly by operations, primarily resulting from combustion of various fuels and includes CO_2-equivalent values for greenhouse gases such as CH4, N20 and SF6.

[b] Scope 2 refers to indirect emissions resulting from the import of electricity from external parties; commonly the electricity grid.

* Australian Asset data only.

Note: The reporting period is Jul 2020 to June 2021 for Australian and Brazilian Assets. The energy and emissions boundary is based on operational control as defined by the National Greenhouse and Energy Reporting (NGER) Act 2007. The applied global warming potential (GWP) rates and emissions factors are based on the NGER Act (2007) and the National Pollutant Inventory (NPI). Greenhouse Gas Protocol factors used for lubricants for Brazil Assets.

Table 4 – Water withdrawal

Water withdrawl Surface (ML) water	Surface water	Groundwater (mine dewatering)	Groundwater (wellfield)	Rainwater	Municipal water supply	Total recycled	% Total recycled	Total withdrawal from areas of extreme water stress
Prominent Hill	0	451	5,300	0	0	977	17%	0
Carrapateena	0	704	2,594	0	0	894	27%	0
Antas	0	0	25	0	0	1,625	99%	0
Pedra Branca	0	216	26	0	0	165	98%	0
West Mugrave*	0	0	0	0	7	0	0%	0
Total	0	1,371	7,945	0	7	3,661	39%	0

* West Musgrave is not an operating asset and as a result water withdrawal is minimal.

For personal use only

Table 5 – Water discharge

Water discharge (ML)	Subsurface	Surface	Sewers	Land (dust suppression)	Land	Treatment facilities	Groundwater
Prominent Hill	0	0	0	1,702	0	0	0
Carrapateena	0	0	0	0	0	0	0
Antas	0	0	0	55	0	1	0
Pedra Branca	0	110	0	99	0	1	0
West Mugrave	0	0	0	0	0	0	0
Total	0	110	0	1,856	0	2	0

Table 6 – Waste

Mineral waste	Overburden & waste rock (t)	Material moved (t)	Total ore mined (t)	Liquid fossil fuels (kL)	Lubricants (kL)	Explosives (t)
Prominent Hill	1,063,909	5,230,496	4,144,041	18,323	551.0	681.3
Carrapateena	636,678	10,330,732	4,709,907	11,447	162.0	3,894.0
Antas	248,713	523,122	274,409	1,182	95.3	191.3
Pedra Branca	244,690	481,299	236,609	1,410	23.9	492.4
West Mugrave	0	0	0	847	0.0	0.0
Total	2,193,990	16,565,649	9,364,966	33,209	832.2	5,259.0

Table 7 – Non-mineral waste

Non-mineral waste	Solid recycled (t)	Liquid recycled (l)	Landfill (t)	Incineration (t)	On-site storage (t)	Hazardous transported (t)
Prominent Hill	1,872	0	518	302	0	79
Carrapateena	1,100	0	1,100	0	0	465
Antas	0	3,560	761	0	0	252
Pedra Branca	76	0	62	0	0	231
West Mugrave	0	0	66	0	0	0
Total	3,048	3,560	2,505	302	0	1,027

Table 8 – Rehabilitation and closure

Land management (ha)	Total landholding	Mine footprint	Land disturbed^	Land rehabilitated^	Land disturbed in high biodiversity conservation areas
Prominent Hill	1,1401	2,046.0	3.3	8.1	0
Carrapateena	44,144	1,488.8	195.6	0.0	0
Antas	7,291	217.3	0.0	0.0	0
Pedra Branca	3,195	509.3	0.0	0.0	0
West Mugrave	245,406	0.0	44.8	17.5	0
Total	311,437	4,261.4	243.7	25.6	0

^ During 2021 calendar year, prior to reconciliation with compliance reporting

Table 9 – Environmental compliance (total)

Total volume of significant spills (L)	0
Monetary value of significant fines ($A)	0
Number of significant environmental incidents	1

For personal use only

SOCIAL

Table 10 – Social compliance (total)

Number of Cultural Heritage Breaches	0
Number of unauthorised land disturbances	0

Table 11 – Socioeconomic contribution

$millions	Revenues	Operations	Employees	Payments to providers of capital		Payments to government		Community investment	Economic value retained
Region	Revenue, other income and financing income	Operating expenses	Employee benefit expenses	Dividend payments to shareholders	Providers of funds	Income taxes expense	Royalties		
South Australia	2,007.1	(1,025.1)	(128.60)	(109.7)	(11.5)	(230.4)	(84.7)	1.7	417.1
Brazil	89.5	(77.00)	(4.90)	0.0	0.0	4.5	(8.9)	0.25	3.9
Total OZ Minerals	2,095.8	(1,102.1)	(133.50)	(109.7)	(11.5)	(225.9)	(93.6)	1.9	421.0

Table 12 – Overview revenues

Categories	AUD $millions
Revenue	2,095.8
Other income	1.0
Financing income	0.5
Total	2,097.3

Table 13 – Overview community investment

Categories (Including COVID-19)	AUD $millions
Community appeal	207,294
Education	430,380
Health	1,250,739
Industry	47,000
Political donations	0
Totals	1,935,413

Table 14 – Overview operating expenses

Categories	AUD $millions
Changes in inventories	(110.0)
Raw materials	0.0
Exploration and evaluation	(56.3)
Freight expenses	(80.4)
Net foreign exchange	14.1
Other expenses	(869.5)
Total	(1,102.1)

Table 15 – Procurement

Region	AUD $millions
Local – South Australia	36.8
State – South Australia	342.1
State – Western Australia	444.0
National – Australia	457.2
Local – Brazil	58.5
National – Brazil	17.5
International – total	49.7
Total	1,405.8

For personal use only

Table 16 – Tax

Australian tax-related contribution summary	AUD $millions
Corporate income tax*	143.6
Government royalties	73.9
State payroll tax and other	8.8
Total	226.3
Employee PAYG	44.9

* Corporate Income Tax represents cash outflows in 2021 in relation to the following:
- Income tax payment for December 2020 totalling net $18.3m ($7.0m instalment plus $11.3m final payment)
- Monthly PAYG instalments paid relating to the 2021 income year totalling $125.3m.

Reconciliation of accounting profit to income tax expense	AUD $millions
Accounting profit before income tax expense	756.6
Tax at Australian tax rate of 30%	(227.0)
Variation in overseas tax	5.3
Non-deductible expenditure	(6.4)
Revision for prior periods	(0.2)
Recognition of previously unrecognised tax losses	4.0
R&D tax benefit	0.5
Other	0.3
Derecognition of overseas losses	(2.4)
Income tax expense	(225.9)

Global & Australian effective tax rate	Global (AUD $millions)	Australia (AUD $millions)
Accounting (loss)/profit before income tax expense	756.6	757.5
Income tax expense	(225.9)	(230.3)
Effective tax rate	29.9%	30.4%

Reconciliation to income tax payable	31 December 2021 (AUD $millions)
Profit before income tax expense	757.5
Permanent differences	30.9
Temporary differences	
– Difference in accounting and tax depreciation	(25.4)
– Provisions and accruals	(3.5)
– Derivatives	0.0
– Exploration deductions	(84.6)
– Leases	4.5
– Other	(17.2)
Taxable income before utilisation of carried forward restricted tax losses	662.2
Utilisation of carried forward restricted tax losses	(65.6)
Taxable income after utilisation of carried forward losses	596.6
Australian income tax payable	179.0
Utilisation of R&D offsets	(2.5)
PAYG instalments for December 2021	(125.3)
Net income tax payable post PAYG instalments	51.2

* Figures exclude all foreign jurisdictions due to resulting tax losses in those jurisdictions. Amounts reflect current tax payable in Australia only for the December 2021 income year.

International related party dealings

In addition to the above disclosures, the TTC also requires disclosure of international related party dealings. For the year ended 31 December 2021, OZ Minerals had immaterial dealings with international related parties in Brazil and Peru, limited to the following:

- The provision of technical services (Brazil and Peru)
- Intercompany loans to fund exploration and feasibility studies (Brazil and Peru).

For personal use only

HEALTH AND WELLBEING

Table 17 – Diversity

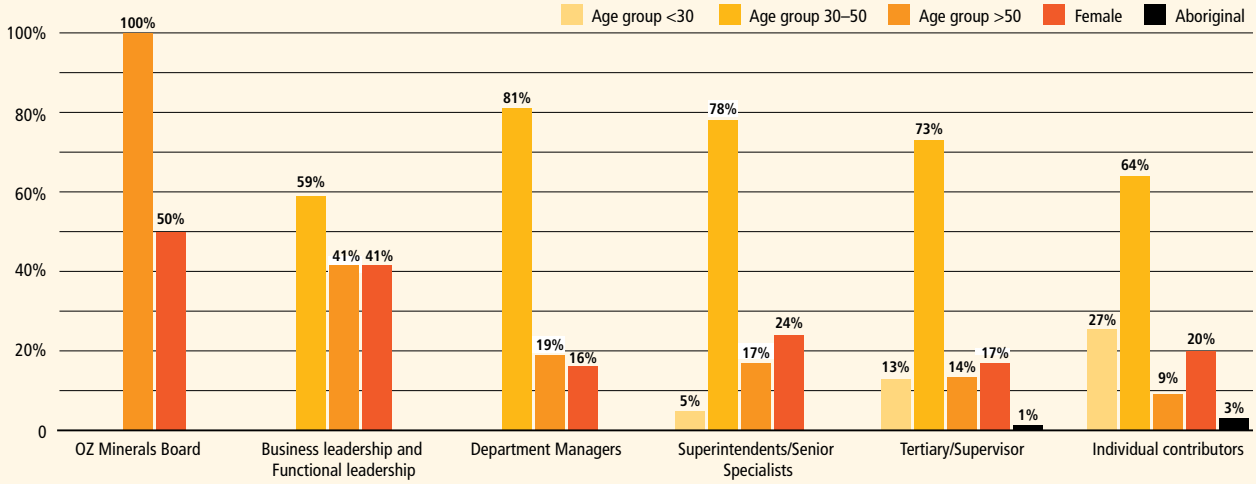
Profile 2021	Full time		Part time		Fixed term		Casual		Employees	Contractors			Workforce	Aboriginal	Local	State Based	Interstate
	M	F	M	F	M	F	M	F	Total	M	F	Total	Total	Total	Total	Total	Total
Australia – Corporate	64	35	0	4	15	6	2	3	129	7	3	10	139	0	114	121	18
Australia – Prominent Hill	183	36	3	3	19	13	6	2	265	1,665	233	1,898	2,163	108	159	1,740	423
Australia – Carrapateena	204	41	0	1	15	6	1	0	268	697	96	793	1,061	53	153	767	294
Australia – West Musgrave	20	11	1	0	8	1	1	0	42	11	4	15	57	0	1	11	46
Brazil – Antas	124	35	0	0	0	0	0	0	159	150	34	184	343	NA	0	343	0
Brazil – Pedra Branca	242	42	0	0	0	0	0	0	284	634	52	686	970	NA	0	970	0
Total	837	200	4	8	57	26	10	5	1,147	3164	422	3,586	4,733	161	427	3,952	781

New employees 2021	Age group <36		Age group 36–55		Age group >55		Total
	M	F	M	F	M	F	
Australia	54	27	44	25	4	2	156
Brazil	104	28	77	13	1	0	223

Turnover 2021	Age group <36 %		Age group 36–55 %		Age group >55 %		Total %	Voluntary turnover %
	M	F	M	F	M	F		
Australia	11.4%	5.4%	6.3%	7.6%	1.1%	13.3%	6.8%	4.5%
Brazil	3.5%	4.9%	2.8%	2.7%	0.3%	0.0%	10.2%	10.2%

Training Hours (2021)	Hours
Total	47,324
Individual average training hour provided by OZ Minerals (total workforce)	10

Figure 2 – Combined employee diversity at OZ Minerals



For personal use only

Table 18 – Employee diversity Australia

Employee diversity at OZ Minerals	Business leadership and Functional leadership	Department Managers	Superintendents/ Senior Specialists	Tertiary/ Supervisor	Individual contributors
Under 30 years old	0	0	7	28	70
30-50 years old	8	47	109	127	190
Over 50 years old	6	9	23	29	51
Female	7	9	33	33	80
Aboriginal	0	0	0	2	23

Table 19 – Employee diversity Brazil

Employee diversity at OZ Minerals	Business leadership and Functional leadership	Department Managers	Superintendents/ Senior Specialists	Tertiary/ Supervisor	Individual contributors
Under 30 years old	0	0	0	0	122
30-50 years old	2	14	0	32	255
Over 50 years old	1	5	0	1	11
Female	0	3	0	4	62

Table 20 – Total Employee diversity

Employee diversity at OZ Minerals	OZ Minerals Board	Business leadership and Functional leadership	Department Managers	Superintendents/ Senior Specialists	Tertiary/ Supervisor	Individual contributors
Under 30 years old	0	0	0	7	28	192
30-50 years old	0	10	61	109	159	445
Over 50 years old	6	7	14	23	30	62
Female	3	7	12	33	37	142
Aboriginal	0	0	0	0	2	23
Residing in State	1	0	0	0	0	0

For personal use only

Independent Limited Assurance Report to the Directors of OZ Minerals Ltd

CONCLUSION

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Selected Sustainability Information, which has been prepared by OZ Minerals Limited (the Company) in accordance with the Global Reporting Initiative (GRI) Standards, the Recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and the Company specific definitions outlined in the 2021 Sustainability Report on pages 68 to 103 of the OZ Minerals 2021 Annual and Sustainability Report for the year ended 31 December 2021.

Information Subject to Assurance

The Selected Sustainability Information, as presented in the Oz Minerals Sustainability Report on pages 68 to 103 of the OZ Minerals 2021 Annual and Sustainability Report for the year ended 31 December 2021 (the "Sustainability Report") and available on the Company website, comprised the following:

Selected Sustainability Information	Value assured
Fatalities	1
Total Recordable Injury Frequency Rate (TRIFR)	3.77
Lost Time Injury Frequency Rate (LTIFR)	0.42
Greenhouse gas emissions Scope 1 (t C02-e) July 2020 – June 2021	94,720
Greenhouse gas emissions Scope 2 (t C02-e) July 2020 – June 2021	249,902
Energy consumed (GJ) July 2020 – June 2021	3,544,876
Energy produced (GJ) July 2020 – June 2021	7,182
Total water withdrawal - sum of Groundwater (mine dewatering) and Groundwater (wellfield) (ML)	9,316
Climate change and emissions disclosures presented on pages 84 to 90	Not applicable

Criteria Used as the Basis of Reporting

The criteria used in relation to the Selected Sustainability Information are the GRI Standards published by the GRI, Recommendations of the TCFD and Company specific definitions outlined in the Sustainability Report.

Basis for Conclusion

We conducted our work in accordance with Australian Standard on *Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and *ASAE 3410 Assurance Engagements on Greenhouse Gas Statements* (the Standards). In accordance with the Standards we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Selected Sustainability Information, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant OZ Minerals Limited personnel to understand the internal controls, governance structure and reporting process of the Selected Sustainability Information;
- reviews of relevant documentation;

© 2022 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisationn. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

- analytical procedures over the Selected Sustainability Information;
- remote discussions with Corporate Head Office (Adelaide), Prominent Hill, Carrapateena and Brazil Assets;
- walkthroughs of the Selected Sustainability Information to source documentation;
- agreeing the Selected Sustainability Information included in the Sustainability Report to relevant underlying sources on a sample basis;
- an assessment that the Selected Sustainability Information indicators reported were in accordance with the criteria used as the basis of reporting; and
- reviewing the OZ Minerals 2021 Annual and Sustainability Report in its entirety to ensure it is consistent with our overall knowledge of the Company.

How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of OZ Minerals Limited.

Use of this Assurance Report

This report has been prepared for the Directors of OZ Minerals Limited for the purpose of providing an assurance conclusion on the Selected Sustainability Information and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of OZ Minerals Limited, or for any other purpose than that for which it was prepared.

Management's responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet the needs of intended users, being OZ Minerals Limited and their stakeholders;
- preparing and presenting the information subject to assurance in accordance with the criteria. This includes disclosing the criteria, including any significant inherent limitations;
- establishing internal controls that enable the preparation and presentation of the information subject to assurance that is free from material misstatement, whether due to fraud or error;
- advising us of any known and/or contentious issues relating to the information subject to assurance; and
- maintaining integrity of the website.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Selected Sustainability Information for the year ended 31 December 2021, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

KPMG

KPMG

Julia Bilyanska

Julia Bilyanska
Director

21 February 2022

© 2022 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisationn. Liability limited by a scheme approved under Professional Standards Legislation.

Mineral Resources and Ore Reserves



For personal use only

For personal use only

As at 30 June each year OZ Minerals reports its Mineral Resources and Ore Reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, December 2012 (the JORC Code) as required by the Australian Securities Exchange (ASX).

Overall, compared to the prior year the 2021 estimated Ore Reserves were stable at approximately 550 Mt. Total estimated Mineral Resources were also stable at approximately 1,800 Mt.

The Mineral Resource and Ore Reserve information in the table below is drawn from the following ASX releases:

Deposit	Release date
Prominent Hill Mineral Resource and Ore Reserve Statement and Explanatory Notes as at 30 June 2021	16-Nov-21
2020 Carrapateena Mineral Resources and Ore Reserves Statement and Explanatory Notes as at 30 June 2020	16-Nov-20
Fremantle Doctor Mineral Resource Statement and Explanatory Notes as at 12 November 2018	12-Nov-18
Maiden Succoth Resource Estimate (asx.com.au/asxpdf/20151207/pdf/433lsh4dgb91rs.pdf)	7-Dec-15
Maiden Jericho Resource and Cloncurry exploration update (asx.com.au/asxpdf/20200716/pdf/44kkzdc6ljty34.pdf)	16-Jul-20
West Musgrave Project Nebo-Babel Deposits Mineral Resource Statement and Explanatory Notes as at 9 December 2020	9-Dec-20
Antas Mineral Resources included in "Summary of Mineral Resource & Reserve Statements"	16-Nov-21
Pedra Branca 2019 Mineral Resource Statement and Explanatory Notes as at 25 March 2019 and 2019 Ore Reserve Statement and Explanatory Notes as at 15 November 2019	28-Nov-19
CentroGold Mineral Resource Estimate and Ore Reserve Statement as at 6 May 2019 and 24 June 2019	11-Jul-19
CentroGold Resources Increase 45% and Exceeds 1.8 Million Ounces*	13-Nov-17
Santa Lúcia Mineral Resource Statement and Explanatory Notes as at 1 July 2021	24-Sep-21

Note: All Mineral Resources and Ore Reserves are estimates. The OZ Minerals Mineral Resources and Ore Reserves statements and their accompanying explanatory notes can be viewed in full at: ozminerals.com/en/investing-in-us/resources-reserves

* Announcement relates to Chega Tudo only

SUMMARY OF SIGNIFICANT CHANGES SINCE 2020

Prominent Hill

Prominent Hill Ore Reserves increased due to the extension of the mine life as a result of the approval of the Wira Shaft mine expansion, partially offset by mining and stockpile depletion.

Prominent Hill underground Indicated Mineral Resources increased through conversion of Inferred Mineral Resources, following an infill drilling campaign to support the Wira Shaft mine expansion study. Gold-only stockpiles were reclassified downwards to Indicated Mineral Resources and Probable Ore Reserves based on reconciliation performance. Previously they were reported as Measured Mineral Resources and Proved Ore Reserves.

Carrapateena

The 2020 Carrapateena Mineral Resource and Ore Reserve was restated for 2021 with depletion from mining up to 30 June 2021.

West Musgrave Project

There were no changes to the West Musgrave Project Mineral Resource and Ore Reserve throughout 2021.

Carajás Province

Antas North Ore Reserve was depleted, and Mineral Resources were reduced due to mining depletion of the Antas pit and stockpiles.

Maiden release of Santa Lúcia Mineral Resource estimate.

Others

There have been no changes to the Mineral Resource estimates of Fremantle Doctor, Succoth, Pedra Branca, CentroGold or Chega Tudo throughout 2021.

For personal use only

2021

MINERAL RESOURCES	Measured				Indicated				Inferred				Total						
	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Cu	Au	Ag
	Mt	%	g/t	g/t	Mt	%	g/t	g/t	Mt	%	g/t	g/t	Mt	%	g/t	g/t	kt	koz	Moz
Copper																			
Prominent Hill underground	42	1.3	0.6	3.2	44	0.9	0.9	2.7	51	0.8	0.9	2.3	140	1.0	0.8	2.7	1,400	3,600	12
Prominent Hill surface stocks	2.4	0.6	0.4	1.7	–	–	–	–	–	–	–	–	2.4	0.6	0.4	1.7	14	28	0.1
Carrapateena	130	0.96	0.42	3.6	490	0.62	0.26	2.9	330	0.32	0.16	2.0	950	0.56	0.25	2.7	5,400	7,500	82
Fremantle Doctor	–	–	–	–	–	–	–	–	104	0.7	0.5	3	104	0.7	0.5	3	800	2,000	10
Succoth	–	–	–	–	–	–	–	–	156	0.60	–	–	156	0.60	–	–	943	–	–
Jericho	–	–	–	–	–	–	–	–	9.1	1.4	0.3	1.6	9.1	1.4	0.3	1.6	130	88	0.5
Antas North	0.1	0.7	0.3	–	0.4	0.8	0.2	–	1.1	0.3	0.1	–	1.5	0.5	0.1	–	7.1	6.6	–
Pedra Branca	2.3	1.6	0.5	–	11	1.6	0.4	–	4.8	1.5	0.4	–	19	1.6	0.4	–	300	270	–
Santa Lúcia	–	–	–	–	0.91	6.1	0.97	9.2	4.9	1.3	0.24	3.9	5.8	2.1	0.35	4.8	120	66	0.89
Total	170	1.0	0.5	3.4	550	0.7	0.3	2.8	660	0.5	0.2	1.7	1,400	0.6	0.3	2.3	9,000	13,000	100
Gold																			
Prominent Hill surface stocks	–	–	–	–	12	0.1	0.6	0.4	–	–	–	–	12	0.1	0.6	0.4	15	220	0.2
CentroGold	–	–	–	–	21	–	1.9	–	7.3	–	1.8	–	28	–	1.9	–	–	1,700	–
Chega Tudo	–	–	–	–	8.2	–	1.6	–	3.1	–	1.5	–	11.3	–	1.6	–	–	577	–
Total	–	–	–	–	41	0.04	1.5	0.1	10	–	1.7	–	51	0.03	1.5	0.1	15	2,500	0.2

	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Ni	Cu	Au
	Mt	%	%	g/t	Mt	%	%	g/t	Mt	%	%	g/t	Mt	%	%	g/t	kt	kt	Moz
Nickel																			
Babel	–	–	–	–	260	0.30	0.34	0.06	79	0.32	0.37	0.06	340	0.31	0.35	0.06	1,000	1,200	0.7
Nebo	–	–	–	–	52	0.36	0.32	0.04	2.3	0.32	0.33	0.04	54	0.36	0.32	0.04	190	170	0.1
Total	–	–	–	–	310	0.31	0.34	0.06	82	0.32	0.37	0.06	390	0.31	0.34	0.06	1,200	1,300	0.7

ORE RESERVES	Proved				Probable				Total						
	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Cu	Au	Ag
	Mt	%	g/t	g/t	Mt	%	g/t	g/t	Mt	%	g/t	g/t	kt	koz	Moz
Copper															
Prominent Hill underground	25	1.3	0.6	3.2	24	1.0	0.7	2.8	48	1.2	0.7	3.0	560	1,100	4.7
Prominent Hill surface stocks	2.4	0.6	0.4	1.7	–	–	–	–	2.4	0.6	0.4	1.7	14	28	0.1
Carrapateena	–	–	–	–	210	1.1	0.44	4.3	210	1.1	0.44	4.3	2,300	3,000	30
Antas North	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Pedra Branca	1.1	1.9	0.6	–	3.9	2.1	0.5	–	5	2.1	0.5	–	104	89	–
Total	28	1.3	0.6	3.0	240	1.1	0.5	4.1	270	1.1	0.5	4	3,000	4,200	35
Gold															
Prominent Hill surface stocks	–	–	–	–	12	0.1	0.6	0.4	12	0.1	0.6	0.4	14	210	0.2
CentroGold	–	–	–	–	20	–	1.7	–	20	–	1.7	–	–	1,100	–
Total	–	–	–	–	31	0.04	1.2	0.2	31	0.04	1.2	0.2	14	1,200	0.2

	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Ni	Cu	Au
	Mt	%	%	g/t	Mt	%	%	g/t	Mt	%	%	g/t	kt	kt	Moz
Nickel															
Babel	–	–	–	–	220	0.31	0.35	0.06	220	0.31	0.35	0.06	680	770	0.4
Nebo	–	–	–	–	33	0.41	0.36	0.04	33	0.41	0.36	0.04	140	120	0.05
Total	–	–	–	–	253	0.32	0.35	0.06	253	0.32	0.35	0.06	820	890	0.5

Table subject to rounding errors. Note: As at 30 June 2021, OZ Minerals had an 80 per cent ownership stake in the Jericho Joint Venture; however, the Mineral Resource is reported on a 100 per cent basis. On 9 December 2021, OZ Minerals announced it would sell its interest in the Jericho Joint Venture to Demetallica, a subsidiary of partner Minotaur Exploration. The Santa Lúcia project is 100% owned by Vale and the Brazil National Economic Development Bank (BNDES) holds a right to participate in up to 50% of the economic results of the project. OZ Minerals has an option to purchase Vale's share of the project and is in discussions with BNDES regarding the possible acquisition of its option to acquire the other 50% interest in the project. Data reported is on a 100% basis. Mineral Resources are inclusive of Ore Reserves.

2020

MINERAL RESOURCES	Measured				Indicated				Inferred				Total						
	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Cu	Au	Ag
	Mt	%	g/t	g/t	Mt	%	g/t	g/t	Mt	%	g/t	g/t	Mt	%	g/t	g/t	kt	koz	Moz
Copper																			
Prominent Hill underground	46	1.3	0.6	3	23	0.8	1.1	2	59	1.0	0.7	2	130	1.1	0.8	3	1,400	3,100	10
Prominent Hill surface stocks	3.6	0.4	0.3	1	–	–	–	–	–	–	–	–	3.6	0.4	0.3	1	15	38	0.2
Carrapateena	130	0.96	0.42	3.6	500	0.62	0.26	2.9	330	0.32	0.16	2.0	950	0.57	0.25	2.7	5,400	7,600	82
Fremantle Doctor	–	–	–	–	–	–	–	–	104	0.7	0.5	3	104	0.7	0.5	3	800	2,000	10
Succoth	–	–	–	–	–	–	–	–	156	0.60	–	–	156	0.60	–	–	943	–	–
Jericho	–	–	–	–	–	–	–	–	9.1	1.4	0.3	1.6	9.1	1.4	0.3	1.6	130	88	0.5
Antas North	0.2	1.1	0.5	–	0.8	0.9	0.3	–	0.9	0.4	0.1	–	1.9	0.7	0.2	–	12	15	–
Pedra Branca	2.3	1.6	0.5	–	11	1.6	0.4	–	4.8	1.5	0.4	–	19	1.6	0.4	–	300	270	–
Total	180	1.0	0.5	3	530	0.7	0.3	3	660	0.5	0.3	2	1,400	0.6	0.3	2	8,900	14,000	100
Gold																			
Prominent Hill surface stocks	15	0.1	0.6	0.5	–	–	–	–	–	–	–	–	15	0.1	0.6	0.5	18	310	0.2
CentroGold	–	–	–	–	21	–	1.9	–	7.3	–	1.8	–	28	–	1.9	–	–	1,700	–
Chega Tudo	–	–	–	–	8.2	–	1.6	–	3.1	–	1.5	–	11.3	–	1.6	–	–	577	–
Total	15	0.1	0.6	0.5	29	–	1.8	–	10	–	1.7	–	55	0.03	1.5	0.1	18	2,600	0.2

	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Ni	Cu	Au
	Mt	%	%	g/t	Mt	%	%	g/t	Mt	%	%	g/t	Mt	%	%	g/t	kt	kt	Moz
Nickel																			
Babel	–	–	–	–	260	0.30	0.34	0.06	79	0.32	0.37	0.06	340	0.31	0.35	0.06	1,000	1,200	0.7
Nebo	–	–	–	–	52	0.36	0.32	0.04	2.3	0.32	0.33	0.04	54	0.36	0.32	0.04	190	170	0.1
Total	–	–	–	–	310	0.31	0.34	0.06	82	0.32	0.37	0.06	390	0.31	0.34	0.06	1,200	1,300	0.7

ORE RESERVES	Proved				Probable				Total						
	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Tonnes	Cu	Au	Ag	Cu	Au	Ag
	Mt	%	g/t	g/t	Mt	%	g/t	g/t	Mt	%	g/t	g/t	kt	koz	Moz
Copper															
Prominent Hill underground	29	1.3	0.6	3	9	0.8	1	3	38	1.2	0.7	3	440	840	4
Prominent Hill surface stocks	3.6	0.4	0.3	2	–	–	–	–	3.6	0.4	0.3	2	15	38	0.2
Carrapateena	–	–	–	–	220	1.1	0.45	4.4	220	1.1	0.45	4.4	2,300	3,100	31
Antas North	0.2	1.0	0.4	–	0.4	0.9	0.4	–	0.6	0.9	0.4	–	5.9	8.6	–
Pedra Branca	1.1	1.9	0.6	–	3.9	2.1	0.5	–	5	2.1	0.5	–	104	89	–
Total	33	1.2	0.6	3	230	1.1	0.5	4	260	1.1	0.5	4	2,900	4,100	35
Gold															
Prominent Hill surface stocks	13	0.1	0.7	0.5	2.2	0.2	0.3	0.6	15	0.1	0.6	0.5	18	310	0.2
CentroGold	–	–	–	–	20	–	1.7	–	20	–	1.7	–	–	1,100	–
Total	13	0.1	0.7	0.5	22	0.02	1.5	0.06	35	0.05	1.2	0.2	18	1,400	0.2

	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Tonnes	Ni	Cu	Au	Ni	Cu	Au
	Mt	%	%	g/t	Mt	%	%	g/t	Mt	%	%	g/t	kt	kt	Moz
Nickel															
Babel	–	–	–	–	220	0.31	0.35	0.06	220	0.31	0.35	0.06	680	770	0.4
Nebo	–	–	–	–	33	0.41	0.36	0.04	33	0.41	0.36	0.04	140	120	0.05
Total	–	–	–	–	253	0.32	0.35	0.06	253	0.32	0.35	0.06	820	890	0.5

Table subject to rounding errors. Note: OZ Minerals has an 80 per cent ownership stake in the Jericho Joint Venture, however, the Mineral Resource is reported on a 100 per cent basis. Mineral Resources are inclusive of Ore Reserves.

For personal use only

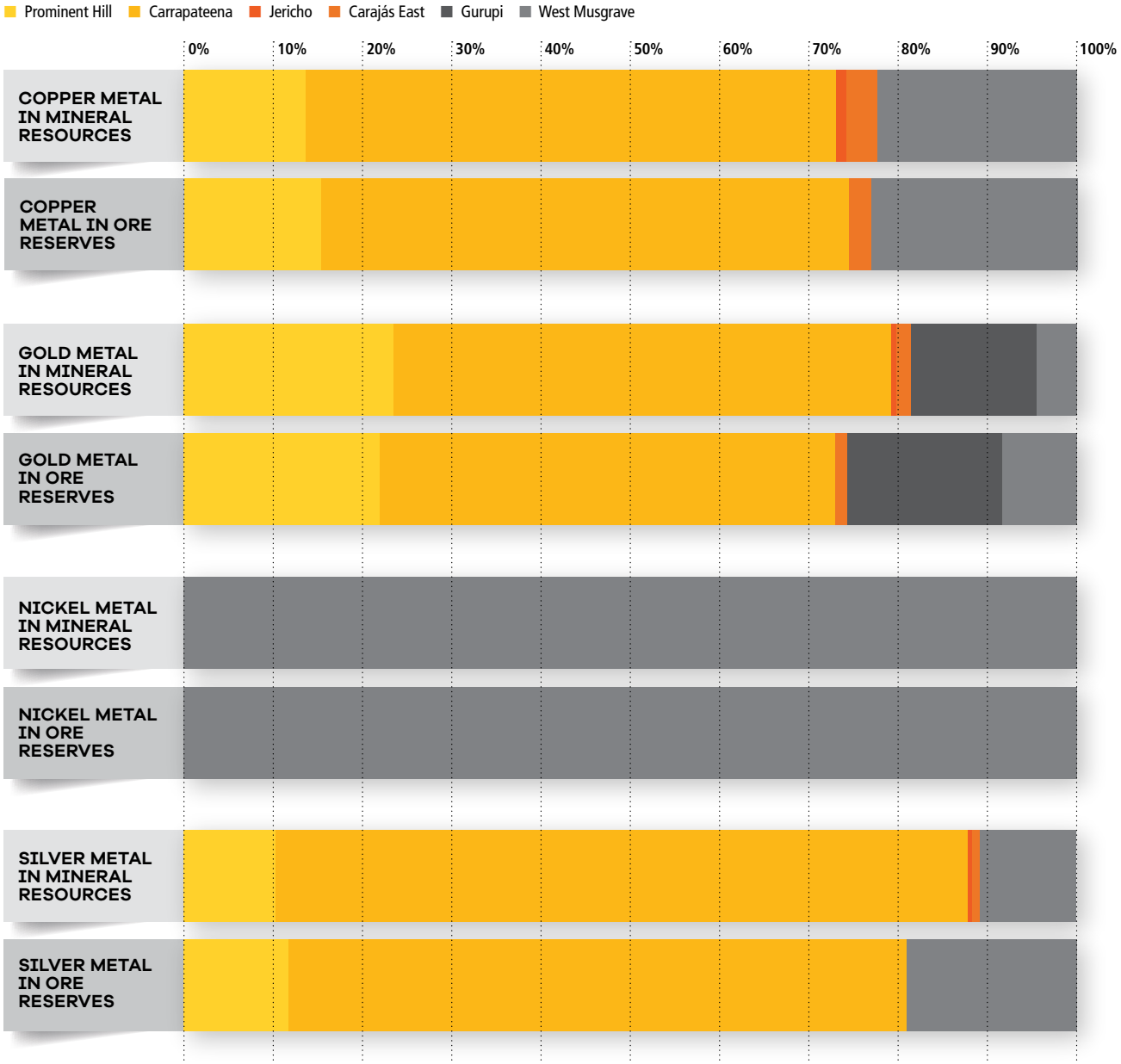
For personal use only

MATERIAL CHANGES IN THE MINERAL RESOURCES AND ORE RESERVES ESTIMATES

OZ Minerals is not aware of anything that materially affects the information contained in any of the above-listed estimates since they were last reported, except for depletion due to mining. Depletion since the Ore Reserves were last reported to 31 December 2021 is outlined below.

Asset	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)
Prominent Hill	4.8	0.8	0.6	2
Carrapateena	2.5	1.3	0.7	10
Pedra Branca	0.3	1.6	0.5	–

Figure 1 – Proportions of total contained metal in Mineral Resources and Ore Reserves



For the purposes of this chart:

- Prominent Hill includes Prominent Hill Underground, Prominent Hill Stockpiles Copper, Prominent Hill Stockpiles Gold
- Carrapateena includes Carrapateena and Fremantle Doctor
- Carajás East includes Antas North, Pedra Branca and Santa Lúcia
- Gurupi includes CentroGold and Chega Tudo
- West Musgrave includes Babel, Nebo and Succoth.

For personal use only

COMPETENT PERSONS' STATEMENTS

The information in this report that relates to the Mineral Resources and Ore Reserves listed in the table below is based on, and fairly represents, information and supporting documentation prepared by the relevant Competent Person whose name appears in the same row. Each has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the JORC Code (2012). As a whole, the Mineral Resources and Ore Reserves Statement in this report has been approved by each person named in the table below. Each person is a member of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists or other Recognised Professional Organisations, and consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Competent Persons may be shareholders in OZ Minerals Limited. OZ Minerals' employees are entitled to participate in the OZ Minerals Performance Rights Plan.

Asset	Estimate	Name	Employer	Professional Organisation	Membership Number
Prominent Hill	Mineral Resource	Bruce Whittaker	OZ Minerals full time employee	AusIMM	222853
Prominent Hill	Ore Reserve	Anne-Marie Ebbels	OZ Minerals full time employee	AusIMM	111006
Carrapateena	Mineral Resource	Shaun Light	OZ Minerals full time employee	AusIMM	316591
Carrapateena	Ore Reserve	Rodney Hocking	OZ Minerals full time employee	AusIMM	317073
Fremantle Doctor	Mineral Resource	Heather Pearce	Former OZ Minerals full time employee	AusIMM	109714
Antas North	Mineral Resource	Colin Lollo	OZ Minerals full time employee	AusIMM	225331
Antas North	Ore Reserve	Ruy Lacourt	Re Metallica Associates Consultant	SME	4172669RM
Pedra Branca	Mineral Resource	Colin Lollo	OZ Minerals full time employee	AusIMM	225331
Pedra Branca	Ore Reserve	Ruy Lacourt	Re Metallica Associates Consultant	SME	4172669RM
Santa Lúcia	Mineral Resource	Luiz Gustavo da Silva	OZ Minerals full-time employee	AusIMM	315026
CentroGold	Mineral Resource	Aaron Green	CSA Global Pty Ltd full time employee	AIG	1719
CentroGold	Ore Reserve	Adriano Carneiro	Mining Plus full time employee	AusIMM	319595
Chega Tudo	Mineral Resource	Aaron Green	CSA Global Pty Ltd full time employee	AIG	1719
Succoth	Mineral Resource	Aaron Green	CSA Global Pty Ltd full time employee	AIG	1719
Jericho	Mineral Resource	Phillippa Ormond	OZ Minerals full time employee	AusIMM	226746
Nebo-Babel	Mineral Resource	Phillippa Ormond	OZ Minerals full time employee	AusIMM	226746
Nebo-Babel	Ore Reserve	Yohanes Sitorus	OZ Minerals full time employee	AusIMM	317702

GOVERNANCE ARRANGEMENTS

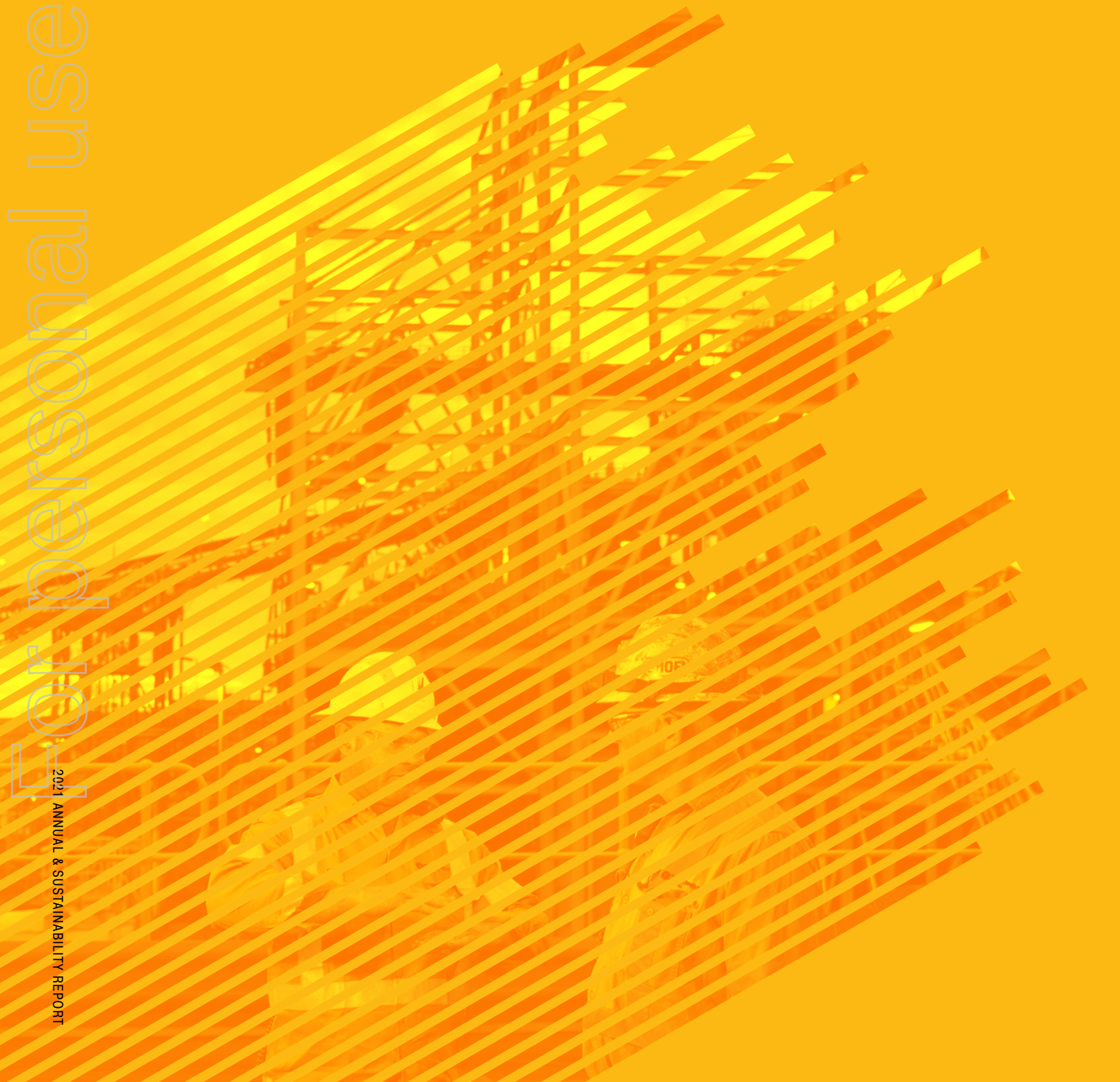
OZ Minerals has established Mineral Resources and Ore Reserves estimation processes, which set Company-wide consistency, rigour and discipline in the preparation and reporting of Mineral Resources and Ore Reserves in accordance with industry best practice.

Updates to Mineral Resources and Ore Reserves estimates compiled during 2021 were completed in accordance with the OZ Minerals guiding principles, suitably modified to meet current Company structures, delegated authorities and estimate requirements.

These included:

- reporting in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition)
- suitably qualified and experienced Competent Persons
- all Mineral Resources and Ore Reserves estimates being subject to independent review by suitably qualified practitioners, inclusive of the Competent Persons
- review by the Mineral Resources and Ore Reserves Team
- Board approval of the Mineral Resources and Ore Reserves estimates prior to release to the market.

Financial Report



For personal use only

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of OZ Minerals Limited:

I declare that, to the best of my knowledge and belief, in relation to the audit of OZ Minerals Limited for the financial year ended 31 December 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Chris Sargent
Partner

21 February 2022

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

For personal use only

Consolidated statement of comprehensive income

	Notes	2021 $m	2020 $m
Revenue	1	2,095.8	1,342.0
Other income		1.0	0.3
Mining		(516.3)	(421.6)
Processing		(281.0)	(215.5)
Freight		(80.4)	(50.5)
Site administration		(115.9)	(113.5)
Royalties		(93.6)	(67.7)
Inventory movement		(110.0)	(18.9)
Corporate administration		(61.7)	(56.0)
Exploration and corporate development		(56.3)	(50.6)
Other		–	(4.4)
Foreign exchange gain/(loss)		14.1	(20.7)
Profit before interest and income tax		795.7	322.9
Finance income		0.5	0.4
Finance expense		(39.6)	(27.5)
Profit before income tax		756.6	295.8
Income tax	3	(225.9)	(83.2)
Profit for the year attributable to equity holders of OZ Minerals Limited		530.7	212.6
Other comprehensive gain/(loss)			
Items that will not be reclassified subsequently to future Income Statements			
Change in fair value of investments in equity securities, net of tax		7.4	3.9
Items that may be reclassified subsequently to future Income Statements			
Cash flow hedges change in fair value		1.6	(40.8)
Cash flow hedges reclassified to profit and loss		23.8	64.9
Foreign operations – foreign currency translation differences		22.2	(36.1)
Other comprehensive loss for the year, net of tax		55.0	(8.1)
Total comprehensive income for the year attributable to equity holders of OZ Minerals Limited		585.7	204.5
		cents	**cents**
Basic and diluted earnings per share	2	159.6	65.2

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes.

For personal use only

Consolidated statement of changes in equity

For the year ended 31 December 2021	Notes	Issued capital	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total equity
		$m	$m	$m	$m	$m
Balance as at 1 January 2021		2,371.4	873.7	(25.4)	(8.3)	3,211.4
Total comprehensive income for the year						
Profit for the year		–	530.7	–	–	530.7
Other comprehensive gain/(loss)		–	7.4	25.4	22.2	55.0
Total comprehensive income for the year		–	538.1	25.4	22.2	585.7
Transactions with owners, recorded directly in equity						
Dividends	4	28.9	(109.7)	–	–	(80.8)
Share-based payment transactions, net of income tax	13	–	13.4	–	–	13.4
Total transactions with owners		28.9	(96.3)	–	–	(67.4)
Balance as at 31 December 2021		2,400.3	1,315.5	–	13.9	3,729.7

For the year ended 31 December 2020	Notes	Issued capital	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total equity
		$m	$m	$m	$m	$m
Balance as at 1 January 2020		2,280.4	721.2	(49.5)	27.8	2,979.9
Total comprehensive income for the year						
Profit for the year		–	212.6	–	–	212.6
Other comprehensive loss		–	3.9	24.1	(36.1)	(8.1)
Total comprehensive income for the year		–	216.5	24.1	(36.1)	204.5
Transactions with owners, recorded directly in equity						
Shares issued – acquisition of Cassini Resources Limited	8	89.6	–	–	–	89.6
Dividends	4	1.4	(74.6)	–	–	(73.2)
Share-based payment transactions, net of income tax	13	–	10.6	–	–	10.6
Total transactions with owners		91.0	(64.0)	–	–	27.0
Balance as at 31 December 2020		2,371.4	873.7	(25.4)	(8.3)	3,211.4

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

For personal use only

Consolidated balance sheet

At 31 December	Notes	2021 $m	2020 $m
Current assets			
Cash and cash equivalents		215.4	131.7
Trade receivables		236.5	160.3
Inventories	5	279.3	252.1
Prepayments		19.1	11.7
Other receivables		20.7	13.5
Total current assets		771.0	569.3
Non-current assets			
Deferred tax assets	3	7.4	7.0
Inventories	5	129.4	266.6
Exploration assets	8	288.6	215.8
Property, plant and equipment	7	3,350.2	2,913.5
Right-of-use assets	9	733.6	750.1
Other assets		16.7	33.7
Total non-current assets		4,525.9	4,186.7
Total assets		5,296.9	4,756.0
Current liabilities			
Trade payables and accruals		232.1	190.1
Other payables		9.9	7.6
Current tax provision		55.0	19.7
Employee benefits		26.0	21.7
Derivative financial instruments	14	–	36.3
Loans and borrowings	14	80.5	171.5
Total current liabilities		403.5	446.9
Non-current liabilities			
Deferred tax liabilities	3	356.4	288.5
Employee benefits		4.4	3.2
Provisions	10	139.5	121.7
Loans and borrowings	14	663.4	684.3
Total non-current liabilities		1,163.7	1,097.7
Total liabilities		1,567.2	1,544.6
Net assets		3,729.7	3,211.4
Equity			
Issued capital	12	2,400.3	2,371.4
Cash flow hedge reserve		–	(25.4)
Retained earnings		1,315.5	873.7
Foreign currency translation reserve		13.9	(8.3)
Total equity attributable to equity holders of OZ Minerals Limited		3,729.7	3,211.4

The above Consolidated Balance Sheet should be read in conjunction with the accompanying Notes.

For personal use only

Consolidated statement of cash flows

For the year ended 31 December 2021	Notes	2021 $m	2020 $m
Cash flows from operating activities			
Receipts from customers		2,042.8	1,253.0
Payments to suppliers and employees		(830.0)	(589.2)
Payments for exploration and evaluation		(56.3)	(47.1)
Income tax paid		(145.6)	(43.8)
Financing costs		(40.4)	(23.0)
Interest received		0.5	0.5
Net cash inflows from operating activities	6	971.0	550.4
Cash flows from investing activities			
Payments for property, plant and equipment		(571.8)	(545.9)
Net proceeds from sale of pre commissioning concentrates		–	43.0
Payments for exploration assets		(72.4)	(17.3)
Proceeds from sale of equity investments		14.0	–
Net cash outflows from investing activities		(630.2)	(520.2)
Cash flows from financing activities			
Dividends paid to shareholders	4	(80.8)	(73.2)
Proceeds from loans and borrowings	14	200.0	225.0
Payments for loans and borrowings	14	(300.0)	(125.0)
Lease payments	14	(76.0)	(55.2)
Net cash outflows from financing activities		(256.8)	(28.4)
Net increase/(decrease) in cash held		84.0	1.8
Cash and cash equivalents at beginning of the year		131.7	134.0
Effects of exchange rate changes on foreign currency denominated cash balances		(0.3)	(4.1)
Cash and cash equivalents at the end of the year		215.4	131.7

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

For personal use only

Notes to the Consolidated Financial Statements

INTRODUCTION

The principal business activities of OZ Minerals Limited ('OZ Minerals' or 'the Company') and its controlled entities (collectively the 'Consolidated Entity' or the 'Group') were the mining and processing of ore containing copper, gold and silver; undertaking exploration activities; and the development of mining projects.

The Company is incorporated and domiciled in Australia and limited by shares which are traded on the Australian Securities Exchange. OZ Minerals' registered office is located at 2 Hamra Drive, Adelaide Airport, South Australia 5950, Australia.

The Consolidated Financial Statements of OZ Minerals Limited and its controlled entities for the year ended 31 December 2021:

- are general purpose financial statements prepared in accordance with Australian Accounting Standards (AASBs) and the *Corporations Act 2001* and comply with International Financial Reporting Standards (IFRS)
- are presented in Australian dollars which is also the functional currency of its major operations. The controlled entities of the Company have the functional currency of Australian dollars and US dollars. The financial statements of the Company include consolidation of its subsidiaries referred to in Note 17
- have amounts rounded off to within the nearest million dollars to one decimal place unless otherwise stated, in accordance with Instrument 2016/191, issued by the Australian Securities and Investments Commission.

The Consolidated Financial Statements have been prepared on a going concern basis and under the historical cost convention, except for the following items which are measured at fair value, or otherwise, in accordance with the provisions of applicable accounting standards:

- financial instruments, including trade receivables
- derivative financial instruments
- items of property, plant and equipment which have been written down in accordance with applicable accounting standards.

Whilst the fallout from the COVID-19 pandemic has increased volatility in commodity prices and foreign exchange rates, and caused restrictions on the movement of people and materials, it has not adversely impacted asset recoverability; has only marginally affected the financial results of the Group; but has further delayed the lifting of the injunction on the CentroGold project. More broadly, the pandemic continues to cause business volatility and restrictions on the movement of people and materials which may have potential for adverse impacts on the future operations and the execution of projects which are underway.

Subsequent to 31 December 2021, the Board of Directors determined to pay a final dividend for the 2021 financial year, as discussed in Note 4. There were no other events that occurred subsequent to the reporting date which have significantly affected or may significantly affect the Consolidated Entity's operations or results in future years.

Group performance

1. Operating Segments

Segment	Principal activities
Prominent Hill	Mining and processing underground ore containing copper, gold and silver along with residual lower grade open pit ore from stockpiles. Development of the expansion project which includes the installation of a haulage shaft enabling mining at greater depths. The Prominent Hill mine is located in the Gawler Craton of South Australia. The Prominent Hill mine generates revenue from the sale of concentrate containing copper, gold and silver to customers in Asia, Europe and Australia.
Carrapateena	Mining and processing underground ore containing copper, gold and silver. Development of the expansion project which includes the transition to a block cave to materially increase production. The Carrapateena mine generates revenue from the sale of concentrate containing copper, gold and silver to customers in Asia, Europe and Australia.
Carajás	Mining ore containing copper and gold from the Pedra Branca underground mine following the completion of the Antas open pit mine during the year and processing it at the Carajás Hub in Brazil. The Carajás Hub generates revenue from the sale of concentrate containing copper and gold to customers in Europe and Asia.
Exploration & development	Exploration and evaluation activities associated with other projects, including exploration arrangements with Minotaur Exploration Ltd, Red Metal Ltd, Mineral Prospektering i Sverige, Inversiones Mineras La Chalina S.A.C., Resolution Minerals Ltd, Black Tiger Resources Ltd and corporate development activities. The Company undertakes its own evaluation and exploration on tenements around existing operating and development Assets, including at the West Musgrave Project in Western Australia, the Carajás province and the CentroGold project in the Gurupi province in Brazil.
Corporate (corporate activities)	Corporate activities include the Consolidated Entity's group office which includes all expenditure incurred in corporate activities that cannot be directly attributed to the operation of the Consolidated Entity's operating segments, and treasury activities.

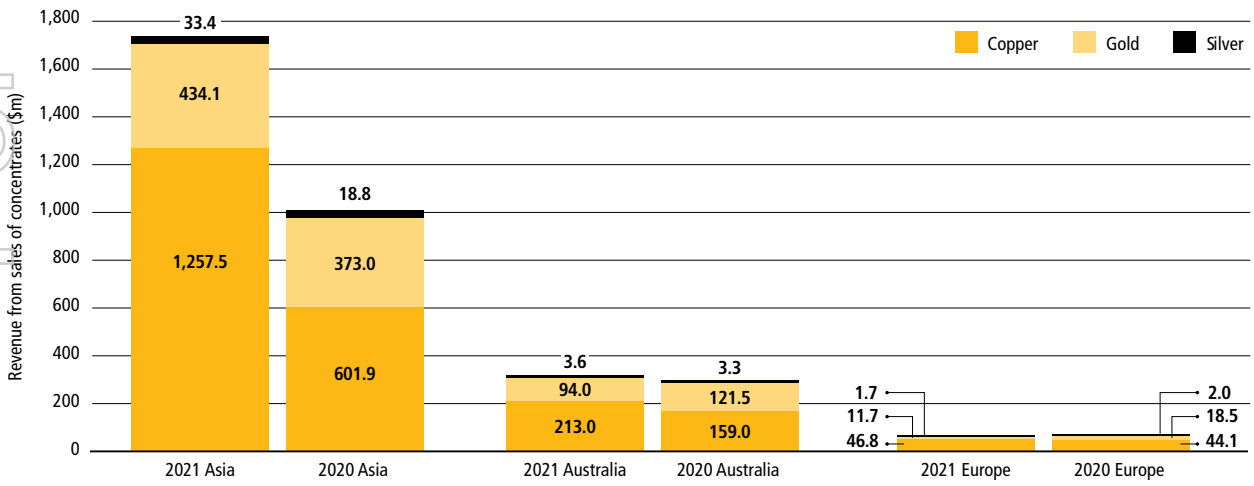
RECOGNITION AND MEASUREMENT OF REVENUE

The Consolidated Entity generates sales revenue primarily from the transfer of concentrate to buyers (Primary Obligation) and in some cases, based on the commercial terms of the contract, delivering it to customers (Secondary Obligation). The performance obligation to transfer concentrate and delivery arises as and when a shipment is agreed with customers against ongoing short and long term supply contracts. Revenue is allocated between the performance obligations and recognised as each performance obligation is met, which for the primary obligation occurs when the concentrate is delivered to a vessel or location and for the secondary obligation, if applicable, when the concentrate is delivered to the customer's location. Revenue arising from the secondary obligation is immaterial to the Group and aggregated with the primary obligation for disclosure purposes. The Group's sale of concentrate incurs customary treatment and refining charges and other commercial costs consistent with industry practice. These items are a deduction from the value of metal contained within the concentrate and accordingly are recognised as a deduction from revenue.

As is industry practice, the Consolidated Entity typically makes sales whereby the final sales price for the primary performance obligation is determined based on the market price prevailing at a date in the future, typically three months. Revenue for the primary performance obligation is measured based on the fair value of the consideration specified in a contract with the customer at the time of settling the performance obligation and is determined by reference to forward market prices. Provisional pricing adjustments, which occur between the fair value at the time of settling the primary performance obligation and the final price, are also recorded within revenue.

Gains and losses on hedge instruments related to sales contracts are recorded in revenue when the associated instrument matures.

Net revenue by metal by geographical region



Revenue information presented is based on the location of the customers' operations. Three major customers (2020: three customers) who individually accounted for more than 10 per cent of total revenue contributed approximately 93 per cent of total revenue (2020: 78 per cent).

For personal use only

For personal use only

Net revenue by metal

	Prominent Hill	Carrapateena	Carajás	Total
	$m	$m	$m	$m
2021				
Copper	823.0	617.7	76.6	1,517.3
Gold	331.6	195.8	12.4	539.8
Silver	13.5	24.7	0.5	38.7
Total	1,168.1	838.2	89.5	2,095.8
2020				
Copper	541.3	199.1	64.6	805.0
Gold	396.5	102.4	14.1	513.0
Silver	12.3	11.1	0.6	24.0
Total	950.1	312.6	79.3	1,342.0

Note: Prominent Hill gold revenue is presented net of realised losses on gold derivatives $34.0 million (2020: $92.7 million). Revenue includes $65.0 million in income from the movement in commodity prices between the date of sale and end of the quotation period price under the sales contract.

Segmental financial information

	Prominent Hill	Carrapateena	Carajás	Exploration & development	Corporate	Consolidated
	$m	$m	$m	$m	$m	$m
31 December 2021						
Revenue	1,168.1	838.2	89.5	–	–	2,095.8
Cost of goods sold[a]	(516.6)	(275.7)	(57.3)	–	–	(849.6)
EBITDA[c]	661.5	555.7	30.9	(52.6)	(33.1)	1,162.4
Net depreciation and amortisation	(216.1)	(101.8)	(31.2)	–	(17.6)	(366.7)
Capital expenditure	209.8	309.0	89.5	–	9.8	618.1
Property, plant & equipment	868.1	1,840.1	279.0	335.9	27.1	3,350.2
31 December 2020						
Revenue	950.1	312.6	79.3	–	–	1,342.0
Cost of goods sold[b]	(458.6)	(159.6)	(46.5)	–	–	(664.7)
EBITDA[c]	535.7	126.3	26.3	(38.1)	(43.9)	606.3
Net depreciation and amortisation	(182.5)	(67.0)	(13.2)	–	(20.7)	(283.4)
Capital expenditure	127.0	278.3*	35.5*	–	0.1	440.9
Property, plant & equipment	751.8	1,608.7	208.2	317.2	27.6	2,913.5

* Capital expenditure is net of proceeds from sale of concentrate produced from ore mined during the development of the Carrapateena and Pedra Branca mines.

[a] Cost of goods sold does not include net depreciation and amortisation, net realisable value (NRV) adjustments of $18.0 million (Prominent Hill) increase to the value of inventory; and corporate cost allocations (Prominent Hill $10.6 million, Carrapateena $10.3 million and Brazil $4.0 million).

[b] Cost of goods sold does not include net depreciation and amortisation, net realisable value (NRV) adjustments of $66.5 million (Prominent Hill) increase to the value of inventory; and corporate cost allocations (Prominent Hill $11.3 million, Carrapateena $7.8 million and Brazil $1.8 million).

[c] OZ Minerals financial results are reported under IFRS. This Report and Results for Announcement to the Market include certain non-IFRS measures including underlying Earnings before interest tax, depreciation and amortisation (EBITDA). These measures are presented to enable an understanding of the underlying performance of the Consolidated Entity and are consistent with the information the Consolidated Entity's chief operating decision makers use to assess the underlying performance of the business and make resource allocations.

For personal use only

Reconciliation of consolidated EBITDA to profit after tax

There were no non-underlying items recorded during the year (2020: none).

At 31 December	2021	2020
	$m	$m
EBITDA[d]	1,162.4	606.3
Depreciation	(291.5)	(229.9)
Other assets amortisation	(6.6)	(6.5)
Capitalised depreciation unwind	(68.6)	(47.0)
Earnings before finance income and tax	795.7	322.9
Net finance expense	(39.1)	(27.1)
Profit before tax	756.6	295.8
Tax expense	(225.9)	(83.2)
Profit for the year attributable to equity holders of OZ Minerals Limited	530.7	212.6

[d] There were no non-underlying items during the year or in previous year. As a result Underlying EBIDTA equates to the reported EBIDTA for both years. EBITDA includes an adjustment to increase the value of inventory by $18.0 million with respect to low grade gold ore following an assessment of the NRV (FY 2020: $66.5 million). It also includes corporate and exploration expense of $116.5 million (FY 2020: $112.7 million), Other income $1.0 million (FY 2020: $0.3 million), Other expense Nil (FY 2020: $4.4 million) and foreign exchange gain of $14.1 million (FY 2020: $20.7 million loss), which resulted from the movement in AUD:USD and BRL:USD currency exchange rates on translation of foreign currency transactions and foreign currency denominated financial assets and liabilities.

Net depreciation and amortisation expense for the year

At 31 December	2021	2020
	$m	$m
Mining	156.2	140.6
Processing	91.1	42.0
Site and corporate administration	50.8	53.8
Capitalised depreciation unwind	68.6	47.0
Total depreciation and amortisation expense	366.7	283.4

2. Earnings per Share

	2021	2020
Basic and diluted earnings per share – cents	159.6	65.2
Inputs used in calculating basic and diluted earnings per share		
Profit after tax – $ millions	530.7	212.6
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	332,520,485	325,971,255

Basic earnings per share is calculated by dividing the profit attributable to equity holders of OZ Minerals Limited, by the weighted average number of ordinary shares outstanding during the financial year. The weighted average is determined by the total number of shares on issue less treasury shares held by the Company throughout the period.

Diluted earnings per share adjusts the amounts used in the determination of basic earnings per share to take into account dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

3. Income Tax

Income tax expense comprises current and deferred tax of the Consolidated Entity. Current and deferred tax expenses are recognised in other comprehensive income or directly in equity as is appropriate.

RECOVERABILITY OF DEFERRED TAX ASSETS

The Consolidated Entity is subject to income taxes in Australia and of the jurisdictions where it has foreign operations. Significant judgement is required in the application of income tax legislation to determine the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain and for which provisions are based on estimated amounts probable of being accepted by the relevant tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provision in the period in which the determination is made.

Assumptions about the generation of future taxable profits influence the ability of the Consolidated Entity to recognise (or continue to recognise) deferred tax assets. Taxable profit estimates are based on estimated future production and sales volumes, commodity prices, foreign exchange rates, operating costs, restoration costs and capital expenditure. A change in these assumptions may impact the amount of deferred tax assets recognised in the balance sheet in future periods.

For personal use only

GROUP TAXATION

The Consolidated Entity's principal operations are located in Australia and Brazil. Income tax expense, current tax and deferred tax balances have been determined based on the tax laws and tax rates applicable in the relevant jurisdiction.

OZ Minerals Limited and its wholly owned Australian-controlled entities are part of a tax consolidated group. OZ Minerals Limited is the head company of the Australian tax consolidated group. No foreign operating affiliates are consolidated for tax purposes.

Income tax expense in the income statement

	2021	2020
	$m	$m
Current income tax expense	(180.0)	(57.3)
Deferred income tax expense	(45.9)	(25.9)
Income tax expense	(225.9)	(83.2)

Reconciliation of income tax expense to pre-tax profit

	2021	2020
	$m	$m
Profit before income tax	756.6	295.8
Income tax expense at the Australian tax rate of 30%	(227.0)	(88.7)
Adjustments:		
Variation in overseas tax	5.3	2.9
Non-deductible expenditure	(6.4)	(6.8)
Revision for prior periods	(0.2)	(0.3)
Recognition of previously unrecognised tax losses	4.0	14.3
R&D tax benefit	0.5	0.4
Other	0.3	(4.0)
Derecognition of overseas losses	(2.4)	(1.0)
Income tax expense	(225.9)	(83.2)

UNRECOGNISED TAX LOSSES

A review of unrecognised tax losses was undertaken during the year and additional restricted tax losses of $4.0 million tax effected (2020: $14.3 million) were recognised on the balance sheet. Restricted tax losses are subject to an available fraction, which limits the amount of loss utilisation each year. Australian restricted tax losses of $143.0 million tax effected (2020: $146.9 million) remain unrecognised at 31 December 2021.

During the financial year, unrecognised net capital losses of $53.0 million tax effected were realised on the disposal of OZ Minerals Limited's equity interests. Capital losses of $648.2 million tax effected (2020: $595.9 million tax effected) remain unrecognised at 31 December 2021.

DEFERRED TAX ASSETS AND LIABILITIES

The movement in the Consolidated Entity's recognised deferred tax balances are as follows:

	31 December 2019	Recognised in income statement	Recognised in equity	31 December 2020	Recognised in income statement	Recognised in equity	31 December 2021
	$m	$m	$m	$m	$m	$m	$m
Deferred tax assets							
Unrestricted tax losses	4.7	(4.3)	–	0.4	(0.4)	–	–
Restricted tax losses	44.4	6.6	–	51.0	(14.7)	–	36.3
Lease liability	55.2	171.5	–	226.7	(3.6)	–	223.1
Provisions and accruals	15.7	13.6	(0.4)	28.9	(0.1)	0.1	28.9
Derivative financial instruments	24.9	(3.8)	(10.3)	10.8	–	(10.8)	–
Other	8.3	(3.9)	–	4.4	(2.5)	–	1.9
Total deferred tax assets	153.2	179.7	(10.7)	322.2	(21.3)	(10.7)	290.2
Set-off against deferred tax liabilities	(146.1)	(179.4)	10.3	(315.2)	21.5	10.9	(282.8)
Net deferred tax assets	7.1	0.3	(0.4)	7.0	0.2	0.2	7.4

	31 December 2019	Recognised in income statement	Recognised in equity	31 December 2020	Recognised in income statement	Recognised in equity	31 December 2021
	$m	$m	$m	$m	$m	$m	$m
Deferred tax liabilities							
Inventories	(4.6)	(0.4)	–	(5.0)	(0.2)	–	(5.2)
Exploration assets	(13.7)	(5.8)	2.3	(17.2)	(24.0)	(1.7)	(42.9)
Property plant and equipment	(340.2)	(28.3)	15.8	(352.7)	(5.4)	(9.2)	(367.3)
Right-of-use assets	(54.0)	(171.0)	–	(225.0)	4.9	–	(220.1)
Provisions and accruals	(3.7)	(0.1)	–	(3.8)	0.1	–	(3.7)
Total deferred tax liabilities	(416.2)	(205.6)	18.1	(603.7)	(24.6)	(10.9)	(639.2)
Set-off against deferred tax assets	146.1	179.4	(10.3)	315.2	(21.5)	(10.9)	282.8
Net deferred tax liabilities	(270.1)	(26.2)	7.8	(288.5)	(46.1)	(21.8)	(356.4)

RECOGNITION AND MEASUREMENT OF INCOME TAXES

Current tax

The tax payable is based on taxable profit for the year, using rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax

Deferred tax assets and liabilities are not recognised for temporary differences arising from investments in subsidiaries where the Consolidated Entity is able to control the reversal of the temporary differences, and it is probable that they will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available to utilise them.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted based on estimates of future taxable income and/or capital gains against which the deferred tax asset could be utilised.

Deferred tax assets and liabilities are measured at the tax rates applicable to each jurisdiction which are expected to apply in the period when the assets are realised, or liabilities discharged. They are offset where they relate to the same tax authority and there is a legally enforceable right to offset.

4. Dividends

Since the end of the financial year, the Board of Directors determined on 21 February 2022 to pay a fully-franked dividend of 18 cents per share. The record date for entitlement to this dividend is 25 February 2022.

OZ Minerals offers a Dividend Reinvestment Plan (DRP) and eligible shareholders may participate in the DRP in respect of all or part of their shareholding with no limit on the number of participating shares. Shareholders who participate will be allocated shares under the DRP for the dividend at a discount of 1.5 per cent to the average of the daily volume weighted average market price of ordinary shares of the Company traded on the ASX over the period of five trading days commencing on 24 February 2022. The last date for receipt of election notices for the DRP is 28 February 2022. The Company is likely to issue new shares on-market during this period to satisfy its expected obligations under the DRP.

The financial impact of the dividend amounting to $60.2 million has not been recognised in the Consolidated Financial Statements for the year ended 31 December 2021 and will be recognised in subsequent consolidated financial statements.

The details in relation to dividends announced or paid since 1 January 2020 are set out below:

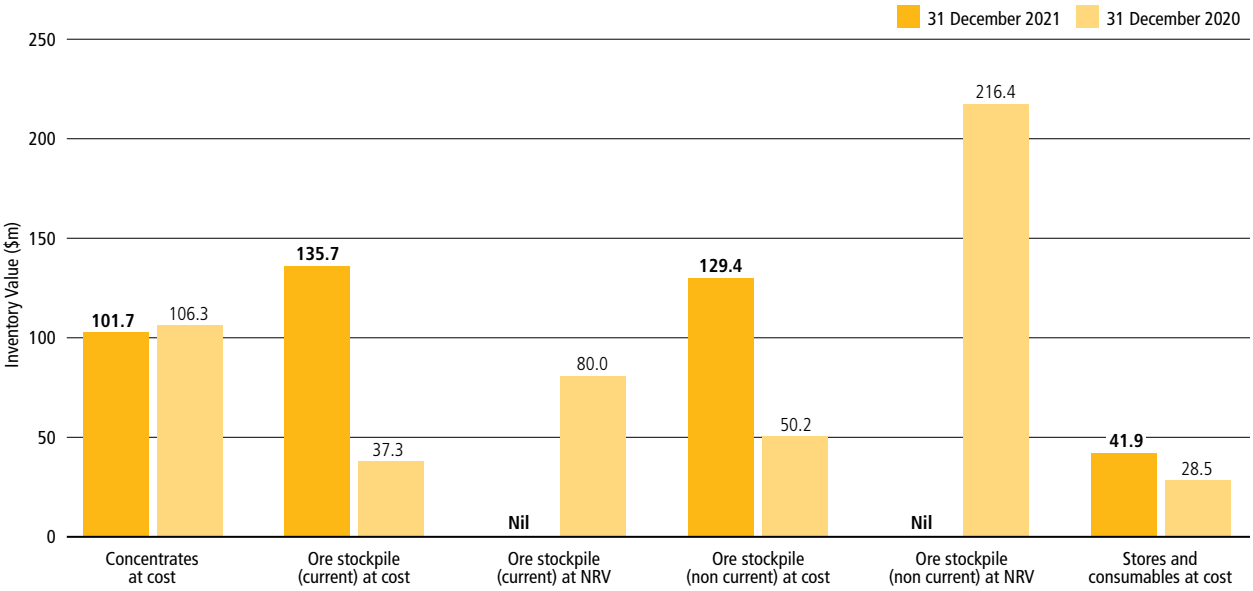
Record date	Date of payment	Fully franked	Total dividends	Dividend reinvestment plan
		cents per share	$m	
25 February 2022	11 March 2022	18	60.2	Yes
24 August 2021	7 September 2021	16*	53.3	Yes
12 March 2021	26 March 2021	17	56.4	Yes
18 September 2020	5 October 2020	8	26.0	Yes
12 March 2020	26 March 2020	15	48.6	No

* Included a special dividend of 8 cents per share.

For personal use only

For personal use only

5. Inventories



	2021	2020
	$m	$m
Concentrates – at cost	101.7	106.3
Ore stockpile – at cost	135.7	37.3
Ore stockpile – at net realisable value	–	80.0
Stores and consumables – at cost	41.9	28.5
Inventories – current	279.3	252.1
Ore stockpile – non-current at cost	129.4	50.2
Ore stockpile – non-current at net realisable value	–	216.4
Inventories – non-current	129.4	266.6
Total inventories	408.7	518.7

An assessment of the net realisable value of inventory resulted in an adjustment to increase the value of inventory by $18.0 million in 2021 (2020: $66.5 million).

All inventories at 31 December 2021 were held at cost, resulting in a transfer from Ore stockpiles at NRV at 31 December 2020 to Ore stockpiles at cost at 31 December 2021.

NET REALISABLE VALUE OF INVENTORIES

Inventories are recognised at the lower of cost and net realisable value (NRV).

NRV of ore is based on the estimated amount expected to be received when the ore is processed and sold, less incremental costs to convert the ore to concentrate and selling costs. The calculation of NRV for stockpiles involves significant judgements and estimates in relation to future ore blend rates, timing of processing, processing costs, commodity prices, foreign exchange rates, discount rates and the ultimate timing of sale of concentrates produced.

A change in any of these critical assumptions will alter the estimated NRV and may therefore impact the carrying value of inventories.

RECOGNITION AND MEASUREMENT OF INVENTORIES

Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs comprise direct materials, labour and a proportion of overhead expenditure directly related to the production of inventories. Expenditure directly related to the production of inventories includes processing costs; transportation costs to the point of sale; and depreciation of plant, equipment, mining property; and development assets, the latter of which includes deferred stripping assets and mine rehabilitation costs incurred in the mining process.

Inventories expected to be processed or sold within 12 months after the balance date are classified as current assets and all other inventories are classified as non-current.

6. Operating cash flows

The Consolidated Entity's operating cash flow reconciled to profit after tax is as follows:

	2021	2020
	$m	$m
Profit after tax for the year	530.7	212.6
Adjustments for:		
Depreciation and amortisation	217.5	184.6
Lease amortisation	80.6	51.8
Foreign exchange loss/(gains) on cash balances	0.3	4.1
Share based payments	13.4	9.8
Other items	(2.7)	(2.1)
Change in assets and liabilities:		
Trade and other receivables	(83.4)	(67.3)
Prepayments & other assets	(10.0)	(7.7)
Inventories	110.0	18.9
Trade and other payables	44.4	69.8
Provision for employee benefits	5.5	8.7
Other provisions	(1.8)	0.3
Derivative financial instruments	(36.3)	34.3
Net current and deferred tax liability	102.8	32.6
Net cash inflow from operating activities	971.0	550.4

RECOGNITION AND MEASUREMENT OF CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits. Cash equivalents comprise short term and highly liquid cash deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand, at call deposits and cash equivalents.



For personal use only

For personal use only

7. Property, plant and equipment

	Plant and equipment	Mine property and development	Freehold land and buildings	Mineral rights	Capital work in progress	Total
	$m	$m	$m	$m	$m	$m
31 December 2021						
At cost	2,345.6	2,987.8	260.5	336.2	348.3	6,278.4
Accumulated depreciation and impairment losses	(1,127.2)	(1,632.0)	(169.0)	–	–	(2,928.2)
Closing carrying amount	1,218.4	1,355.8	91.5	336.2	348.3	3,350.2
Reconciliation of carrying amounts						
Opening carrying amount at 1 January 2021	1,083.7	1,241.5	88.8	317.2	182.3	2,913.5
Additions and transfers	228.1	211.1	12.9	–	166.0	618.1
Depreciation	(97.7)	(103.0)	(10.2)	–	–	(210.9)
Foreign currency exchange differences	4.3	6.2	–	19.0	–	29.5
Closing carrying amount at 31 December 2021	1,218.4	1,355.8	91.5	336.2	348.3	3,350.2
31 December 2020						
At cost	2,113.7	2,770.5	247.6	317.2	182.3	5,631.3
Accumulated depreciation and impairment losses	(1,030.0)	(1,529.0)	(158.8)	–	–	(2,717.8)
Closing carrying amount	1,083.7	1,241.5	88.8	317.2	182.3	2,913.5
Reconciliation of carrying amounts						
Opening carrying amount at 1 January 2020	739.1	710.4	102.4	479.6	664.8	2,696.3
Additions and transfers	459.5	636.1	0.3	(129.5)	(482.5)	483.9
Pre-commissioning adjustment[(a)]	(21.6)	(20.0)	(1.4)	–	–	(43.0)
Depreciation	(90.6)	(73.7)	(12.5)	–	–	(176.8)
Foreign currency exchange differences	(2.7)	(11.3)	–	(32.9)	–	(46.9)
Closing carrying amount at 31 December 2020	1,083.7	1,241.5	88.8	317.2	182.3	2,913.5

[(a)] Pre-commissioning adjustment in 2020 relates to Carrapateena and Pedra Branca mine pre production revenue of $37.2 million and $5.8 million respectively.

Depreciation for the year of $210.9 million (2020: $176.8 million) increased primarily due to increased production at the Carrapateena and Carajás underground operations during the year.

The mineral rights balance at 31 December 2021 of $336.2 million (net of foreign currency exchange differences) is attributable to the Gurupi province (2020: $317.2 million).

Under the original terms of OZ Minerals' acquisition of Carrapateena, in the event of production of rare earths, iron or any other commodity except copper, gold and silver, a further US$25 million is payable to the vendor. No such production has occurred.

RECOGNITION AND MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing assets into use.

Expenditure associated with mining that relates to developing access to new sections of an ore body is capitalised as a mine development asset and depreciated on a units of production basis as ore is extracted. When ore extraction and mine development occur concurrently expenditure is allocated between the cost of ore extraction (inventory) and mine development on the basis of the proportion of underlying activity; typically meters advanced or material moved.

Mineral rights comprise identifiable mineral resources and ore reserves which are acquired as part of a business combination and are recognised at fair value at date of acquisition. Mineral rights are subsequently reclassified as mine property and development once mine development commences.

Mine property and development assets include costs transferred from exploration and evaluation assets and mineral rights once technical feasibility and commercial viability of an area of interest are demonstrated. After transfer, all subsequent expenditures to develop the mine to the production phase and which are considered to benefit mining operations in future periods are capitalised.

The proceeds from the sale of any concentrate produced from ore extracted and processed as part of the development of the asset prior to it being deemed ready for use are deducted from the cost of the asset, less any further processing and selling costs incurred.

The present value of the expected cost of decommissioning, rehabilitation, restoration and dismantling of assets after its use is included in the cost of the respective asset if the recognition criteria for a provision is met including revision to the expected cost.

Property, plant and equipment is tested for impairment when there is an indication of impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows. An impairment loss is recognised for the amount by which the asset or cash generating unit (CGU) carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value, less the cost to dispose and its value in use. Assets that have been impaired are reviewed for possible reversal of impairment at each reporting date.

Value in use is the net amount expected to be recovered through cash flows arising from the continued use and subsequent disposal of an asset (or group of assets). In assessing value in use, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

The asset's fair value less costs to dispose is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable and willing parties, less the estimated costs of disposal.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant who would use the asset in its highest and best use.

MINERAL RESOURCE AND ORE RESERVE ESTIMATES

The estimated quantities of mineral resource and ore reserve estimates are based upon interpretations of geological and geophysical models and require assumptions to be made regarding exchange rates, commodity prices, future capital requirements and future operating performance.

Changes in reported mineral resource and ore reserve estimates can impact the carrying value of property, plant and equipment, including deferred mining expenditure; capitalised exploration; provisions for mine rehabilitation; restoration and dismantling obligations; and recognition of deferred tax assets as well as the amount of depreciation charged to the income statement.

Changes in the carrying value of the assets may arise principally through changes in the income that can be economically generated from each project. Changes in depreciation expense may arise through a change in the units of ore available for extraction over which property, plant and equipment is depreciated.

RECOVERABILITY OF ASSETS

Cash generating units are tested for impairment when there is an indication that the CGU may be impaired. Examples of impairment indicators include the Group's net assets exceeding its market capitalisation, unfavourable fluctuations in commodity prices and foreign exchange rates, or a decline in the CGU's operating performance.

The Consolidated Entity undertook a review of the Prominent Hill, Carrapateena, Carajás and Gurupi CGU's to determine whether there was any indication that these CGU's had suffered an impairment loss. The Consolidated Entity concluded that there were no such indicators that the CGUs were impaired at the reporting date.

When the Group reviewed impairment indicators, consideration was also given to the potential impacts of climate change in the significant judgements and assumptions that may impact the CGU's valuation in future periods, including:

- expected future cash flows based on a range of factors including Board-approved internal budgets and forecasts which reflect expectations of resources and reserves; present mine plans and expectations regarding regulatory approvals; short and long term commodity prices and foreign exchange rates; and forecast operating and capital costs.
- implications of climate change risks and opportunities on the CGU's carrying value, including the transition to a low carbon economy which may result in higher demand for the Group's commodities due to regulatory, legal, technological, market or societal responses to climate change. Long term changes in climate patterns could also cause adverse impacts on the Group's operations with associated cost and operational implications due to the increased severity of extreme weather events. The Group continues to monitor for new factors and impacts as regulatory, technological and market responses to climate change evolve.
- potential implications of carbon pricing and other climate related regulatory costs in scenario analysis.
- the value of mineral resources not modelled in Board-approved budgets, based on the use of an appropriate resource valuation multiple to the contained copper equivalent within the resources applicable to the CGU.
- the discount rate applied to the cash flows which reflects current market conditions.

In addition, the Consolidated Entity monitors impairment indicators by considering the impact of the above judgements and assumptions on the valuation of CGUs through periodic updates to its business valuation models.

Such assumptions are subject to variation as a result of changes in future economic and operational conditions. Consequently, the carrying value of the Consolidated Entity's CGUs may differ in future years if assumptions made do not eventuate and actual outcomes are less favourable than present assumptions.

For personal use only

For personal use only

DEPRECIATION METHODS ADOPTED BY THE CONSOLIDATED ENTITY

Category	Depreciation method
Freehold land	Not depreciated
Buildings and other infrastructure	Straight line over life of mine
Short term plant and equipment	Straight line over life of asset
Processing plant	Units of ore milled over mining inventory
Mine property and development	Units of ore extracted over mining inventory applicable to the development

Depreciation of assets commences when the assets are ready for their intended use. The depreciation of mine property and development commences when the mine is commissioned or deemed ready for use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate. Where depreciation rates are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate, with the change accounted for as a change in accounting estimate.

8. Exploration assets

CARRYING VALUE OF CAPITALISED EXPLORATION EXPENDITURE

The accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. In the event future economic benefits are unlikely or a reasonable assessment of the existence or otherwise of economic reserves is not possible, an impairment test may be required which may result in an adjustment to the carrying value of capitalised exploration expenditure.

The ultimate recoupment of costs capitalised for exploration and evaluation phases is dependent on successful development and commercial exploitation or sale of the respective area of interest.

The Company consolidated its ownership in the West Musgrave Project to 100 per cent in 2020 under a Scheme of Arrangement which allowed for contingent payments up to an aggregated cap of $20 million, payable in two scenarios:

1. $10 million (or pro-rata) if OZ Minerals sells 30 per cent or more of the West Musgrave Project where the implied sale value for 30 per cent of the project exceeds $76 million and $10 million (or pro-rata) calculated at 20 per cent of the value exceeding the implied value.
2. $10 million if OZ Minerals sells 30 per cent or more of the nickel stream to a mining company which produces, sells or markets base metals.

and deferred payments from contractual agreements made by the previous owners of:

- a production milestone payment of $10 million, payable 12 months after commencement of production from the West Musgrave Project.
- a two per cent net smelter royalty payable from future production from the tenements within the West Musgrave and Yarawindah Project.

The Contingent Payment and Deferred Payments are not recognised as liabilities as their payment remains wholly within the control of the Group.

Exploration Assets

	2021	2020
	$m	$m
Opening balance at 1 January	215.8	112.1
Additions during the year	72.4	110.8
Transferred to exploration expense	(3.9)	–
Foreign currency exchange difference	4.3	(7.1)
Closing balance 31 December	288.6	215.8

For personal use only

RECOGNITION AND MEASUREMENT OF EXPLORATION EXPENDITURE

Exploration and evaluation expenditure is recognised in the Income Statement as incurred, unless it is expected to be recouped through successful development and exploitation of the area of interest; or alternatively by its sale, in which case it is recognised as an asset on an area of interest basis; or the exploration asset is acquired via an asset purchase or a business combination.

Exploration and evaluation assets are classified as tangible according to the nature of the assets. Exploration and evaluation assets are not depreciated and are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. A CGU is not larger than the area of interest. Once the technical feasibility and commercial viability of the extraction of mineral reserves in an area of interest are demonstrated, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine property and development assets within property, plant and equipment.

From time to time the Consolidated Entity enters into arrangements which enable it to secure the opportunity to explore and potentially earn the right to mineralisation if discovered on underlying exploration tenements held by other entities (earn-in arrangements). Under these agreements, OZ Minerals does not assume any liabilities or hold any rights to other assets that the holder of the tenement may possess. Expenditure is accounted for under OZ Minerals' accounting policy for exploration and evaluation expenditure.

9. Right-of-use assets

2021	Powerline infrastructure	Property	Plant & equipment	Total
	$m	$m	$m	$m
Opening balance at 1 January	586.0	5.7	158.4	750.1
Additions to right-of-use assets	14.9	0.3	113.7	128.9
Derecognition of right-of-use assets	–	–	(64.8)	(64.8)
Depreciation charge for the year	(39.1)	(0.8)	(40.7)	(80.6)
Closing carrying amount at 31 December	561.8	5.2	166.6	733.6

2020	Powerline infrastructure	Property	Plant & equipment	Total
	$m	$m	$m	$m
Opening balance at 1 January	–	6.2	169.9	176.1
Transfers	80.6	–	(80.6)	–
Additions to right-of-use assets	521.4	0.3	105.4	627.1
Depreciation charge for the year	(16.0)	(0.8)	(36.3)	(53.1)
Closing carrying amount at 31 December	586.0	5.7	158.4	750.1

The right-of-use (ROU) assets include office space, mining equipment leases contained in mining service contracts, and powerline infrastructure. During the year, the Group de-recognised certain Right of Use Assets related to leasing of equipment associated with certain mining services contracts following the termination of agreements. The Group has entered into new mining services agreements which provide rights to use of additional equipment and accordingly new Right of Use Assets have been recognised associated with those arrangements. Corresponding lease liabilities are recognised within 'Loans and borrowings' in the consolidated balance sheet (refer to Note 14).

RECOGNITION AND MEASUREMENT OF ROU ASSETS

An assessment is made, at inception or when contract terms are changed, to determine whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Consolidated Entity determines the consideration attributable to the lease or a lease component within a contract on the basis of the standalone price of the assets for which a right of use is conveyed. However, for the leases of Powerline Infrastructure the Consolidated Entity has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a lessee, the Consolidated Entity recognises a ROU asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Short term and low value leases are expensed in the consolidated statement of comprehensive income on a straight-line basis over the life of the lease.

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost (present value of the lease liability, deemed cost of acquiring the asset and restoration or make good cost), and subsequently at cost less any accumulated depreciation, impairment losses and adjustments for remeasurement of the lease liability. The ROU assets are depreciated over the life of the lease. The lease liability is initially measured at the present value of the lease payments expected to be paid over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The lease liability is further remeasured if the estimated future lease payments change as a result of index or rate changes, residual value guarantees or the likelihood of exercising purchase, extension or termination options.

For personal use only

EXTENSION AND RENEWAL OF LEASE

The Consolidated Entity has applied judgement to determine the lease term for lease contracts that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which affects the measurement of lease liabilities and ROU assets recognised.

Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group also reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the available extension options, would result in an increase in the lease liability amount of $69.0 million.

Amounts recognised in the Entity's Consolidated financial statement for the year ended 31 December 2021

	2021	2020
	$m	$m
Amount recognised in profit and loss		
Depreciation and amortisation	80.6	51.8
Lease interest (included in finance expense)	25.9	12.2
Expense relating to short term leases	4.3	0.9
Expense relating to leases of low-value assets, excluding short term	0.2	0.2
Amount recognised in statement of cash flows		
Lease liability payments (included in cashflows from net financing activities)	76.0	55.7
Lease interest paid (included in cashflows from operating activities)	25.9	12.2
Balance sheet		
Right-of-use assets at carrying value	733.6	750.1
Addition to right-of-use assets	128.9	627.1
Lease liabilities (included in Loans and borrowings)		
Current	(80.5)	(71.5)
Non-current liabilities	(663.4)	(684.3)

Short term lease commitments

At 31 December 2021, the Group has short term lease commitments of $1.6 million.

10. Provisions

MINE REHABILITATION, RESTORATION & DISMANTLING OBLIGATIONS

The provision for mine rehabilitation includes future cost estimates associated with reclamation, plant closures, waste site closures, monitoring, demobilisation of equipment, decontamination, water purification and permanent storage of historical residues.

Uncertainty exists as to the amount of rehabilitation obligations which will be incurred due to the impact of environmental legislation changes and many other factors, including future changes in technology, adverse impacts relating to climate change which could impact both the cost, extent and timing of rehabilitation, price increases and changes in interest rates. The calculation of these provision estimates requires assumptions to be made as to the application of environmental legislation, the potential physical impacts of climate change, plant closure dates, available technologies, engineering cost estimates and discount rates. A change in any of the assumptions used may have a material impact on the carrying value of mine rehabilitation, restoration and dismantling provisions.

For personal use only

RECOGNITION AND MEASUREMENT OF PROVISIONS

Provisions are measured at the present value of the best estimate of the expenditure required to settle the present obligation at balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provisions due to the passage of time is recognised in the income statement as a financing expense.

Provisions are made for the estimated cost of rehabilitation, decommissioning and restoration of areas disturbed during mining and exploration operations up to the reporting date for areas not yet rehabilitated. Provisions for mine rehabilitation are based on the current estimated cost to rehabilitate such areas, discounted to their present value based on expected future cash flows. The estimated costs include the current cost of rehabilitation necessary to meet legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise. The provision is recognised as a liability, separated into current (estimated costs arising within 12 months) and non-current components based on the expected timing of these cash flows.

	2021	2020
	$m	$m
Provision		
Other provisions	8.7	10.5
Mine rehabilitation	130.8	111.2
Total provisions	139.5	121.7
Reconciliation of Mine rehabilitation provision		
Opening carrying amount	111.2	87.8
Unwind of discount	1.3	2.2
Provisions increase	18.3	21.2
Closing carrying amount	130.8	111.2

The increase in mine rehabilitation provision reflects a change in the expected timing of rehabilitation activities resulting principally from extensions to the Carrapateena and Prominent Hill mine lives and discount rates during the year.

11. Commitments

The Consolidated Entity has entered into various contracts with suppliers for the ongoing sustaining and growth development activities at existing mines. The total capital expenditure commitment in relation to these contracts as at 31 December 2021 was $284 million (2020: $203 million), of which $250 million is expected to be incurred in 2022.



Contributed Equity

12. Issued Capital

31 December	2021	2020
	$m	$m
333,654,973 shares (2020: 331,293,359 shares)	2,400.3	2,371.4

Share capital movement

	Number of shares	Share capital
		$m
31 December 2021		
Opening balance at 1 January	331,293,359	2,371.4
Shares issued under employee share plans[a]	1,051,995	–
Shares issued under DRP	1,309,619	28.9
Closing balance at 31 December	333,654,973	2,400.3
31 December 2020		
Opening balance at 1 January	323,874,831	2,280.4
Shares issued under employee share plans[a]	872,969	–
Shares issued for asset acquisition 5 October	6,446,511	89.6
Shares issued under DRP 5 October	99,048	1.4
Closing balance at 31 December	331,293,359	2,371.4

[a] The increase in equity associated with employee share plans is accounted for as set out in Note 13. Shares granted are valued on grant date and accounted under the share-based payment expense.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each holder is entitled to one vote per share.

RECOGNITION AND MEASUREMENT OF ISSUED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown within equity as a deduction.

Shares bought and held by the Employee Share Plan Trust to meet the Consolidated Entity's obligation to provide shares to employees in accordance with the terms of their employment contracts and employee share plans as and when they may vest, are classified as treasury shares and are presented as a deduction from total equity, until the shares are cancelled or reissued.

The Company may also issue securities as consideration for asset acquisitions in lieu of cash. The fair value of assets acquired is measured with reference to market observable prices adjusted for any matters specific to the arrangement. The value recognised as an increase in issued capital reflects the fair value of assets acquired.

The increase in equity associated with shares issued under the DRP is measured as the amount equal to the cash payment the security holder was otherwise entitled to, had the holder not participated in the DRP.

For personal use only

13. Share-based payments

A description of OZ Minerals' performance rights plans (PRP) and long term incentive plans (LTIP) is provided below.

Element	Performance rights granted under PRP[a]	Performance rights granted under LTIP	
Performance period	2021: 1 January 2021 to 31 December 2022 2020: 1 January 2020 to 31 December 2020 2019: 1 January 2019 to 31 December 2019	2021: 1 January 2021 to 31 December 2023 2020: 1 January 2020 to 31 December 2022 2019: 1 January 2019 to 31 December 2021	
Service period	2021: 1 July 2021 to 1 July 2023 2020: 1 July 2020 to 1 July 2021 2019: 1 July 2019 to 1 July 2020	2021: 1 January 2021 to 31 December 2023 2020: 1 January 2020 to 31 December 2022 2019: 1 January 2019 to 31 December 2021	
Vesting conditions	Percentage vesting based on individual performance against Key Performance Indicators	**1. Total shareholder return (TSR)**	
		TSR performance measured Comparator Group	**Percentage of vesting**
		Less than 50th percentile	Nil
		50th percentile	50%
		Between the 50th and 75th percentile	Straight-line vesting between 50% and 100%
		75th percentile or greater	100%
		2. All-In Sustaining Costs (AISC)[b]	
		OZ Minerals AISC over the performance period	**Percentage of vesting**
		Above 50th percentile	Nil
		50th percentile	50%
		Between 50th percentile and 25th percentile (Lowest cost)	Straight-line vesting between 50% and 100%
		25th percentile or below	100%
Exercise price	Nil	Nil	

[a] The PRP Plan performance and service periods are set to two years starting from 2021.

[b] The LTI Plan (applicable to 2019 and subsequent years) was set on TSR and AISC, weighted at 70 per cent and 30 per cent respectively.

During the year the Board approved a Retention Award to Mark Irwin for which the performance and service periods are from 1 September 2021 to 31 December 2024.

The total employee benefits expense for 2021 was $133.5 million of which $13.4 million comprised share-based payments (2020: $121.0 million, share-based payment $10.6 million).

Performance rights granted under the PRPs or LTIPs do not include dividends or voting rights. All performance rights under current performance rights plans are automatically exercised upon vesting which is dependent upon meeting both the service condition and the performance conditions. When issued, the shares on vesting of performance rights rank equally in all respects with previously issued, fully paid ordinary shares.

For personal use only

For personal use only

The fair value of services received in return for share-based payments granted during the year is based on the fair value of the performance rights granted, measured using a binomial approximation option valuation model and Monte-Carlo simulation valuation model for performance rights plans and LTIPs respectively. The models use the following inputs:

Grant date	Fair value at grant date	Share price at grant date	Expected volatility	Expected dividends	Risk-free interest rate
	$	$	%	%	%
Performance rights granted under the LTIP					
1 January 2021					
Managing Director and CEO Tranche One (70%)	16.1	23.2	33.0	1.7	0.1
Managing Director and CEO Tranche Two (30%)	22.1	23.2	33.0	1.7	0.1
Other KMP Tranche One (70%)	14.1	22.4	33.0	1.8	0.1
Other KMP Tranche Two (30%)	21.3	22.4	33.0	1.8	0.1
1 January 2020					
Managing Director and CEO Tranche One (70%)	6.0	9.0	31.0	2.7	0.3
Managing Director and CEO Tranche Two (30%)	8.4	9.0	31.0	2.7	0.3
Other KMP Tranche One (70%)	5.7	9.6	29.0	2.9	0.3
Other KMP Tranche Two (30%)	9.0	9.6	29.0	2.9	0.3
1 January 2019					
Managing Director and CEO Tranche One (70%)	6.2	9.2	31.0	2.5	1.1
Managing Director and CEO Tranche Two (30%)	8.6	9.2	31.0	2.5	1.1
Other KMP Tranche One (70%)	6.2	9.2	31.0	2.5	1.1
Other KMP Tranche Two (30%)	8.6	9.2	31.0	2.5	1.1
Performance rights granted under the PRP					
1 July 2021	21.4	22.1	37.0	1.8	0.1
1 July 2020	11.1	11.3	33.0	2.0	0.3
1 July 2019	9.9	10.3	28.0	2.2	1.0
Performance rights granted under the retention award					
1 November 2021	23.3	24.6	35.0	1.7	1.0

PERFORMANCE RIGHTS

The movement in the number of performance rights during the year

	2021	2020
	Number	Number
Opening balance	2,553,714	2,185,383
Rights granted	934,954	1,399,355
Rights vested	(1,069,990)	(996,820)
Rights forfeited	(176,499)	(34,204)
Closing balance	2,242,179	2,553,714

RECOGNITION AND MEASUREMENT OF SHARE-BASED PAYMENTS

The fair value of share-based payment transactions measured at grant date are recognised as an employee benefit expense with a corresponding increase in equity over the period during which employees become unconditionally entitled to the instruments.

If the employee does not meet a non-market condition, such as a service condition or internal KPI, any cumulative previously recognised expense is reversed.

The fair value of the share-based payment transactions granted is adjusted to reflect market vesting conditions at the time of grant and are not subsequently adjusted. Non-market vesting conditions are included in assumptions about the number of instruments that are expected to become exercisable and are updated at each balance sheet date. The impact of the revision to original estimates for non-market conditions, if any, is recognised in the income statement with a corresponding adjustment to equity. Changes as a result of market conditions are not adjusted after the initial grant date.

Risk Management

14. Financial risk management

OZ Minerals' Group Treasury Function (Group Treasury) evaluates and manages financial risks for the Group in close co-operation with OZ Minerals' operating units. The Board approves principles for overall risk management as well as policies covering specific risk areas such as commodity markets, financial markets, counterparty credit risk and liquidity risk.

This note presents information about the Consolidated Entity's financial assets and liabilities, its exposure to financial risks, and its objectives, policies and processes for measuring and managing risks.

The Consolidated Entity's activities expose it primarily to the following financial risks:

- commodity prices
- foreign currency exchange rates
- counterparty
- credit risk
- liquidity risk
- interest rate risk.

The Consolidated Entity holds the following financial instruments

Carried at fair value using level one valuation technique (based on share prices quoted on the relevant stock exchanges)	Carried at fair value using level two valuation technique (quoted market prices of copper, gold and silver adjusted for specific settlement terms)	Carried at amortised cost
Investments in equity securities	Trade receivables Derivative financial instruments	Cash and cash equivalents[(a)] Other receivables[(a)] Trade payables[(a)] Other payables[(a)]

[(a)] The carrying value of each of these items approximates fair value.

Recognition and measurement

Financial assets and liabilities are recognised when the Consolidated Entity becomes party to the contractual provisions of an instrument.

NON-DERIVATIVE FINANCIAL ASSETS

The Consolidated Entity classifies its financial assets as:

- financial assets at fair value through other comprehensive income
- financial assets at fair value through profit and loss
- loans and receivables at amortised cost.

Financial assets measured at amortised cost are recognised initially at fair value plus any directly attributable transaction costs. Trade receivables, including those containing an embedded derivative, are carried at fair value.

Concentrate sales receivables are recognised in accordance with the recognition and measurement criteria disclosed in Note 1. Provisional payments in relation to trade receivables are usually due within 30 days from the date of invoice issue, with final settlement usually due within 90 days.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The Consolidated Entity de-recognises a financial asset or a part of it when, and only when, the contractual rights to the cash flows from the financial asset or part of it expires or, the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On de-recognition of a financial asset, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the income statement.

A financial asset measured at amortised cost is assessed at each reporting date as to whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. An impairment loss is recognised for any expected credit loss for the lifetime of the financial asset, accounted for at amortised cost or fair value through other comprehensive income. Credit losses are measured on the present value of all cash shortfalls between the cash flows due to the entity in accordance with the contract and the expected cash flows.

In the event that an impairment loss is reversed, the asset's carrying amount cannot exceed what the carrying amount would have been had the impairment not been recognised. The amount of reversal is recognised in the income statement.

NON-DERIVATIVE FINANCIAL LIABILITIES

All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs. Trade and other payables represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year which are unpaid. The amounts are non-interest-bearing, unsecured and are usually paid within 30 days of recognition. Lease liabilities are recognised at net present value and reduced by the actual payment made (refer Note 9).

The Consolidated Entity de-recognises financial liabilities when its obligations are discharged, cancelled or expire. The difference between the carrying amount of the liability de-recognised and the consideration paid and payable is recognised in the income statement.

For personal use only

For personal use only

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised in the income statement unless the derivative is designated as a hedging instrument in a hedge relationship.

Formal designation of the hedge and documentation of the relationship between the hedging instrument and the hedged item is finalised at the inception of the transaction.

Changes in the fair value of a derivative financial instrument, which has been designated in a cashflow hedge relationship, will be recognised in other comprehensive income to the extent the hedging relationship remains effective and the underlying hedge item has not been recognised in the income statement, or will be recognised in the income statement if the hedge relationship is no longer effective or the underlying hedged item has been recognised in the income statement. Any ineffective portion of changes in the fair value of derivative financial instruments will be recognised immediately in the income statement. The amount recognised in other comprehensive income is reclassified to the income statement in the same period as the underlying item is recognised in the income statement.

COMMODITY PRICE RISK MANAGEMENT AND SENSITIVITY ANALYSIS

The Consolidated Entity is exposed to commodity price volatility on the sale of metal in concentrates such as copper, gold and silver which are priced on, or benchmarked to, open market exchanges. OZ Minerals aims to realise average copper prices which are materially consistent with the prevailing average market prices for the same period. The Consolidated Entity manages uneven exposure to price by managing shipment schedules

Gold derivative contracts

OZ Minerals settled all residual gold forward contracts which were designated as cash flow hedges under AASB 9 during the year. In 2021, a fair value adjustment of $1.6 million was recognised in other comprehensive income and $23.8 million (net of tax) was transferred out of the cash flow hedge reserve to profit and loss. The Group paid $34.0 million towards settlement of the derivative liabilities during the year.

Commodity price sensitivity analysis

The analysis below reflects the impact of movements in copper and gold prices. Variations in silver prices have been deemed immaterial for the purpose of this analysis. In accordance with Australian Accounting Standards, the sensitivity analysis is on all financial assets and liabilities deemed material to the Consolidated Entity.

	+10% movement in copper prices	-10% movement in copper prices	+10% movement in gold prices		-10% movement in gold prices	
	Impact on income statement net of tax	Impact on income statement net of tax	Impact on income statement net of tax	Impact on other comprehensive income net of tax	Impact on income statement net of tax	Impact on other comprehensive income net of tax
2021						
Trade receivables	12.0	(12.0)	4.3	–	(4.3)	–
Total	12.0	(12.0)	4.3	–	(4.3)	–
2020						
Trade receivables	6.7	(6.7)	4.4	–	(4.4)	–
Gold hedges (FECs)	–	–	–	(13.3)	–	13.3
Total	6.7	(6.7)	4.4	(13.3)	(4.4)	13.3

Provisionally priced sales are those for which price finalisation, referenced to the relevant index, is outstanding at balance date. The Provisional pricing mechanisms within the Consolidated Entity's sales arrangements have the character of a commodity derivative. Trade receivables under these contracts are carried at fair value through the profit and loss using a Level 2 valuation based on quoted market prices for copper, gold and silver adjusted for specific settlement terms. The Consolidated Entity's exposure at 31 December 2021 to the impact of movements in commodity prices on provisionally invoiced sales was on both copper and gold. The Consolidated entity had 37,000 tonnes of copper exposure and 30,000 ounces of gold exposure as at 31 December 2021 (2020: 19,300 tonnes and 44,850 ounces respectively) that was provisionally priced. The final price of these sales and purchases volumes will be determined during the first half of 2022.

A 10 per cent movement in copper and gold prices, which is based on reasonably possible changes over a financial year and reflects the variability management applies in forecasting sensitivity, results in a $12.0 million and $4.3 million after tax impact respectively in the income statement on the trade receivables balance of $236.5 million (2020: $6.7 million and $4.4 million after tax respectively on the trade receivable balance of $160.3 million). In accordance with accounting standards, the impact has been calculated on the outstanding balance that is subject to commodity price risk and does not include the impact of the movement in commodity prices on the total revenue for the year.

FOREIGN CURRENCY EXCHANGE RISK MANAGEMENT AND SENSITIVITY ANALYSIS

The Consolidated Entity is exposed to foreign currency risk arising from assets and liabilities that are held in currencies other than the Australian dollar (primarily USD and Brazilian Real).

The Group's principal operations have a functional currency of Australian dollars. An entity's functional currency is the currency of the primary economic environment in which the entity operates. Determination of an entity's functional currency requires management's judgement and considers a number of factors, including the currency that mainly influences revenue, costs of production, and competitive forces and regulations which impact on revenue. In addition, consideration must be given to the currency in which financing and operating activities are undertaken.

All exchange differences that arise on translating results and the financial position of all entities within the Consolidated Entity that have a functional currency different from the presentation currency are recognised as a separate component of equity in the Foreign Currency Translation Reserve. When a foreign operation is sold a proportionate share of such exchange differences is recognised in the Income Statement as part of the gain or loss on sale where applicable.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of financial assets and liabilities denominated in foreign currencies, are recognised in the income statement. The carrying amount of the Consolidated Entity's financial assets and financial liabilities by their currency risk exposure at the reporting date are disclosed below.

	Denominated in US$ presented in A$m	Other currencies presented in A$m	Total A$m
2021			
Cash and cash equivalents	100.3	3.9	104.2
Trade receivables	233.6	–	233.6
Trade payables	(4.3)	(24.7)	(29.0)
Total	329.6	(20.8)	308.8
2020			
Cash and cash equivalents	97.5	7.8	105.3
Trade receivables	160.3	–	160.3
Trade payables	(1.6)	(6.9)	(8.5)
Total	256.2	0.9	257.1

Exchange rates during the year	Average rate		31 December spot rate	
	2021	2020	2021	2020
AUD:USD	0.7516	0.6910	0.7256	0.7694
AUD:BRL	4.0584	3.5573	4.0400	3.9922

At reporting date, if the foreign currency exchange rates strengthened/(weakened) against the functional currency by 5 per cent and all other variables were held constant, the Consolidated Entity's after tax profit would have changed by $10.9 million and there would have been no impact to the other comprehensive income (2020: $9.0 million after tax profit; Nil other comprehensive income). The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the reporting date and adjusts their translation for a 5 per cent change in the foreign currency rate.

INTEREST RATE RISK MANAGEMENT AND SENSITIVITY ANALYSIS

The Consolidated Entity had indebtedness of $135 million of the available credit facility, at any one time during the year and repaid the full amount with no outstanding balance at 31 December 2021. The Consolidated Entity is subsequently not exposed to changes in the Australian bank bill interest rate as at 31 December 2021. Loans and borrowings also include lease liabilities recognised under AASB 16 which are subject to discounting.

CREDIT RISK MANAGEMENT

Credit risk refers to the risk that any counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. Counterparty credit risk arises through sales of metal in concentrate on normal terms of trade and investment of cash.

The credit risk on cash and cash equivalents is managed by restricting financial transactions to relationship banks which have Board-approved exposure limits and a minimum credit rating assigned by an internationally recognised credit rating agency.

Credit risk in trade receivables is managed by restricting trade credit to Board-approved exposure limits with customers that have a minimum credit rating or trade credit that is secured by a letter of credit from a bank with an acceptable credit rating.

As there are a relatively small number of transactions, they are closely monitored to ensure risk of default is kept to an acceptable level. Sales contracts generally require a provisional payment of at least 90 per cent of the estimated value of each sale either promptly after vessel loading or upon the vessel arriving at the discharge port.

For personal use only

MAXIMUM EXPOSURE TO CREDIT RISK FOR TRADE RECEIVABLES AT THE REPORTING DATE BY CUSTOMER GEOGRAPHIC REGION

	2021	2020
	$m	$m
Europe	–	63.7
Asia	197.0	89.7
Australia	39.5	6.9
Total	236.5	160.3

Three major customers (2020: three customers) who individually accounted for more than 10 per cent of total revenue contributed approximately 93 per cent of total revenue (2020: 78 per cent). These customers also represent 99.5 per cent of the trade receivables balance as at 31 December 2021 (2020: 95 per cent). There were no instances of customer default during 2021 and there are no significant receivables which are past due at the reporting date.

LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities. OZ Minerals manages liquidity risk by conducting regular reviews of the timing of cash outflows, the maturity profiles of term deposits and maintaining committed available bank credit to ensure sufficient funds are available to meet its obligations.

The following table reflects all contractual repayments from recognised financial assets and liabilities at the reporting date.

Contractual cashflows

	Carrying amount	<1 year	1-2 years	2-5 years	>5 years	Total
2021						
Non-derivative financial instruments						
Cash and cash equivalents	215.4	215.4	–	–	–	215.4
Trade receivables	236.5	236.5	–	–	–	236.5
Other receivables	20.7	20.7	–	–	–	20.7
Trade payables	(232.1)	(232.1)	–	–	–	(232.1)
Lease liabilities	(743.9)	(104.5)	(98.7)	(234.9)	(489.5)	(927.6)
Total	(503.4)	136.0	(98.7)	(234.9)	(489.5)	(687.1)
2020						
Non-derivative financial instruments						
Cash and cash equivalents	131.7	131.7	–	–	–	131.7
Trade receivables	160.3	160.3	–	–	–	160.3
Other receivables	13.5	13.5	–	–	–	13.5
Trade payables	(190.1)	(190.1)	–	–	–	(190.1)
Other borrowings	(100.0)	(100.0)	–	–	–	(100.0)
Lease liabilities	(755.8)	(96.8)	(94.5)	(238.5)	(528.0)	(957.8)
Derivative financial instruments						
Derivative financial liabilities	(36.3)	(37.0)	–	–	–	(37.0)
Total	(776.7)	(118.4)	(94.5)	(238.5)	(528.0)	(979.4)

LOANS AND BORROWINGS

The Consolidated Entity recognised the draw-down of its revolving credit facility within Other borrowings for the year. Lease liabilities are recognised for any new ROU lease contracts as they are entered. When lease contracts are terminated or altered, the unpaid lease liability and net carrying value of ROU assets is derecognised.

For personal use only

	2021			2020		
	Other borrowings	Lease liabilities	Total	Other borrowings	Lease liabilities	Total
	$m	$m	$m	$m	$m	$m
Opening balance 1 January	100.0	755.8	855.8	–	183.9	183.9
Debt facility drawdown	200.0	–	200.0	225.0	–	225.0
Lease recognised during the year	–	128.9	128.9	–	627.1	627.1
Accretion of interest	–	25.9	25.9	–	12.2	12.2
Lease terminations during the year	–	(64.8)	(64.8)	–	–	–
Repayment during the year	(300.0)	(101.9)	(401.9)	(125.0)	(67.4)	(192.4)
Closing balance at 31 December	–	743.9	743.9	100.0	755.8	855.8

Other borrowings (if any) represent the drawn down balance of the revolving facility as at the reporting date. The Lease liabilities recognised during the period include arrangements identified within certain mining services supply contracts of $113.7 million, the powerline infrastructure agreement of $14.9 million, and other agreements of $0.3 million. The addition to lease liabilities corresponds to the increase in ROU assets (refer Note 9).

	2021	2020
	$m	$m
Current		
Other borrowings	–	100.0
Lease liabilities	80.5	71.5
Balance at 31 December	80.5	171.5
Non-current		
Lease liabilities	663.4	684.3
Balance at 31 December	663.4	684.3

The revolving credit facility of $483 million (31 December 2020: $483 million) expires on 14 April 2023 and is subject to maintaining certain financial covenants. The Company was not in breach of its financial covenants as at 31 December 2021.

During the year the Consolidated Entity had bank guarantee facilities decrease by $75.0 million to a total available amount of $525.0 million. At 31 December 2021 bank guarantees totalling $436.2 million had been issued to support the Consolidated Entity's obligations which primarily relate to power infrastructure lease agreements and mine rehabilitation obligations. Both are recognised as a liability as set out in the respective notes.

15. Contingencies

CONTINGENCIES

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. Determination of contingent liabilities disclosed in the financial statements requires the exercise of significant judgement regarding the outcome of future events and the financial results of OZ Minerals in future periods may be impacted unfavourably in the event of an unfavourable outcome of a number of matters outlined in this note.

BANK GUARANTEES

OZ Minerals Group Treasury Pty Ltd has provided certain financial bank guarantees to third parties, associated with the terms of mining leases, power infrastructure contracts, exploration licences and office leases, in respect of which the relevant entity is obliged to indemnify the bank if the guarantee is called upon. At the end of the financial year, no claims have been made under any of these guarantees. The amount of some of these guarantees may vary from time to time depending upon the requirements of the recipient. These guarantees amounted to $436.2 million as at 31 December 2021 (2020: $438.5 million) and are issued under bilateral bank facilities that are rolled forward every twelve months.

DEEDS OF INDEMNITY

The Consolidated Entity has granted indemnities under deeds of indemnity with current and former executive and Non-executive Directors, current and former officers, the former General Counsel–Special Projects, former Group Treasurers and each employee who was a director or officer of a controlled entity of the Consolidated Entity, or an associate of the Consolidated Entity, in conformity with Rule 10.2 of the OZ Minerals Limited Constitution.

Each deed of indemnity indemnifies the relevant director, officer or employee to the fullest extent permitted by law for liabilities incurred while acting as an officer of OZ Minerals, its related bodies corporate and any associated entities, where such an office is or was held at the request of the Company. Under these indemnities, the Company meets the legal costs incurred by company officers in responding to investigations by regulators and may advance funds to meet defence costs in litigation, to the extent permitted by the *Corporations Act 2001 (Cth)*.

For personal use only

For personal use only

WARRANTIES AND INDEMNITIES

The Consolidated Entity has given certain warranties and indemnities to the purchasers of assets and businesses that have been sold. Warranties have been given in relation to various matters including the sale of assets, certain taxes and information. Indemnities have also been given by the Consolidated Entity in relation to matters including compliance with laws, environmental claims, a failure to transfer or deliver all assets, and payment of taxes.

FORMER CAMBODIAN OPERATIONS

The investigation into the Company's former Cambodian operations and the events of 2009 is still to be concluded.

OTHER

OZ Minerals Limited and its controlled entities are defendants from time to time in other legal proceedings or disputes, arising from the conduct of their business. OZ Minerals does not consider that the outcome of any of these proceedings or disputes is likely to have a material effect on the Consolidated Entity's financial position.

Group structure and other information

16. Parent entity disclosures

As at, and throughout the financial year ended 31 December 2021, the parent entity of the Consolidated Entity was OZ Minerals Limited.

	2021	2020
	$m	$m
Net provision (increase) reversal for non-recovery of loan to subsidiary	(12.4)	(5.6)
Net other expense	(28.7)	(22.4)
Net (loss)/profit for the year	(41.1)	(28.0)
Other comprehensive income/(loss)	7.4	3.9
Total comprehensive (loss)/income	(33.7)	(24.1)
Financial position of the parent entity		
Assets		
Current assets	16.1	11.5
Non-current assets	2,395.4	2,494.8
Total assets	2,411.5	2,506.3
Liabilities		
Current liabilities	47.2	40.0
Non-current liabilities	6.4	7.1
Total liabilities	53.6	47.1
Net assets	2,357.9	2,459.2
Equity		
Issued capital	2,400.3	2,371.4
Retained earnings	174.8	318.2
Accumulated losses	(217.2)	(230.4)
Total equity	2,357.9	2,459.2

OZ Minerals Limited is able to manage its net current liability position by its ability to control the timing of dividends from its subsidiaries.

Refer to Note 15 for Contingencies and Note 18 for Deed of Cross Guarantee disclosures. The parent entity's capital expenditure commitment as at 31 December 2021 was nil (2020: nil).

For personal use only

Franking account details

	2021	2020
	$m	$m
Franking account balance at beginning of year	194.5	184.1
Franking credits from income tax paid during the year	143.6	51.0
Franking debits from income tax refund received	–	(8.7)
Franking debits from franked dividends paid during the year	(47.0)	(31.9)
Franking account balance at end of year	291.1	194.5

17. Basis of consolidation

INVESTMENTS IN SUBSIDIARIES

Subsidiaries are those entities over which the Consolidated Entity is capable of exerting control. The Consolidated Entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where the Consolidated Entity holds less than a majority of the voting rights, other relevant factors are considered in assessing whether power over the entity exists. Factors considered include any contractual arrangements with other vote holders, rights arising from other contractual arrangements, as well as the Consolidated Entity's voting and potential voting rights.

The Consolidated Entity reassesses whether it controls an entity if circumstances indicate that there has been a change in one of the factors which indicate control. Subsidiaries are consolidated from the date on which control is assessed to exist until the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Consolidated Entity. Intercompany transactions, balances and unrealised gains and losses on transactions between companies controlled by the Consolidated Entity are eliminated on consolidation.

SUBSIDIARIES

The wholly-owned controlled entities of OZ Minerals Limited are listed below:

Entity	Country of incorporation	Entity	Country of incorporation
OZ Minerals Brazil (Holdings) Pty Ltd	Australia	Avanco Lux I S.C.S	Luxembourg
Avanco Resources Pty Ltd	Australia	Carrapateena Pty Ltd	Australia
Avanco Holdings Pty Ltd	Australia	CTP Assets Pty Ltd	Australia
Estrela Metals Pty Ltd	Australia	CTP Operations Pty Ltd	Australia
AVB Copper Pty Ltd	Australia	Minotaur Resources Holdings Pty Ltd	Australia
AVB Brazil Pty Ltd	Australia	OZ Exploration Pty Ltd	Australia
AVB Carajás Holdings Pty Ltd	Australia	OZ Minerals Equity Pty Ltd	Australia
AVB Minerals Pty Ltd	Australia	OZ Minerals Group Treasury Pty Ltd	Australia
Mineração Águas Boas Ltda	Brazil	OZ Minerals Holdings Pty Ltd	Australia
AVB Mineração Ltda	Brazil	OZ Minerals Insurance Pte Ltd	Singapore
Avanco Resources Mineração Ltda	Brazil	OZ Minerals International (Holdings) Pty Ltd	Australia
SLM – Santa Lúcia Mineração Eireli	Brazil	OZ Minerals Investments Pty Ltd	Australia
MCT Mineração Ltda	Brazil	OZ Minerals Jamaica Limited	Jamaica
ACG Mineração Ltda	Brazil	OZ Minerals Prominent Hill Operations Pty Ltd	Australia
ARL South America Exploration Ltd	Bermuda	OZ Minerals Prominent Hill Pty Ltd	Australia
ARL Holdings Ltd	Bermuda	OZ Minerals Services Pty Ltd	Australia
Avanco Lux S.a.r.l.	Luxembourg	OZ Minerals Zinifex Holdings Pty Ltd	Australia
OZ Minerals Carrapateena Pty Ltd	Australia	Crossbow Resources Pty Ltd	Australia
OZM Carrapateena Pty Ltd	Australia	Wirraway Metals & Mining Pty Ltd	Australia
OZ Minerals Musgrave Holdings Pty Ltd	Australia	OZ Minerals Peru S.A.C	Peru
OZ Minerals Musgrave Operations Pty Ltd	Australia	OZ Exploration (USA) LLC	USA
Cassini Resources Pty Ltd	Australia	ZRUS Holdings Pty Ltd	Australia

For personal use only

18. Deed of cross guarantee

The Company and all its Australian domiciled subsidiaries listed in Note 17 to the Consolidated Financial Statements, except for, OZ Minerals International (Holdings) Pty Ltd and ZRUS Holdings Pty Ltd, are party to a Deed of Cross Guarantee ('Deed').

The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of the winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

Set out below is the Consolidated Statement of Comprehensive Income and Consolidated Balance Sheet of the entities within the Deed.

	2021	2020
	$m	$m
Revenue	2,006.3	1,262.7
Other income	0.7	0.2
Mining	(484.4)	(394.5)
Processing	(247.7)	(203.0)
Freight	(74.6)	(43.3)
Site administration	(109.5)	(103.0)
Royalties	(84.7)	(62.1)
Inventory movement	(114.3)	(22.1)
Corporate administration	(57.2)	(54.0)
Exploration and corporate development	(50.6)	(45.0)
Other expenses	–	(4.0)
Foreign exchange gain/(loss)	10.4	(18.4)
Profit before interest and income tax	794.4	313.5
Finance income	–	0.3
Finance expense	(38.9)	(26.5)
Profit before income tax	755.5	287.3
Income tax	(230.3)	(79.5)
Profit for the year	525.2	207.8
Other comprehensive gain/(loss)		
Items that will not be reclassified subsequently to future Income Statements		
Change in fair value of investments in equity securities, net of tax	7.4	3.9
Items that may be reclassified subsequently to future Income Statements		
Cash flow hedges reserve change in fair value	1.6	(40.8)
Cash flow hedges reclassified to profit and loss	23.8	64.9
Other comprehensive gain/(loss) for the year, net of tax	32.8	28.0
Total comprehensive income for the year	558.0	235.8

For personal use only

Consolidated balance sheet of the entities within the Deed of Cross Guarantee

	2021	2020
	$m	$m
Current assets		
Cash and cash equivalents	196.5	98.2
Trade receivables	236.0	157.3
Inventories	259.3	236.4
Prepayments	13.7	8.5
Other receivables	247.3	193.6
Total current assets	952.8	694.0
Non-current assets		
Inventories	129.4	266.6
Exploration assets	216.5	144.0
Property, plant and equipment	2,735.3	2,392.4
Right-of-use assets	733.6	750.1
Investment in subsidiaries which are not party to the Deed	346.0	346.0
Other assets	15.5	32.2
Total non-current assets	4,176.3	3,931.3
Total assets	5,129.1	4,625.3
Current liabilities		
Trade payables and accruals	213.6	172.2
Other payables	6.1	4.1
Current tax provision	51.2	19.6
Employee benefits	25.0	21.1
Derivative financial instruments	–	36.3
Loans and borrowings	80.5	171.5
Total current liabilities	376.4	424.8
Non-current liabilities		
Deferred tax liabilities	190.1	124.2
Employee benefits	4.4	3.2
Provisions	118.5	102.3
Loans and borrowing	663.4	684.3
Total non-current liabilities	976.4	914.0
Total liabilities	1,352.8	1,338.8
Net assets	3,776.3	3,286.5
Equity		
Issued capital	2,400.3	2,371.4
Cash flow hedge reserve	–	(25.4)
Retained earnings	1,376.0	940.5
Total equity	3,776.3	3,286.5

For personal use only

19. Key management personnel

KEY MANAGEMENT PERSONNEL REMUNERATION

KMP are accountable for planning, directing and controlling the affairs of the Company and its controlled entities.

KMP REMUNERATION FOR THE CONSOLIDATED ENTITY

	2021	2020
	$	$
Short-term employee benefits	5,024,438	4,591,323
Other long term benefits	88,469	66,080
Post-employment benefits	141,697	125,602
Share-based payments	2,471,840	1,970,172
Total	7,726,444	6,753,177

Information regarding individual directors' and Executives' compensation and some equity instrument disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report.

RECOGNITION AND MEASUREMENT OF WAGES AND SALARIES AND SHORT TERM EMPLOYEE BENEFITS

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid, inclusive of on-costs, when the liabilities are settled.

RECOGNITION AND MEASUREMENT OF OTHER LONG TERM EMPLOYEE BENEFITS

Long-term employee benefits include annual leave liabilities which are expected to be settled in the period greater than 12 months from balance date and long service leave liabilities. Other long term benefits are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high availability corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

20. Related party transactions

A number of KMP, or their related parties, may hold positions in other entities that may result in them having control or significant influence over the financial or operating policies of those entities. Where the Consolidated Entity transacts with the KMP and their related parties, the terms and conditions of these transactions are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-KMP related entities on an arm's length basis.

During the year the Group did not enter into any related party transactions (2020: None).

21. Remuneration of auditors

	2021	2020
	$	$
Audit and review services		
Audit and review of financial statements – Group	557,000	525,000
Total fee for audit and review services	557,000	525,000
Assurance services		
Sustainability and NGERS assurance	87,700	82,900
Other assurance services	–	2,500
Total fee for audit, review and assurance services	644,700	610,400
Other services		
Taxation advice and tax compliance services	76,000	20,500
Other services	5,000	5,000
Total fee for other services	81,000	25,500
Total fees	725,700	635,900

22. New accounting standards

CHANGES IN ACCOUNTING POLICIES AND MANDATORY STANDARDS ADOPTED DURING THE YEAR

The accounting policies applied by the Consolidated Entity in these Consolidated Financial Statements are consistent with those applied by the Consolidated Entity in its Annual & Sustainability Report for the year ended 31 December 2020. A number of new standards were effective from 1 January 2021 and they did not have a material effect on the Group's financial statements for the year.

ISSUED STANDARDS AND PRONOUNCEMENTS NOT EARLY ADOPTED

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these Consolidated Financial Statements for the year.



For personal use only

Directors' declaration

1. In the opinion of the directors of OZ Minerals Limited (the Company):
   a) the Consolidated Financial Statements and Notes set out on pages 114 to 145 and the remuneration disclosures that are contained in the Remuneration Report on pages 52 to 67, are in accordance with the *Corporations Act 2001*, and:
      i) give a true and fair view of the financial position of the Consolidated Entity as at 31 December 2021 and of its performance for the year ended on that date; and
      ii) comply with Australian Accounting Standards and the Corporations Regulations 2001;
   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due and payable.
2. The directors draw attention to page 118 of the Consolidated Financial Statements, which includes a statement of compliance with international financial reporting standards.
3. At the date of this declaration, there are reasonable grounds to believe that the Company, and the consolidated entities identified in Note 17, will be able to meet any liabilities to which they are, or may become subject because of the Deed of Cross Guarantee between the Company and those consolidated entities pursuant to ASIC Instrument 2016/785.
4. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2021.

Signed in accordance with a resolution of the directors.



Rebecca McGrath
Chairman
21 February 2022



Andrew Cole
Managing Director and CEO
21 February 2022

For personal use only

For personal use only

Independent Auditor's Report

To the shareholders of OZ Minerals Limited

Report on the audit of the Financial Report

OPINION

We have audited the *Financial Report* of OZ Minerals Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the *Group's* financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The *Financial Report* comprises:

- Consolidated balance sheet as at 31 December 2021
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The *Group* consists of OZ Minerals Limited (the Company) and the entities it controlled at the year-end or from time to time during the financial year.

BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KEY AUDIT MATTERS

The *Key Audit Matters* we identified are:

- Valuation of Low-Grade Gold Ore Stockpiles; and
- Recognition and measurement of revenue.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

VALUATION OF LOW-GRADE GOLD ORE STOCKPILES

Refer to Note 5 to the Financial Report.

The key audit matter	How the matter was addressed in our audit
Significant judgment was exercised by the Group in their determination of the value of low grade gold ore stockpiles, noting that during the current year the Group concluded that the valuation of the low grade gold ore stockpiles had increased to an amount above the original cost and therefore the remaining net realisable value provision was released. The low grade gold ore will be combined with copper ore to produce concentrate. The valuation of low grade gold ore stockpiles is a key audit matter due to: / The significant judgment required by us to assess the key assumptions used in the Group's valuation model. / The size of low grade gold ore stockpiles as a proportion of total assets. The Group's valuation model estimates future proceeds expected to be derived from low grade gold ore contained in existing ore stockpiles, less selling costs and further processing costs to convert ore into concentrate. We focused on the significant forward looking assumptions the Group applied in their valuation model, including: / Future metal production levels (ore blend rates), which are dependent on the volume and grade of existing low grade gold ore stockpiles. / Future processing costs of low grade gold ore, and related selling costs. / Future commodity prices and foreign exchange rates expected to prevail when the concentrate containing gold from existing low grade gold ore stockpiles is planned to be processed and sold. / The timing of production, which depends on the available capacity of the processing mill. Assumptions are forward looking and / or not based on observable data and are therefore inherently judgmental to audit.	Our procedures included: / We tested the Group's key controls relevant to: › The valuation of low grade gold ore stockpiles, including Board review and approval of key assumptions used in the Group's model such as commodity prices and foreign exchange rates; and › The process for recording and monitoring volumes and grades of stockpiled low grade gold ore, such as management review and approval of grades. / We assessed the methodology applied by the Group in determining the value of low grade gold ore stockpiles against the requirements of the accounting standards. / We attended the Group's internal stockpile survey and compared the results of the quantity surveyors to the volume of low grade gold ore stockpiles recorded in the Group's model at 31 December 2021. / We compared grades of stockpiled low grade gold ore recorded in the model to the grades recorded in previous periods and to the Group's internal surveyor's measurement of grades. / We assessed the scope, competence and objectivity of the Group's internal surveyors. / We challenged the Group's key assumptions used in the model to determine the value of low grade gold ore stockpiles by: › Comparing future processing costs of low grade gold ore to historical actual processing costs. › Assessing future selling costs against current costs, by comparing to a sample of existing customer sales contracts. › Assessing future commodity prices and foreign exchange rates applied by the Group against published analyst and broker data. › Comparing forecast production of low grade gold ore to be processed to publicly disclosed mill capacity.

RECOGNITION AND MEASUREMENT OF REVENUE

Refer to Note 1 to the Financial Report.

The key audit matter	How the matter was addressed in our audit
As disclosed in Notes 1 and 14 to the Financial Report, the Group's agreements for the sale of concentrate may provide for provisional invoicing based on commodity prices at the date of shipment and an initial metallurgical assay, with a subsequent adjustment at the end of the quotational period to reflect the final commodity price and final metallurgical assay. This was a key audit matter as the provisional pricing adjustments may represent a significant component of revenue within the consolidated income statement. Also, for sales where the final settlement price is yet to be determined, the value of the provisionally recognised revenue (and the associated outstanding receivable) is adjusted based on the appropriate forward price.	Our procedures included: / We tested controls relating to the authorisation of new contracts and the approval of amendments to existing contracts. / On a sample basis, we inspected the Group's sales contracts and assessed key terms of sale, including the basis for issuing provisional invoices and the duration of any quotational period. / On a sample basis, we compared the provisional and final invoices raised during the year to supporting documentation, including the results of metallurgical assays, prevailing commodity prices and shipping terms. / We assessed the methodologies, inputs and assumptions used by the Group in determining the fair value of trade receivables subject to quotational pricing. / We recalculated the fair value measurement of trade receivables still subject to quotational pricing adjustments as at 31 December 2021 using market forward prices. / We evaluated the adequacy of the disclosures within the Financial Report with reference to the requirements of accounting standards.

OTHER INFORMATION

Other Information is financial and non-financial information in OZ Minerals Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report, defined sustainability information within the Sustainability Report and our related assurance opinions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standard*s will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

REPORT ON THE REMUNERATION REPORT

Opinion

In our opinion, the Remuneration Report of OZ Minerals Limited for the year ended 31 December 2021 complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 52 to 67 of the Directors' report for the year ended 31 December 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Chris Sargent
Partner

21 February 2022

For personal use only

For personal use only

Shareholder Information

CAPITAL

Share capital comprised 334,405,510 fully paid ordinary shares on 8 February 2022.

SHAREHOLDER DETAILS

At 8 February 2022, OZ Minerals had 45,809 shareholders. There were 417 shareholdings with less than a marketable parcel of $500 worth of ordinary shares.

Top 20 investors at 8 February 2021

Name	Number of shares	Issued Capital %
HSBC Custody Nominees (Australia) Limited	123,325,720	36.88
J P Morgan Nominees Australia Pty Limited	52,206,164	15.61
Citicorp Nominees Pty Limited	38,074,178	11.39
National Nominees Limited	18,096,764	5.41
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	11,158,884	3.34
BNP Paribas Noms Pty Ltd <DRP>	8,467,027	2.53
Citicorp Nominees Pty Limited <Colonial First State INV A/C>	8,373,346	2.50
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	3,124,482	0.93
Romsup Pty Ltd <Romadak Super Fund A/C>	2,467,057	0.74
BNP Paribas Nominees Pty Ltd Six SIS Ltd <DRP A/C>	2,009,563	0.60
Pacific Custodians Pty Limited <OZL Plans Ctrl A/C>	1,963,744	0.59
BNP Paribas Noms(NZ) Ltd <DRP>	1,288,604	0.39
BNP Paribas Noms Pty Ltd <UOB KH P/L AC UOB KH DRP>	981,578	0.29
BNP Paribas Nominees Pty Ltd HUB 24 Custodial Serv Ltd <DRP A/C>	921,319	0.28
BNP Paribas Nominees Pty Ltd ACF Clearstream	861,861	0.26
Brispot Nominees Pty Ltd <House Head Nominee A/C>	835,111	0.25
National Nominees Limited <N A/C>	780,000	0.23
UBS Nominees Pty Ltd	638,701	0.19
A & R Cole Investments Pty Ltd <Cole Family A/C>	597,831	0.18
HSBC Custody Nominees (Australia) Limited – A/C 2	496,492	0.15
Total	276,668,426	82.73

SUBSTANTIAL SHAREHOLDERS OF OZ MINERALS LIMITED AT 14 FEBRUARY 2022

BlackRock Group advised as at 14 February 2022, it and its associates had an interest in 18,069,842 shares, which represented 5.40 per cent of OZ Minerals capital at that time.

Mitsubishi UFJ Financial Group, Inc advised that as at 20 September 2021, it and its associates had an interest in 16,967,671 shares, which represented 5.09 per cent of OZ Minerals capital at that time.

Investor categories at 8 February 2021

Ranges	Number of investors	Number of shares	Issued capital %
1 – 1,000	34,709	11,916,067	3.56
1,001 – 5,000	9,474	20,304,311	6.07
5,001 – 10,000	1,037	7,437,462	2.22
10,001 – 100,000	543	12,516,572	3.74
100,001 and over	46	282,231,098	84.40
Total	45,809	334,405,510	100.00

For personal use only

VOTING RIGHTS

On a show of hands, every member present in person or by attorney or by proxy or by representative shall have one vote. Upon a poll, every member present in person or by attorney or by proxy or by representative shall have one vote for every share held by the member. Where more than one proxy, representative or attorney is appointed, none may vote on a show of hands.

OTHER SECURITIES ON ISSUE

The Company has performance rights on issue in addition to ordinary shares. The details of the securities held as at 8 February 2022 are as follows:

Class of security	Number of holders	Number of securities
Performance rights	577	1,450,125

No voting rights attach to the above securities, however, any ordinary shares that are allotted to the holders of the securities upon vesting or conversion of the above-mentioned securities will have the same voting rights as all other ordinary OZ Minerals shares.

DIVIDENDS

A fully-franked final dividend of 18 cents per share will be paid on 11 March 2022. An interim dividend of 16 cents per share, including a special dividend of 8 cents per share, fully franked was paid to shareholders on 7 September 2021.

This brings the total dividend for 2021 to 34 cents per share fully franked. Dividend Reinvestment Plan applies to dividends for 2021.

DIVIDEND PAYMENTS

Dividend payments are credited directly into any nominated bank, building society or credit union account in Australia.

ANNUAL & SUSTAINABILITY REPORT

A full copy of the Annual & Sustainability Report is available online at ozminerals.com. If you no longer wish to receive a hard copy of the Annual & Sustainability Report, log into your shareholding or contact our share registry to update your shareholder communication instructions.

SHARE REGISTRY INFORMATION

The OZ Minerals share registry is maintained by Link Market Services Limited.

Visit Link Market Services' website linkmarketservices.com.au and access a wide variety of holding information, change your personal details and download forms. You can:

- check your current and previous holding balances
- elect to receive financial reports electronically
- update your address details
- update your bank details
- confirm whether you have lodged your Tax File Number (TFN), Australian Business Number (ABN) or exemption
- check transaction and dividend history
- enter your email address
- check the share prices and graphs
- download a variety of instruction forms.

You can access this information via a security login using your Security Holder Reference Number (SRN) or Holder Identification Number (HIN) as well as your surname (or company name) and postcode (must be the postcode recorded on your holding record).

CONTACT INFORMATION

Shareholder enquiries about shareholding should be addressed to Link Market Services. You can contact the Company's share registry by calling (+61) 1300 306 089, local call cost within Australia. Share registry contact information can be found on the back cover of this report.

For personal use only

Glossary

Acid rock drainage

When rock surfaces are exposed to air and rain, a reaction can occur with the elements in the rock which results in a change in the characteristics of the water that runs off. If the rock contains sulphides, oxidation processes can acidify the water. This process is known as acid rock drainage.

Biodiversity

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

Carbon dioxide equivalent (CO_2-e)

Carbon dioxide equivalent is a standard measurement used to indicate the impact of various greenhouse gas emissions on global warming relative to the same amount of carbon dioxide (CO_2).

Copper concentrate

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

Footprint

The area disturbed by OZ Minerals' operations and activities.

Global Reporting Initiative (GRI)

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

Greenhouse gases (GHG)

Gases in the Earth's atmosphere that absorb and re-emit infrared radiation, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride (SF_6)

Hectare (ha)

A hectare is a unit of area equal to 10,000 square metres. Usually used to measure land.

Kilolitre (kL)

One kilolitre is equal to one thousand litres.

Megalitre (ML)

One megalitre is equal to one million litres.

Significant community issues

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

Significant incidents

Any occurrence that has actually resulted in or had the potential to result in consequences that have a major extreme impact on safety, health, environment or the community.

Significant occupational exposures

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

Stakeholders

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

Tailings

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

Tailings storage facility (TSF)

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

Total recordable injury frequency rate (TRIFR)

TRIFR is the total number of recordable injuries per million working hours. Recordable injuries include those that result in lost time, medical treatment and restricted work injuries. First aid injuries are not included.

Waste rock

Material such as soils, barren or uneconomic mineralised rock that surrounds a mineral orebody and must be removed in order to mine the ore.

For personal use only

OZ MINERALS LIMITED

/ ABN 40 005 482 824

Corporate Office

/ 2 Hamra Drive, Adelaide Airport
South Australia 5950

/ Telephone: (+61 8) 8229 6600
Facsimile: (+61 8) 8229 6601

/ info@ozminerals.com

Share Registry

/ Link Market Services Limited

/ Tower 4, 727 Collins Street,
Docklands Victoria 3008 Australia

/ Telephone: (+61) 1300 306 089
Facsimile: (+61 2) 9287 0303

/ linkmarketservices.com.au

Investor enquiries

/ Travis Beinke
Group Manager Investor Relations

/ Telephone: (+61 8) 8229 6622

/ travis.beinke@ozminerals.com

For personal use only

