

WE'RE ABOUT RESPONSIBILITY

Responsible Business Report 2018



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Foreword

WELCOME... TO OUR RESPONSIBLE BUSINESS REPORT

We are located in one of the most beautiful parts of the UK and recognise that with this privilege comes responsibility: a duty to ensure that our operations enhance the area, rather than detract from it; bring economic benefits to the wider area's residents; and contribute to solving a problem that has a truly global scale – how to produce more food to feed the world's growing population in a way that is more sustainable.

Responsibility is something we at Sirius embrace wholeheartedly – indeed, it is one of our core values. We expect everyone involved with the Company, from the Board and staff to the wider contractor team, to act with accountability and integrity.

As the Chief Executive Officer, I am responsible for the implementation of our strategy to become a world-class fertilizer business and make a significant and sustainable contribution to global food security.

I firmly believe that the Company's success in delivering this vision will be achieved by supporting our team and keeping them safe, protecting the environment, engaging with the community and benefiting the local area. Underpinned by good governance, our three pillars of responsibility – community, environment and people – inform everything we do.

The past year has seen us make great progress in delivering our North Yorkshire polyhalite project (the 'Project'), with a significant increase in construction across the Project's sites. Safety is our number one priority and I am disappointed that five safety incidents were reported in 2018, including one serious injury. Following detailed investigations, changes to working practices have been implemented at all sites.

Throughout 2018, we continued to make a meaningful contribution to the economic and social wellbeing of the area. I am pleased that two-thirds of the Project's 900-strong workforce come from the local area, which far exceeds our expectations for this stage of the Project's development. An assessment of our economic impact, summarised in this report, shows that the Project contributed over £200 million to the regional economy in 2018.

Our education outreach programme continues to go from strength to strength with a particular focus on working with disadvantaged young people in the area.

It was great to launch our engineering apprenticeship programme in November 2018, which will see us take on 50 apprentices over the next four years.

I have also been proud to see the Sirius Minerals Foundation fund and deliver a whole host of projects which have benefited a wide range of local people and community groups over the last year.

We continue to minimise environmental impacts during construction and are pleased to have found ways to further reduce impacts beyond the minimum requirements of our planning consent. As part of our planning commitments, we provided significant funding towards environmental projects to safeguard and enhance the environment, which last year included the planting of 40,000 trees in the North York Moors National Park.

Through our global research and development programme, we continue to demonstrate the positive effects that our product – POLY4 – can have on crop yield and quality, as well as reinforce its environmental credentials.

I hope you enjoy reading this report, which sets out our approach to working responsibly and measures our performance across a range of targets. As always, we welcome your feedback, so please get in touch with us if you have any questions, comments or ideas.

With best wishes,

Chris Fraser
CEO



CHRIS FRASER
Managing Director and CEO

HIGHLIGHTS AND ACHIEVEMENTS



66%
OF OUR WORKFORCE IS LOCAL

Enhancing local employment

900 people work on the Project, two-thirds of them coming from the local area. This is a far higher number than we had anticipated for this stage of the Project and was achieved by our efforts to make opportunities available to local people.



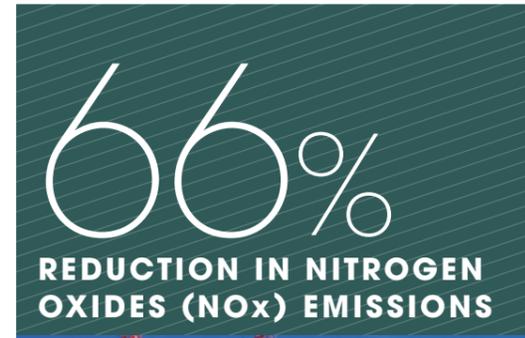
Supporting the regional economy

We are committed to making a meaningful contribution to the regional economy. Whenever possible, we and our main contractors source goods and services from businesses in the region.



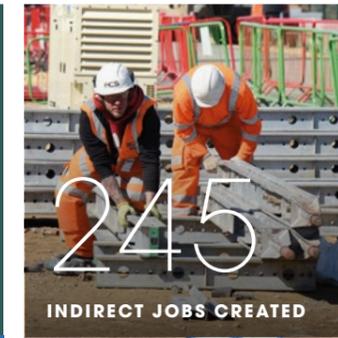
Promoting sustainable agriculture

Our global crop science programme demonstrates that POLY4 improves crop yield and quality and has many environmental benefits. We work with a wide range of stakeholders – including customers, farmers and growers – to promote balanced fertilization methods.



Reducing emissions

In 2018, we significantly reduced the need for diesel-generated power at Woodsmith Mine during construction by installing mains electrical power to the site. This means our NOx emissions are 66% less than the level permitted in our planning consent.



Indirect jobs

Our expenditure on goods and services, as well as workers spending their wages, creates more employment opportunities. In addition to 900 direct jobs, the Project has created a further 245 indirect jobs in the UK in 2018.



Sirius Minerals Foundation

We have set up the Foundation as an independent charity to fund community projects. During construction we have contributed £2 million to the Foundation. It has already awarded £0.5 million to support families and vulnerable people, boost employability, improve community facilities and enhance the environment.



Woodland creation

As part of our planning consent, we are funding 7,000 hectares of new, mixed deciduous woodland in the North York Moors National Park over the next 100 years. This will help to offset our carbon emissions, enhance the landscape of the National Park and create more diverse habitats for wildlife.



Raising aspirations

Our education outreach programme aims to increase the skills and aspirations of young people in the local area. To date, we have worked with 70 schools, engaging with over 20,000 young people. In 2018, we particularly focused our efforts on working with groups of disadvantaged young people.



Apprenticeships

In November 2018, we launched our engineering apprenticeship programme to take on 50 apprentices in preparation for long-term roles with the Company. Recruitment is underway to select the first ten apprentices, who will join us in September.



Minimising construction impact

We continue to ensure that construction can progress and that the environmental impacts are minimised in line with our planning conditions, as well as looking for opportunities to deliver further enhancements where we can.



Engaging the community

We keep local stakeholders updated as to the Project's progress. We maintain regular contact with our closest neighbours, attend parish council meetings and hold public drop-in sessions and exhibitions.



Improving access to the National Park

We have funded a wide range of works to improve footpaths and bridleways in the North York Moors National Park to enable greater access for all.

A YEAR OF PROGRESS AT SIRIUS MINERALS

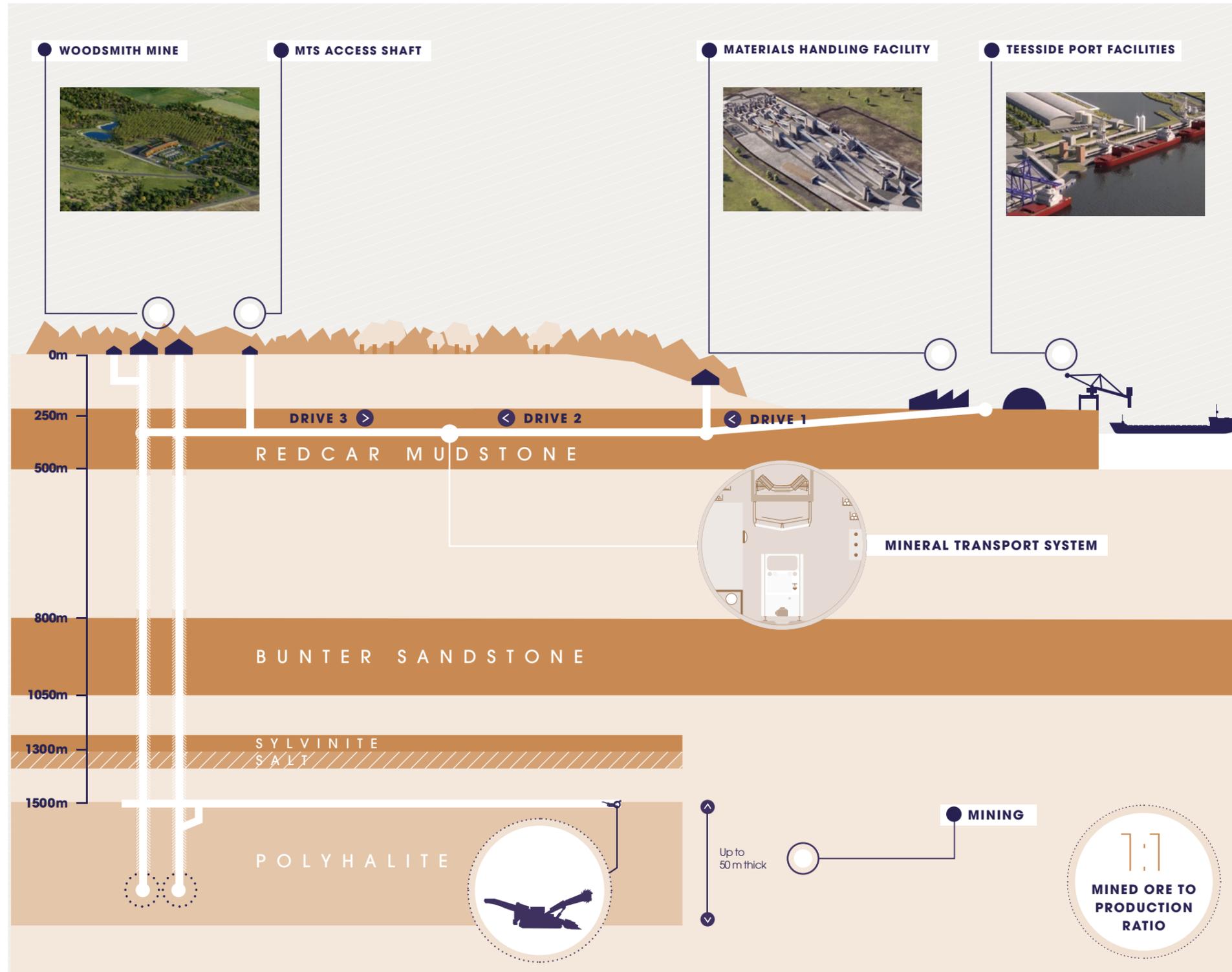
Our vision – to become a world-class fertilizer business

Sirius Minerals Plc is a fertilizer development company, focused on developing the world's largest and highest grade polyhalite resource. Our vision is to become a world-class fertilizer business that makes a significant and sustainable contribution to global food security, which is one of the most important challenges facing the world today.

Our flagship project is based in North Yorkshire and is expected to reach first polyhalite in 2021. POLY4, the trademark name of our product, contains four of the six macro-nutrients that are essential to plant growth in one simple and efficient fertilizer product.

We have unrivalled knowledge of polyhalite. Our global crop science programme continues to demonstrate that POLY4 is suitable for widespread commercial use and has a wide range of positive environmental characteristics.

Our North Yorkshire polyhalite project will help us to become a world-leading producer of multi-nutrient fertilizer.



Our Project

The polyhalite will be extracted at the new state-of-the-art Woodsmith Mine, near Whitby in North Yorkshire. It will be transported to the Wilton International site at Teesside on a high-capacity conveyor belt system in an underground tunnel known as the mineral transport system (MTS). The polyhalite will then be granulated at the materials handling facility (MHF) to produce POLY4. The majority will be exported to customers around the globe from the port facility on the River Tees.

In designing the Project, we prioritised low environmental impact, high production capacity and low operational costs. Details of how we limit the environmental impact of polyhalite extraction are provided on page 17.

Following first polyhalite in 2021, we will build to an initial production capacity of 10 Mtpa, with the potential to achieve a full production capacity of 20 Mtpa. Our 1:1 mined ore to product ratio, together with our efficient mineral transport system and simple granulation process, will help us to have a low environmental impact and operating cost.



Construction progress

Significant construction progress has been made during the year. The installation of diaphragm walls, which protect the foreshafts from water bearing strata, at both the production and service shafts have been completed. Excavation at the service shaft foreshaft is now complete and excavation of the production shaft foreshaft is well underway.

The vertical sinking machine being used to construct the MTS access shaft at Woodsmith was launched in October 2018. At Lockwood Beck, the site of the intermediate access shaft, preparatory works are well progressed.

At our Wilton site the MTS portal was completed and the tunnel has since been commenced. The first tunnel boring machine has arrived at site and is expected to commence mechanical tunnelling in the coming months.

Earthworks were commenced at our MHF site and ground investigation works completed during the reporting period.

RESPONSIBLE BUSINESS AT SIRIUS MINERALS PLC



Responsibility is about doing the right thing, in the right way. This approach has been at the heart of everything we have done since the launch of our North Yorkshire polyhalite project in 2011.

There has been a great deal of local interest in the Project from the outset and we have recognised our responsibility to positively engage the community and ensure that we benefit the local area. As a result, there is widespread support for the Project and it is important to maintain and strengthen our relationships with our local stakeholders as we progress.

Our approach to minimising the environmental impact of the Project has gained the trust of a broad range of stakeholders. We are committed to safeguarding the area's environment and, beyond that, will promote sustainable agricultural practices on a global scale.

To deliver the Project in the right way we need a team of motivated and resilient people who live the Company's values.

Our three pillars of responsibility – community, environment and people – inform everything we do.

Introducing our pillars



COMMUNITY

We will play a positive role in the local community by making a meaningful contribution to its social and economic wellbeing, maintaining good relationships with local stakeholders and responding quickly to questions and concerns.

[READ MORE PAGE 8](#)



ENVIRONMENT

We will minimise the potential adverse impacts of our construction and support environmental enhancements. In production, we will operate a low-impact project and our product, POLY4, will make a significant and sustainable contribution to global food security.

[READ MORE PAGE 16](#)



PEOPLE

Our focus is to keep people safe. We will invest to strengthen the Company's culture and enable our workforce to deliver the Project on time and on budget.

[READ MORE PAGE 24](#)

Governance and compliance

Our culture of responsible business begins with strong leadership. Our Board is committed to the highest standards of corporate governance, which underpins our approach to working responsibly.

As a Company incorporated in the UK and listed on the London Stock Exchange, the Company is required to report against the UK Corporate Governance Code (Code), which has five key principles: Leadership, Effectiveness, Accountability, Remuneration and Relations with shareholders. During 2018, the Company has complied in full with the Code, as detailed in our 2018 Annual Report.

Board

The Board is collectively responsible for the long-term success of the Group, providing leadership of the Company and direction for management. The Board is responsible for establishing the Company's strategy, values and purpose and monitoring that these are

aligned with the Group's culture, whilst ensuring the necessary controls and resources are in place to achieve its objectives and having regard to the views of shareholders and other stakeholders.

The Board has adopted a schedule of matters specifically reserved for its approval. This schedule details the key affairs of the Company which the Board does not delegate and can be found on our website at siriusminerals.com.

The Board has delegated certain aspects of its responsibilities to five Committees, outlined below: the Audit Committee; the Nominations Committee; the Remuneration Committee; the Disclosure Committee; and the Health and Safety Committee.

Senior management team

The Executive Directors – the Chief Executive Officer and Chief Financial Officer – working closely with the senior

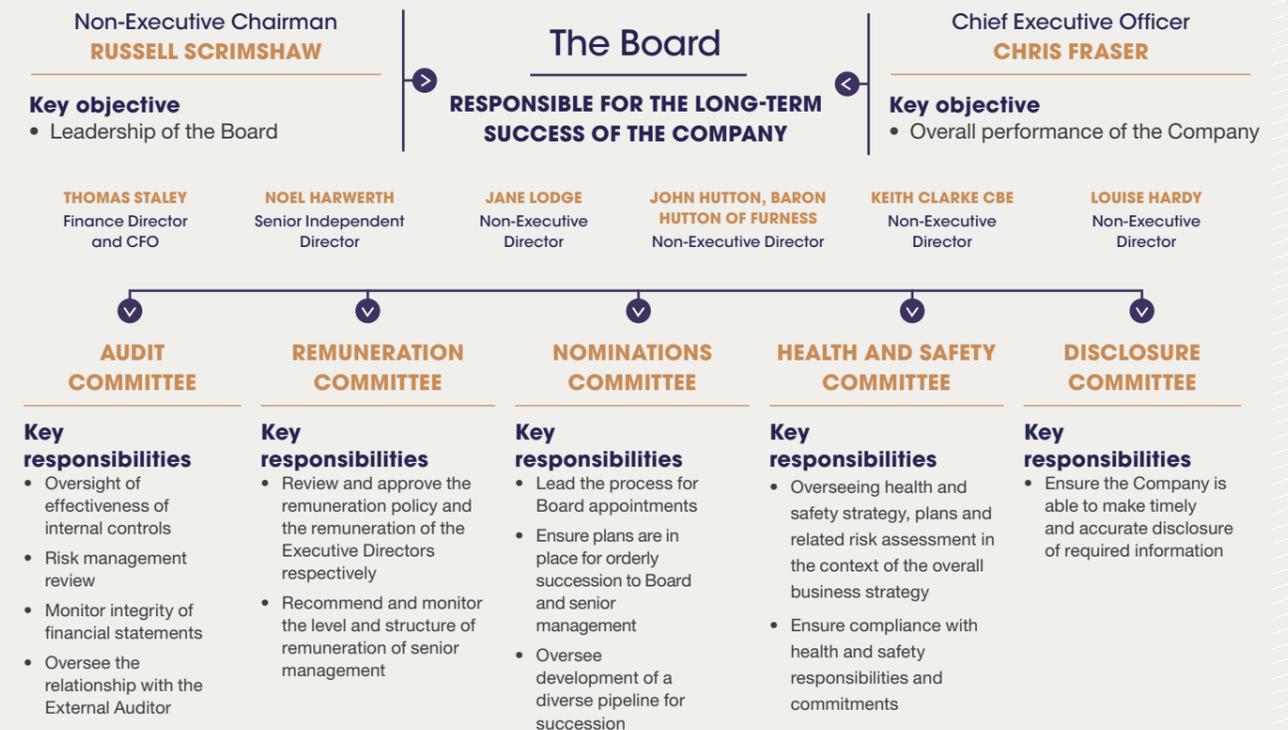
management team, are responsible for the day-to-day management of the Group, the implementation of its strategy, policies and budgets, and its financial performance.

Working responsibly

Working responsibly is something the Group expects of all its staff and its wider contractor team. This means having the right values and policies in place, embedding them in our systems and processes, and making sure our people uphold them. The Group has six core values (Responsibility; Ownership; Belief; Urgency; Safety; Team) and a number of policies and procedures in place, covering matters such as anti-bribery and corruption, health and safety, conflicts of interest, data protection, diversity and inclusion, and HR matters which underpin the way we expect our people to work.



Governance structure



Measuring Performance:

Direct jobs created

2018: 900 (TOTAL WORKING ON PROJECT DECEMBER 2018)

Local employment

TARGET: 35% OF PROJECT WORKFORCE FROM LOCAL AREA
2018: 66%

Contribution to the economy of Yorkshire and the North-East

2018: £200 MILLION

Apprenticeships

TARGET: CREATE 50 NEW APPRENTICES BY 2023
2018: 0

Education outreach

TARGET: PARTICIPATE IN 20 ACTIVITIES
2018: 56

Community engagement

TARGET: ATTEND 20 PUBLIC MEETINGS
2018: 30

Responding to complaints

2018: 36 COMPLAINTS RECEIVED AND RESOLVED

What community means for Sirius

Community means living and working together: it is our location, the people in it and those nearby. Our community is those who work for us, with us, benefit from our activities and who may be impacted by them in other ways. We are committed to taking an active and positive role in the local community. This means making a meaningful contribution to the social and economic wellbeing of the area, minimising the potentially adverse impacts of construction and maintaining good relationships with local stakeholders as our Project develops.

COMMUNITY



ENGINEERING APPRENTICESHIP PROGRAMME

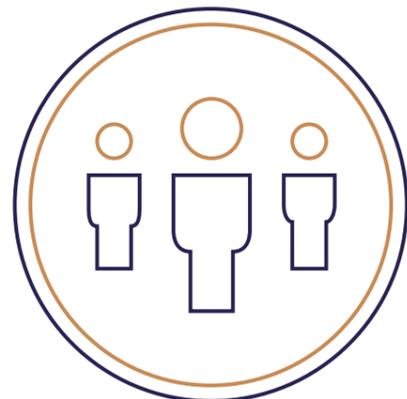
We have long recognised that apprenticeships are an effective way to grow a local workforce and have already taken on five apprentices in office-based roles. In November 2018, we launched our engineering apprenticeship programme to take on the first ten of a further 50 apprentices who will join us in September 2019. Four information events have been held, attended by over 500 people, and to date, almost 700 applications have been received.

The four-year apprenticeship to train advanced engineering technicians will be run in partnership with the Teesside-based TTE Technical Institute.

The first two years of the programme will focus on developing the apprentices' knowledge of electrical, mechanical and instrumentation engineering principles and putting these into practice. During the remaining two years, the apprentices will undertake work-based learning.

Ours is the largest private sector capital investment in the north of the UK and is a project that is set to be operational for decades to come. We take our responsibility to the people who live, work and visit the local area very seriously.

Throughout 2018, we have continued to grow our team and, together with our contractors, have employed hundreds of local people. We have provided opportunities for young people through the launch of our engineering apprenticeship programme, continued to work with schools to raise the skills and aspirations of children across the area and supported a wide range of community projects via the Sirius Minerals Foundation.



Strategic objectives

1
Make a meaningful contribution to the economic and social wellbeing of the area

2
Engage and inform local stakeholders, responding quickly to questions and concerns

LOCAL EMPLOYMENT

Our Project will create over 1,000 direct, long-term jobs for highly skilled employees, with average salaries that are double the regional average.

As highlighted by the case studies, we have taken great strides over the last year towards implementing our apprenticeship programme. In addition to the projects we fund at local councils to prepare people for employment, the apprenticeship scheme will help us to grow a local workforce completely aligned with our vision and responsible approach.

In the near term, we envisage a peak of 1,700 construction jobs with many more created across the entire construction period. Given the specialist nature of much of the work, we had anticipated being able to recruit a maximum of just over one-third of the workforce locally, but are delighted to have far exceeded this number. By Christmas 2018, there were 900 people working on the Project across four sites: Woodsmith Mine, Wilton, Lockwood Beck and Resolution House in Scarborough. We are pleased to report that two-thirds of the 900 are from the local area, defined as a one-hour commute from the Project site of work.

Our achievements in local employment came about thanks to a recruitment programme featuring job fairs, registration via our website and local advertising of jobs in conjunction with our contractors and local employment services.

66%
OF PROJECT WORKFORCE FROM LOCAL AREA

900
JOBS CREATED IN 2018



EAST CLEVELAND TRAINING AND EMPLOYMENT HUB

The Hub, which is part-funded by Sirius, helps local people to identify suitable jobs and to prepare for interviews and employment. It is run by Redcar and Cleveland Borough Council's Routes to Employment Service and Jobcentre Plus.

Since its launch in February 2018, the Hub has registered over 500 local people for its free service. It has provided 170 people with professional training, sometimes leading to a qualification, and found new roles for over 200 applicants with a wide range of companies, including Sirius and our construction contractors.

During 2018, the Hub held careers events, attended by over 400 local people, to raise awareness of jobs with our Project. Our construction contractors, including DMC Mining Services, Strabag, Careys, together with their sub-contractors, have liaised with the Hub to promote job vacancies and host interviews and skills assessments.

TRAINING

During 2018, we continued to support services that work to help people in the local area access training and the skills and qualifications needed for employment and career progression.

During the year, as part of our planning commitments, we provided funding of £162,000 to the borough councils of Redcar and Cleveland and Scarborough. This part-funded the East Cleveland Training and Employment Hub (see case study on page 9) as well as Scarborough Construction Skills Village and Scarborough Jobmatch in North Yorkshire.

With the launch of our engineering apprenticeship programme in November last year, we stepped up delivery of our training commitments to prepare people for operational roles with the Project. As well as taking on 50 apprentices over the next four years, we will train 300 adults and support a minimum of 15 young people through our undergraduate programme which will provide engineering students with industry experience and a pathway into the Company.

We also support organisations, including the North Yorkshire Skill Mill, which help people who face additional barriers to employment.



As part of our planning commitments, we provided funding of £162,000 in 2018 to the borough councils of Redcar and Scarborough to support training initiatives.



THE SKILL MILL

The Skill Mill is a North Yorkshire social enterprise that increases the skills, aspirations and confidence of 16–18 year olds by providing practical work experience. We are pleased to have contracted The Skill Mill to carry out maintenance work on community facilities around the project sites.

For more information, please visit www.theskillmill.org.

WORKING WITH LOCAL BUSINESSES

We are committed to ensuring the significant supply chain opportunities generated by our Project are available to companies from the local area.

Over the last year, we worked with our principal contractors to hold three supply chain events targeting businesses in the region. We continue to work with Local Enterprise Partnerships, councils and business networks to promote opportunities with the Project and companies that would like to work with us can register their interest in becoming suppliers via our website.

In 2018, we spent £70 million sourcing goods and services from businesses in Yorkshire and the North-East, helping to safeguard and create more much-needed jobs and prosperity in the region.



FRANCIS BROWN, TEESIDE

Stockton-based steel fabricator Francis Brown was awarded a contract by our shaft-sinking contractor, DMC Mining Services, to fabricate and weld 50 tonnes of steel shaft lining for our Woodsmith site and Lockwood Beck. The contract will be fulfilled entirely at Francis Brown's Stockton factory.



WILLIAM HARE, NORTH YORKSHIRE

The Scarborough branch of fabrication company William Hare Ltd was awarded a multi-million-pound contract to manufacture 3,000 tonnes of equipment. This includes the steel headframes for the winding gear and the Galloways used during the excavation of the two access shafts for the 37km mineral transportation tunnel. The majority of the work will be completed in the Company's Scarborough facility, keeping valuable skills in the local area.



SUPPORTING TOURISM

We continue to support tourism, a key sector for the local economy, through our contributions to North York Moors National Park Authority and Redcar and Cleveland Council. The purpose of the funding, which in 2018 amounted to £617,000, is to promote the area to potential visitors and improve the tourism offer.

Much of the funding has helped create an integrated marketing campaign to promote the North York Moors to domestic and international markets using a wide range of activities and media. Campaigns include the 50-year celebration of the Cleveland Way National Trail, promotion of the 2019 Dark Skies Festival and the 'Alive with Adventure' campaign delivered by Welcome to Yorkshire.

Additionally, four projects benefited from the local tourism business contribution, which is designed to stimulate new tourism activity and ensure that any increase in visitors to the area is sustainable.

The funded projects include improvements to Whitby Abbey and outdoor play facilities in the National Park.

2018 ECONOMIC IMPACT ASSESSMENT

Specialist consultancy Quod has followed up its report published last year,¹ which calculated the economic impact of the Project once it was in production, with an assessment of the impact the Project has already had in 2018² – its first full year of production. The new report analysed workforce data and supply chain expenditure, provided by the Company and our contractors, to calculate the economic impact of the Project on the UK economy, the region of Yorkshire and the North-East, as well as more locally to the Project area.

In 2018, Sirius' expenditure on the Project amount to £355 million. The assessment shows the transformative impact of this investment, with the key highlights summarised below.

£200 MILLION CONTRIBUTION TO THE REGIONAL ECONOMY

Gross Domestic Product (GDP) is the national measure of the UK economy. The value of a company's economic output and its contribution to GDP is measured by Gross Value added (GVA). In 2018, Sirius generated a total of £288 million in GVA, with £200 million generated in Yorkshire and the North-East.

900 DIRECT JOBS WITH SALARIES 40% HIGHER THAN THE LOCAL AVERAGE

As outlined on page 9, there are 900 people working on the Project across the four sites, with 66% coming from the local area. These are well paid jobs, with average salaries 40% higher than the average in the boroughs of Scarborough and Redcar and Cleveland.

245 INDIRECT JOBS CREATED

Expenditure by Sirius and our contractors on goods and services, as well as workers spending their wages, creates additional employment. The assessment estimates that a further 245 jobs have been created in the UK as a result of this, with a proportion of this captured more locally.

1. Sirius Minerals Polyhalite Project Economic Case Report 1, January 2018
2. Sirius Minerals Polyhalite Project Economic Impact 2018, April 2019



WHITBY IN BLOOM - CLIFF STREET WONDERLAND

£5,000 was awarded to the Whitby in Bloom project to rejuvenate a run-down area of the town with a Wonderland-themed initiative. Thanks to 75 enthusiastic volunteers the area has been wonderfully redeveloped, enhancing community safety and providing employment-related skills at the same time.



BLAZE - HEALTHY FAMILIES

Blaze Youth Club was awarded £4,000 to develop 'Family Friday'. The scheme offers weekly cooking sessions, over five months, to help families in one of the most deprived areas of the country learn essential life skills. For some of the families, Family Friday was the first time they had experienced the value of cooking and eating meals together.



REDCAR AMATEUR BOXING CLUB: EAST CLEVELAND OUTREACH PROJECT

£4,850 was awarded to the club to fund new 'satellite' boxing clubs in East Cleveland. These provide access to the sport for young people in an area where low-cost sporting activities are not available. Coaches report vast improvements in the concentration, commitment and discipline of the children who attend, and one of the girls has become a national champion!

£13m

ANNUAL ROYALTY CONTRIBUTION AT FULL PRODUCTION

SIRIUS MINERALS FOUNDATION

The Sirius Minerals Foundation is an independent charity that supports community projects in the local area. We made a donation of £2 million to the Foundation for the construction phase and during operations will contribute an annual royalty of 0.5% of Project revenue, which is forecast to amount to more than £13 million per year when at full production.

The first round of funding was awarded in December 2017, providing a total of £300,000 towards 80 local projects. These projects have been delivered in 2018 (please see the case studies on this page). The second round of funding opened in autumn 2018 inviting applications for projects that focus on education, training, skills and supporting people who are out of work. To find out more about the Foundation and future funding rounds visit the website, www.siriusmineralsfoundation.co.uk.



EDUCATION OUTREACH

Our education outreach programme increases the skills and aspirations of young people in the area. To date, we have worked with 70 schools and engaged over 20,000 young people. In 2018, we participated in 56 education events including presentations and activities to improve employability skills, site visits and working with groups of disadvantaged young people (see case studies below).

Sirius is a member of the York, North Yorkshire and East Riding Local Enterprise Partnership Skills and Employability Board, which supports skills provision in the region. We also sit on the North Yorkshire Coast Opportunity Area Board, a government initiative to improve social mobility for young people in areas of deprivation. In recognition of our work, we were delighted to be invited to give a presentation at Parliament to MPs and senior civil servants about the positive role that businesses can play in supporting social mobility.

In addition, we are funding a £1 million programme in Tees Valley and North Yorkshire to support the science, technology, engineering and maths (STEM) curriculum over the next ten years. In 2018, this programme engaged 8,000 young people.



YOUNG CARERS

A group of young carers of secondary school age, who juggle their studies with caring for family members, visited us over a four-week period to find out more about opportunities in the workplace. Despite their tremendous work supporting their family, many had reported low confidence and had little time to consider their own futures.

Our project gave these young carers the opportunity to complete practical tasks, including team work, communication, presenting and problem solving. For most of the group, this was the first time they had engaged with adults in a workplace or given a presentation in front of an audience. Together, they acquired a host of transferable and confidence-boosting skills.



Our education outreach programme aims to increase the skills and aspirations of young people in the area.

CAEDMON COLLEGE WHITBY

In 2018, the Company welcomed a group of Year 8 female students from a local secondary school over a six-week period. The girls had had been identified as having low aspirations and being at risk of disengaging from their studies. As part of the project, the students made a video about life in a large company and the types of career opportunities available.

Along with this, the girls took part in sessions to help them build employability skills – including team work, communication, resilience and problem solving. At the end of the project, the girls said they felt inspired and had new, more focused ambitions for the future, with a greater knowledge of the skills and qualifications they will need.



Our community stakeholders

Stakeholder groups have been identified and engaged as the Project has developed. They can be broadly categorised as:

- Site neighbours**
Households within close proximity have been identified as 'site neighbours' of the Woodsmith and Lockwood sites
- Community representatives**
Elected representatives, including parish and town councillors, local authority councillors and local MPs.
- Interest groups**
Business networks, environmental bodies and other local groups.
- Education institutions**
Local schools, colleges, universities and other training providers.
- General public**
The wider public in the local area.

COMMUNITY ENGAGEMENT

Right from the outset there has been widespread interest in the Project and we have been committed to communicating with all local stakeholders in an open and transparent way. Our approach, as set out in our Community and Local Stakeholder Engagement Framework, involves providing regular updates as the project progresses – ensuring that people are informed before each phase of construction – and that mechanisms are in place that enable questions and concerns to be raised and acted upon quickly.

We use multiple communication channels, appropriate to the specific stakeholder, including visits and phone calls, newsletters, exhibitions and drop-in sessions, attendance at various public meetings, site visits and briefings, media releases, website updates and a 24-hour community helpline.

We have developed good stakeholder relations, which are vital to the Project's development, and we continued to maintain and strengthen these throughout 2018.

Being a good neighbour

Maintaining regular contact with the households closest to our Woodsmith Mine and Lockwood Beck sites has continued to be a priority throughout 2018 as construction activities have ramped up. We often visit our neighbours, produce a regular neighbour newsletter and have hosted a number of individual site visits, as well as making sure that we are always contactable.

We have also engaged households, landowners and businesses close to the sites where we have undertaken geotechnical exploration works. As construction has increased at Wilton, we have turned our attention to the neighbourhoods closest to the site and have recently joined a resident liaison group, also attended by other businesses, at Wilton International.

Public meetings and local groups

In 2018, we attended 30 public meetings including 23 parish and town council meetings closest to the Project sites. We hosted three site visits at Woodsmith and Lockwood Beck specifically for parish councillors.

As detailed in the case studies, we attended the quarterly Liaison Group Forum and launched the 'Woodsmith to the World' exhibition at both Whitby and Redcar Museums. In addition, the Company gave 19 presentations to local interest groups including business networks, environmental groups, Rotary clubs and agricultural societies.

WOODSMITH TO THE WORLD EXHIBITION

In 2018, we held a three-month public exhibition in partnership with Whitby Museum. It gave visitors the opportunity to learn about the geology and mining history of Teesside and North Yorkshire, and of the significance of the Project's contribution to global food security, as well as information about the Project's design, construction and operation. The exhibition proved so popular that the museum reported an increase in footfall of 36% compared with the same period in 2017. The exhibition subsequently moved to Kirkleatham Museum in Redcar.



LIAISON GROUP FORUM

We continue to chair the Liaison Group Forum, which met three times during 2018. The purpose of the forum is to facilitate liaison about the Project between local stakeholders, to provide updates on construction progress and to respond to questions and complaints. In addition to Sirius, the forum's members include representatives from North York Moors National Park Authority, councillors from parish, town, borough and county councils, and representatives of the wider stakeholder community as appropriate. The meetings are open to the public, who are welcome to participate.



66

In 2018 we attended 30 public meetings in the local area.

Responding to concerns

The Company responds quickly to questions and concerns. In 2018, 36 complaints were received, compared with 42 in 2017, despite a significant increase in construction work. Of last year's complaints, 19 related to the Woodsmith site, four to Lockwood Beck, five to off-site geotechnical works and eight to the works to bring mains power to site (which was carried out by the statutory provider's contractors).

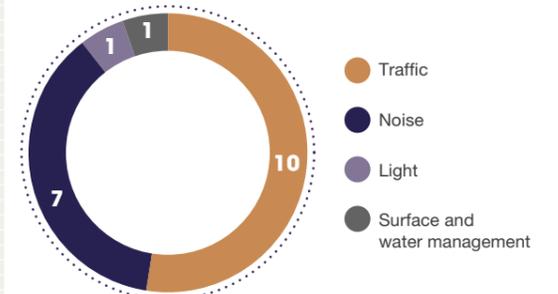
The 19 complaints at Woodsmith related to traffic (ten), noise (seven), light (one) and surface water management (one).

Traffic remains the key theme and a robust traffic management system is in place. In 2017, there were 22 complaints about traffic, mainly about heavy goods vehicles (HGVs) not using the approved route. In 2018, despite a 63% increase in HGV movements, traffic complaints fell to ten. We will continue to strive to reduce this further.

Noise levels are managed and monitored as per the requirements of our planning consent. Whilst none of the seven noise complaints in 2018 was associated with a breach of the permitted levels, we have recently reviewed the main noise sources on site and put further noise reduction measures in place.

Breakdown of complaints at Woodsmith

19 NO. OF COMPLAINTS



What environment means for Sirius

Our aim is to become a world-leading producer of multi-nutrient fertilizer. Through the large-scale supply of POLY4, we will make a significant contribution to global food security, one of the most important challenges facing the world today. During 2018, we continued to work with a wide range of partners to promote better agricultural practices across the world in readiness for first polyhalite in 2021.

In delivering the Project, we are committed to minimising the environmental impact of our construction phase, implementing and supporting environmental enhancements where possible. When the Project is operational, we will produce POLY4 in an efficient and enduringly sustainable way.



ENVIRONMENT

Measuring Performance

GHG emissions Scope 1

2018: 4,852 TCO₂e

GHG emissions Scope 2

2018: 639 TCO₂e

Gross carbon emissions

2018: 5,491 TCO₂e

Intensity metric: per £10 million spend

2018: 152

NOx emissions

TARGET: 25% REDUCTION IN NOX EMISSIONS AGAINST CONSENTED SCENARIO AT WOODSMITH

2018: 66%

Environmental compliance

TARGET: ZERO ENFORCEMENT ORDERS

2018: 0

Environmental incidents¹

TARGET: ZERO

2018: 0

New crop trial started

TARGET: 80

2018: 110

During 2018, we continued to look at ways to reduce the environmental impact of the Project beyond the requirements of our planning permission. We also provided significant funding for environmental projects to improve the landscape, safeguard the ecology of the area and help offset our carbon emissions.



1. An incident causing significant localised harm, recovery within one year

Strategic objectives

1 Effectively manage environmental impacts during construction phase

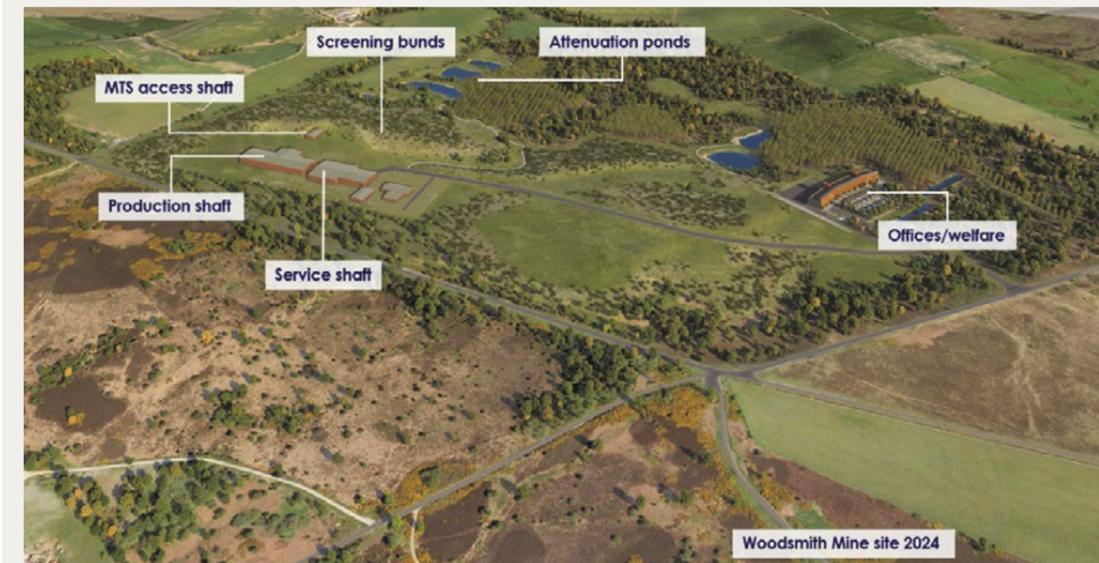
2 Deliver and invest in measures to safeguard and enhancement of the environment

3 Promoting sustainable agricultural practices

SUSTAINABLE DESIGN AND OPERATIONS

The polyhalite deposit can only be accessed from within the North York Moors National Park. We have taken extensive measures to limit the environmental impact of our work. The number and size of our buildings has been kept to a minimum which, together with good landscaping and planting, will ensure the site is screened to blend in with the surrounding area.

Extracted ore will be transported to Teesside via an underground transport system and undergo a simple granulation process to produce our POLY4 product, which does not require chemical processing and has no waste products.



MINIMISING CONSTRUCTION IMPACT

Throughout 2018 we worked closely with the relevant authorities to ensure that all construction activities were carried out in accordance with our planning consents, through a series of phased discharge of our planning conditions and amendments to planning approvals.

There are almost 100 planning conditions relating to environmental issues as part of the permission for our sites and the mineral transport system. Before each phase of construction, we have to set out how we will comply with the conditions to ensure that construction can progress and that impacts are limited across a range of environmental matters including lighting, noise, landscape, wildlife and ecology, and air quality, as set out below.

In 2018, 21 phases of conditions discharges were carried out across all Project sites, plus five section 96a non-material amendments and three section 73 minor material amendments to the Project's planning permissions.

However, in alignment with our responsibility core value, our approach views compliance with planning conditions as our minimum standard. We are committed to looking for opportunities to further reduce the environmental impact of the Project by going beyond what is required by our planning permission.

For example, in 2018, we almost eliminated the need for diesel-generated power by installing mains power to the site, helping to improve local air quality and reduce noise and emissions at source. Mains power has reduced nitrous oxides (NOx) emissions by 66% at the Woodsmith site in comparison with the permitted levels. The requirement for diesel will be further reduced in 2019 through the installation of a liquified natural gas plant, further decreasing emissions. We secured mains water supply to our sites last year, eliminating the need for road going water tankers and helping to reduce traffic movements.

We are pleased to report zero enforcement orders relating to environmental matters and zero environmental incidents occurred in 2018. We are keen to repeat this performance in the coming year.



CONSTRUCTION CARBON FOOTPRINT

The Company's greenhouse gas (GHG) performance in 2018, as set out on page 16, is calculated in line with the Government's 'Greenhouse gas reporting: conversion factors 2018'. This includes direct GHG emissions from the combustion of fuels (Scope 1) and indirect GHG emissions from the consumption of purchased electricity, steam or other sources of energy (Scope 2). In 2018, our emissions were 5,491 tonnes of CO₂e.



Wildlife and ecology

- Locally sourced wildflower mix used to seed an area close to the attenuation ponds
- Night vision cameras installed to survey and help protect wildlife
- Increase in wildlife at the pond area, including five species of dragonfly and a resident pair of ducks which reared 14 ducklings
- Undertook four bat surveys during summer 2018



Hydrology

- Continued to manage and monitor the interaction between the Woodsmith site and local water courses as construction activity increased
- 570 water samples taken during 2018
- Implemented surface water drainage strategies, including the creation of attenuation ponds, at both Lockwood Beck and Wilton



Visual and landscape

- Earthworks continued to create more extensive bunding around the Woodsmith site to improve screening of the working areas
- Site structures and plant regularly reviewed to keep them as unobtrusive as possible
- Confirmed approach with North York Moors National Parks Authority to further enhance the screening at the Woodsmith site through an agreed woodland management plan. This will commence with the planting of 1,000 locally sourced trees including hazel, willow, rowan, birch and oak



Noise and vibration

- Noise levels continued to be monitored and managed as required by the planning permission
- Responded quickly to concerns by undertaking monitoring at residential properties and putting additional mitigation measures in place. For example, we used container units to successfully attenuate noise levels during diaphragm wall construction at Woodsmith



Traffic and transport

- The Project's park-and-ride facility opened in Whitby, significantly reducing the number of cars travelling to the Woodsmith site
- Logistics consolidation centre established to reduce the number of small 'white van' and half-load HGV deliveries to site. This saved 1,526 HGV movements in 2018
- Robust traffic management system in place as evidenced by complaints about HGVs decreasing from 22 in 2017 to ten in 2018, despite HGV movements increasing by 63%



Lighting

- Regular proactive lighting surveys conducted, especially during the winter months, involving consideration of the orientation, height and need for each lighting unit
- Dark Skies audit undertaken with North York Moors National Park Authority lighting specialist, with the recommendations being implemented to minimise lightspill from the site



Air quality

- Decreasing NOx emissions by reducing the reliance on diesel-generated power by installing mains power to both the Woodsmith and Lockwood Beck sites
- There are management measures in place to minimise dust, with monitoring ongoing.
- Generator audit undertaken on site plant and equipment to ensure smooth running and maximise efficiency



SAFEGUARDING AND ENHANCING THE ENVIRONMENT

As part of complying with our planning permission, we are providing significant funding for environmental projects in the North York Moors National Park. This will amount to £130 million over our 100 year planning consent.

In 2018, the Company provided funding of £518,000 towards landscape and ecology projects, woodland creation and initiatives to increase the understanding of the area's geological and archaeological assets.

Credit: Ebor Images



FOOTPATHS AND BRIDLEWAYS

Enhancement works have been undertaken on a wide range of public rights of way to enable greater public access to the National Park. In total, improvements to 20km of paths have been made since 2017, with examples of the schemes supported by our funding last year set out below.

The Esk Valley path from Westerdale to Whitby averages 2,000 walkers per month. A section of earth track was transformed to a stone surface to improve accessibility, reduce erosion and keep the route viable in winter.

The surface of the Goathland Rail Trail has been enhanced to improve accessibility for wheelchairs and pushchairs. As well as surfacing, this project involved the installation of new drainage to prevent waterlogging during prolonged rain.

Work has continued on the Lyke Wake Walk, a long-distance trail within the North York Moors, which has enhanced the route for walkers and also helped to protect the moorland vegetation, which is in a site of special scientific interest (SSSI) from erosion.

A section of the bridleway at Boggle Hole, which is on the coast near to our site and had become difficult for horse riders and cyclists to use, has been improved to make sure it is accessible to a wider range of users. This project was part of a much larger scheme of work to mitigate the impacts of coastal erosion, which also involved reinforcing the banks of the river to protect the integrity of the Cleveland Way.



WOODLAND CREATION

Over the next 100 years, £70 million will be provided to the National Park Authority to fund 7,000 hectares of new mixed deciduous woodland. This equates to planting 10 million trees and is designed to offset 10% of the carbon emissions generated by our operations. The scheme will also enhance the character and landscape of the National Park and create more diverse habitats for wildlife.

The programme saw over 40,000 trees planted in 2018, with a 60,000 planned for 2019. National Park volunteers, corporate teams (including Sirius staff), community groups, families and children from local schools have all been involved.

In addition, a programme of seed collection has started to develop a supply of locally grown trees for the scheme in the years to come. In autumn 2018, a team of volunteers collected over 25,000 acorns which were sown at Castle Howard Tree Nursery in North Yorkshire. In two years' time, we will have 25,000 own-grown oak saplings ready to plant!



CARING FOR OUR HISTORIC BUILDINGS AND MONUMENTS

We continued to contribute to the management and conservation of the National Park's heritage assets in 2018 partly through our funding of the North York Moors National Park's Monuments for the Future project (launched in May of that year).

There are over 800 scheduled monuments in the area, including Bronze Age burial grounds, an Iron Age fort and a number of prehistoric features. While we often think of acid rain, vandalism and neglect as the principal threats to our monuments, in our area bracken growth is a major challenge. Volunteer teams therefore set to work at nine of the monuments and we anticipate the need for this to be something of a rolling programme!



St. Stephen's Church hatchment board

We also started the second phase of conservation at Old St Stephen's Church in Fylingdales, close to the Woodsmith site. This included work on internal features such as the benefaction boards and the hatchment board, as well as external repairs and installing drainage.

SUPPORTING SUSTAINABLE AGRICULTURAL PRACTICES

Food security is one of the most significant challenges facing the world today. The world's population is set to increase by a third by 2050 – to 9 billion – and food production will need to increase by 60% to meet demand. During the same period, the area of land available for farming will decrease by 15% and on what land is available, there are nutrient deficiencies that will affect the ability of crops to thrive.

A key challenge is how to meet these demands and pressures in a way that safeguards the environment. Fertilizers are essential to farming, helping to produce more than half of the world's food. But simply applying more fertilizer is not a sustainable way to increase crop yields. Large-scale farming systems and the over-application of fertilizers have been responsible for environmental impacts such as pollution, soil degradation, deforestation and habitat loss.

It has been consistently demonstrated that POLY4 improves both crop yield and quality (see Figure 2) and has a number of sustainable characteristics. Taken together with our long-term commitment to work with customers and farmers to promote balanced fertilizer practices, our Project can make a significant and sustainable contribution to global food security.



Sustainability credentials

In addition to increasing crop yields, POLY4:

- improves nutrient use efficiency by delivering greater nutrient uptake (see Figure 1)
- improves soil strength and structure, supporting sustainable land management
- is certified for organic use
- increases plant disease resistance, thereby reducing the likely demand for pesticides
- is low in chloride and is pH neutral
- has a low carbon footprint
- requires simple non-chemical processing only

FOR MORE INFORMATION PLEASE VISIT POLY4.COM

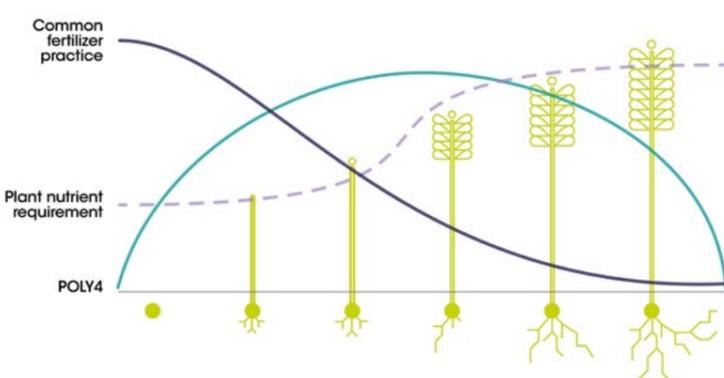


Global crop science programme

Good nutrient stewardship – ensuring that nutrients are applied to the right crop at the correct time and rate – is at the heart of our global R&D programme. We work with a wide range of stakeholders – including customers, research institutions, farmers and growers – to promote ever more sustainable agricultural practices.

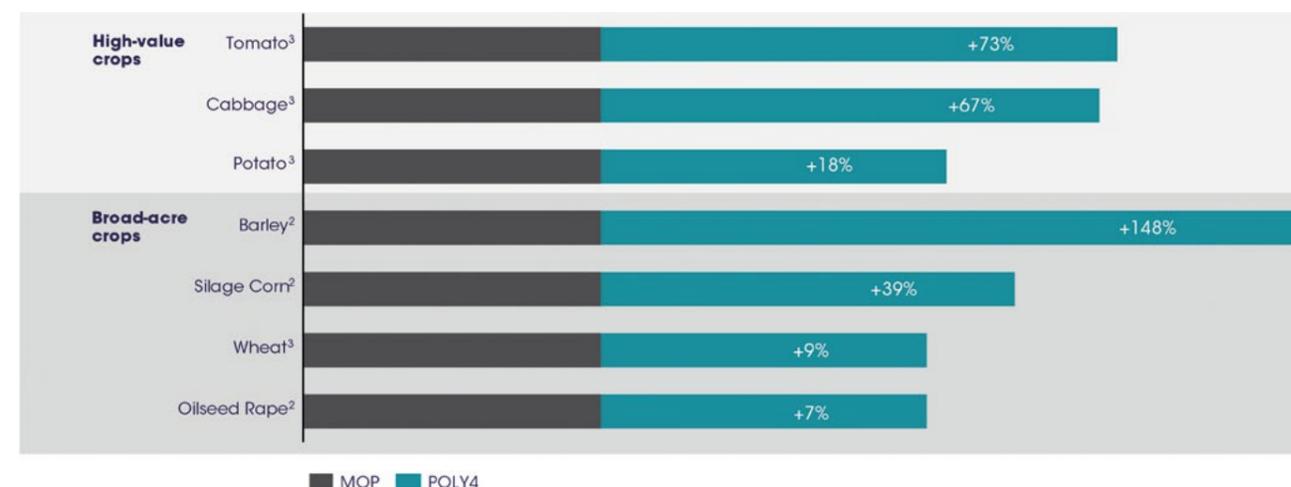
To date, our programme has involved over 370 trials in partnership with agricultural universities and research institutions on 42 crops in 28 countries. In 2018, we established 110 new trials on 32 crops across 21 countries. The guidance and recommendations we provide to farmers, supported by the crop trials in our R&D programme, can improve productivity and efficiency for farmers, which in turn helps to increase food production and profitability, enhance environmental protection and improve sustainability.

Figure 1: Nutrient delivery



POLY4 releases nutrients when crops need them, minimising the costs and damage of nutrient loss to the environment.

Figure 2: Increases crop yields



1. Yield parameter by crop; detailed crop study results available on Company website
 2. Field study comparing straight fertilizer applications
 3. Field study comparing MOP T12 v POLY4 T12

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WORKING WITH OUR CUSTOMERS

We have secured advance contracts to supply a total of 10.7 million tonnes per annum (Mtpa) of POLY4. This includes a supply agreement with Cibra, signed in 2018, for the distribution of 2.5 Mtpa in Brazil and other South American countries.

We have an unrivalled technical and agronomic knowledge of POLY4 and its benefits. In partnership with Cibra, we plan to develop a regional crop science programme that offers POLY4 best practice to local farmers and growers to promote balanced fertilization focusing on correcting nutrient deficiencies, improving soil health and achieving greater yields.



OUR PEOPLE

What people means to Sirius

We have six core values that inform and guide our actions, individually and collectively. Responsibility has been in our DNA since the beginning. We ask our people to embrace responsibility – it's not just up to management. We also expect the team to act with integrity and be accountable for their behaviour.

Measuring performance: People 2018

Lost Time Injury Frequency Rate
2018: 3.54

Major health and safety incident
TARGET: 0
2018: 1

Workforce participating in training
2018: 45%

Voluntary workforce turnover
2018: 4.3%

Gender representation¹

BOARD



SENIOR MANAGEMENT²



ALL EMPLOYEES



1. as at year end
2. Includes CEO and direct reports

Our values

Responsibility: Leadership by everyone – acting with accountability and integrity

Ownership: Pride in our Company and everything we do – “Look after it like it is yours”

Belief: Uncompromising determination that we will succeed, no matter what the challenge

Urgency: A bias towards action – a restless need to find solutions, overcome hurdles and move forward

Safety: Looking after each other all the time – making every day a good day

Team: Success comes from working together and not alone

OUR PEOPLE

As an employer, we are committed to keeping our people safe, investing in a world-class team and nurturing a culture that allows people to thrive. The primary focus areas for 2018 included activities to progress our business-wide safety culture, develop the strength and capability of our workforce, and to reinforce the influence our people have on our long-term success.



Strategic objectives

1

Keep our people safe and healthy

2

Empowering our people

3

Growing our people



HEALTH AND SAFETY IN NUMBERS

Our people worked 1,411,234 person hours on the Project in 2018. At the end of the year, our Project's Lost Time Injury Frequency Rate, which is a rolling 12-month average of incidents per million person hours worked, was 3.54.

In 2018 the Company reported five incidents to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013. These included one incident where a team member from a contractor sustained a serious injury during piling works at our Wilton site. A rigorous investigation into the incident was carried out and as well as the results being shared across our other sites and beyond, we implemented new working practices to prevent reoccurrence.

We work with our contractors to identify hazards associated with every new work package before any construction begins. These formal, intensive sessions allow us to harness the knowledge and experience of the wider team. Our health and safety team led 50 such hazard identification sessions in the year.

KEEPING OUR PEOPLE SAFE AND HEALTHY

The health, safety and wellbeing of our employees and contractor network is our number one priority. We are committed to providing a safe working environment and expect our people to make every decision with their own safety and wellbeing, and that of those around them, in mind.

Our approach is based on our 'One Team' ethos – every person on our Project, whoever they work for, is considered part of the Sirius Minerals' team and is expected to contribute to achieving our goals safely. All new starters on the Project complete a site-specific online safety induction in addition to a face-to-face induction when they arrive, which helps us to embed our values, safety culture and 'One Team' mentality from day one. Throughout the year, over 1,350 people received this induction.

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It's not enough to just be safe – we have to work safe. It's our responsibility to look after each other and deliver the Project.

In 2018, we invested in encouraging our people to take greater personal responsibility for their own safety, and the safety of others on site. We encourage everyone to have a voice and have processed over 300 'observation cards' during the last year. This provides valuable feedback to our site management team: they allow any member of the workforce to share constructive suggestions as to how we could improve working conditions across our Project sites.

Our main technical focus areas throughout the year included the management of major hazards and the mobilisation of construction teams equipped with the right tools, expertise and outlook to complete their work safely and efficiently.

We understand the wellbeing of our team is the key to their personal and professional success. In 2018, we strengthened our occupational health provision and put a spotlight on fatigue management, work-life balance and awareness of maintaining good mental health. We will continue to build on the information, support and tools we provide, making it even easier for our people to keep themselves safe and well.

EMPOWERING OUR PEOPLE

We value the strength that a diverse, dynamic, engaged workforce brings to our business. Our people are empowered to find and implement safer, more innovative ways of doing things because we know that our overall levels of safety, engagement and productivity depend on it.

The diversity of our team continues to grow year on year. We have female representation on the Board of Directors and senior leadership team and an increasing number of female employees in the wider workforce. In 2018, our predominantly local team, was joined by members of 18 different nationalities which will no doubt continue to grow as our business reaches new communities. We will continue to make our business attractive and accessible to minority groups.

In 2018, all our people activities were designed to inform, engage and empower the team, including the wider construction workforce. We focused on strengthening skills that promote a positive working culture and activities that reinforce our other two pillars of responsibility – environment and community – such as tree planting and spending time contributing to our education outreach programme.

We increased the frequency and quality of communication across the business to help our teams to connect. We increased the number of internal channels available to the workforce and worked to make them as valuable and user-friendly as possible.

At the end of 2017, we introduced our Speak Up line. This 24/7 phonenumber is hosted independently, ensuring maximum confidentiality for those who wish to remain anonymous. Speak Up has now been integrated across all our sites.

We recognise how important our contractors and sub-contractors are to our success. In 2018, we worked hard to strengthen the two-way dialogue across the workforce, with our employees and wider contractor network. We will continue to develop this strategy and build relationships based on care, trust and equality.

Our Non-Executive Directors continue to play an important role in ensuring the whole workforce can have a say and are properly represented. In 2019, we have planned a series of 'Exchange' forums which will bring Non-Executive Directors together with people from across the business to ensure that the voice of our people is heard in the boardroom.

By giving our people the tools they need to succeed and the confidence to use them, they become empowered to make meaningful changes. Over 130 of our team members came together in June to reinforce the core skills that have enabled the Company to succeed so far and that will be needed in the future: resilience, making decisions, communication and problem solving.

At the end of the year we launched our first engagement survey, so our people could express their ideas, tell us what we're doing well and identify areas where we need to make improvements. We have listened to our workforce and will use the survey results to help us shape our growing culture.



ONE TEAM

At Sirius, we talk about 'One Team'. This is about all 900+ members of the team - Sirius, our contractors and sub-contractors - working together to deliver the Company's goals safely, and where everyone on the Project, whoever they work for, is valued for their contribution.

Everyone in our business is empowered to challenge behaviours that do not align with One Team. We support and look after each other so that we all feel safe, valued, equal and respected.

We also encourage our team to get involved in activities that benefit the wider community. In 2018, this included promoting engineering careers to young women, working with young people and disadvantaged groups, and schemes to improve the environment.

GROWING OUR PEOPLE

We want to build a world-class team. That starts with attracting talented people who are motivated, resilient and eager to keep learning. We also look for natural problem solvers – the people who do not wait to be told what to do, who take responsibility and find resourceful, creative ways to get the job done.

We aim to complete as much recruitment in-house as possible to help us select people like this – those who strengthen our culture as well as our capability. Throughout the year we filled 85% of roles via in-house recruitment, only using external partners to help fill some of the more specialist positions. We are committed to employing local people whenever possible. In 2018, 82% of direct employees came from the communities around our Project sites.

In 2018, we welcomed 65 new employees to the team who increased our number of direct employees to 156. Our team is now largely spread across Teesside and North Yorkshire, with smaller teams based in London and our key customer regions: Latin America, China, the USA, Europe, India and South-East Asia. Our voluntary staff turnover for the year remained low (<5%), with more than 99% of our people choosing to stay on with the business.

After joining us, our people have access to ongoing development and opportunities for growth within the business. All staff are encouraged to engage in ongoing dialogue with their team leaders, in addition to formal

reviews, to identify development opportunities to support their current position and future aspirations. In 2018, in addition to staff members who completed compliance-based training, 45% enrolled in additional training to support their personal development.

In 2018, we also focused on activities to develop our leadership capability. A large part of this work was in support of our updated competency management system and commitment to improving our safety leadership culture. We will continue to invest in our leaders because we know the important role they play in developing, inspiring and retaining our talent and driving improvements in safety and efficiency.

At Sirius, our performance management and remuneration frameworks also encourage and reward our people for living our core values in addition to fulfilling our business strategy. These frameworks and principles, coupled with our value-led culture, mean our people understand that it is not just what they do that is important, it is also how they do it.

We want to be an employer of choice. We want people who share our values to apply for a role here because they are excited about our business and know that working as part of our team will help them to develop. Sirius is a company in which people feel valued, challenged and fulfilled every day.

PROJECT INDUCTION

In 2018 the Company focused on activities to inform, engage and empower the wider Project team, including the construction workforce, to help create a sense of personal responsibility for the part they play in the team's collective success.

Everyone who works on the Project, even if it's just for a few days, receives a face-to-face induction about the Company's vision, the Project's history and successes, and the goals ahead. During 2018, 1,350 people received the induction, helping them to feel part of the team and integrate quickly with new colleagues.



MEASURING OUR PERFORMANCE

| | TARGET | 2018 | PERFORMANCE |
|--|---|-------------------------|-------------|
| COMMUNITY | | | |
| Direct jobs created | — | 900 | ➤ |
| Local employment | A minimum of 35% of workforce sourced from the local area | 66% | ✔ |
| Contribution to the economy of Yorkshire and the North-East | — | £200 million | ➤ |
| Indirect jobs created | — | 245 | ➤ |
| Apprenticeships | 50 new apprenticeships with Sirius by 2023 | 0 | ➤ |
| Education outreach programme | Participate in at least 20 activities a year | 56 | ✔ |
| Community engagement | Attend at least 20 public meetings a year | 30 | ✔ |
| Complaints received | Respond quickly and resolve | 36 | ✔ |
| ENVIRONMENT | | | |
| NOx emissions | Achieve a minimum of 25% reduction in NOx emissions against consented scenario at Woodsmith | 66% | ✔ |
| Environmental compliance | Zero enforcement order | 0 | ✔ |
| Environmental incidents | Zero incidents | 0 | ✔ |
| New crop trials started | 80 | 110 | ✔ |
| GHG emissions Scope 1 | — | 4,852 TCO _{2e} | ➤ |
| GHG emissions Scope 2 | — | 639 TCO _{2e} | ➤ |
| Gross carbon emissions | — | 5,491 TCO _{2e} | ➤ |
| Intensity metric: per £10 million spend | — | 152 | ➤ |
| PEOPLE | | | |
| Lost Time Injury Frequency Rate | — | 3.54 | ➤ |
| Major health and safety incident | Zero | 1 | ✘ |
| Workforce participating in training | — | 45% | ➤ |
| Voluntary workforce turnover | — | 4.3% | ➤ |
| Gender representation — Board | — | 3 women 5 men | ➤ |
| Gender representation — senior management | — | 1 woman 6 men | ➤ |
| Gender representation — all employees | — | 57 women 99 men | ➤ |

2018 provides a baseline for measuring performance in the construction phase of the Project. Where appropriate, targets will be set for 2019 against the baseline established in 2018.

Key ✔ Positive outcome ➤ Neutral / not applicable ✘ Negative outcome

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

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In 2015, leaders of all 193 members of the United Nations committed to adopting 17 Sustainable Development Goals (SDGs). These define the UN development agenda up to 2030 and focus on addressing the world's most pressing sustainability challenges including poverty, inequality, conflict and protection of the environment.

The SDGs are a call to action for businesses, as well as governments, NGOs and other key stakeholders, about how we can all help to contribute to a more sustainable future. We welcome and support the SDGs and have identified six where we believe we can have the most beneficial impact.



| UN Sustainable Development Goal | Our contribution |
|--|---|
| 2 ZERO HUNGER End hunger, achieve food security and improved nutrition and promote sustainable agriculture | POLY4 increases crop yield and quality and has positive environmental characteristics. We are working with a wide range of stakeholders to promote sustainable agricultural practices across the world. |
| 8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | The Project will make a significant and sustainable contribution to regional and national economies. Thousands of skilled jobs will be created, and we support programmes that prepare the community for these opportunities. |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation | The Project's long-life and low-impact infrastructure is an exemplar of sustainable development. Our global crop science programme supports innovation in fertilizer methods. |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns | We have developed a new product that improves productivity and efficiency for agriculture which in turn can help to increase food production and profitability, enhance environmental protection and improve sustainability. |
| 13 CLIMATE ACTION Take urgent action to combat climate change and its impacts | The 1:1 mined ore to product ratio and simple granulation process mean that POLY4 has a low carbon footprint. We promote agricultural practices that increase productivity and use fewer inputs that have an adverse impact on the environment. |
| 15 LIFE ON LAND Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss | We will help towards making more efficient use of existing farmland, reducing the risk of deforestation. We are funding 7,000 hectares of new woodland and creating more diverse habitats over the next 100 years. |

Whilst there is no single methodology for measuring and reporting business progress on the SDGs, there are a number of reporting frameworks. We are still at an early stage of the Project's development and will look at the most appropriate reporting framework as we move onto operations.

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