

## Avalon Sustainability Policy

### Integrating Sustainability into the Way We Do Business

At Avalon, sustainability means adopting leading industry standards for the management of health, safety and the environment, transparently engaging with local communities and stakeholders, treating those with whom we work with respect, and creating a workplace where employees are valued, engaged and encouraged to succeed. Avalon's commitment to sustainability enhances our reputation and ability to attract and retain quality people, enables us to gain access to new resources and capital and allows us to better identify and manage opportunities and risks related to our business. Avalon gains a competitive advantage and maintains our social license to operate by balancing social, environmental, health, safety and economic considerations in our business practices.

Along with implementing risk and change management, Avalon will integrate the following sustainability objectives into business planning, work activities and assessments. Avalon will work proactively with communities of interest to define sustainability priorities and participate in the development of responsible legislation. Avalon will periodically conduct internal or external audits of all projects and operations to ensure compliance with this policy, applicable laws and standards and Avalon will report on these results.

Health and Safety	Environment	Community	People
<p><b>Health and safety is a core value at Avalon. Avalon's objective is to create an injury free workplace and to enhance the well-being of employees, contractors and the communities in which we operate.</b></p> <p><b>We will achieve this by:</b></p> <ul style="list-style-type: none"> <li>• Building and maintaining a positive safety culture and behaviours;</li> <li>• Encouraging a high level of safety awareness and performance through leadership and training at all levels;</li> <li>• Identifying and managing safety, occupational health and hygiene risks;</li> <li>• Integrating safe work systems in the way we operate;</li> <li>• Maintaining a leading standard of occupational health and hygiene at our operations and contribute to those of our local communities;</li> <li>• Supporting our people and local communities to enhance their health and well-being;</li> <li>• Engaging with and monitoring the performance of contractors, suppliers, partners and customers to ensure leading health and safety performance;</li> <li>• Investigating and reporting all health and safety incidents, and analysing this information to prevent future events;</li> <li>• Preparing for and effectively managing emergencies and crises; and</li> <li>• Maintaining the highest standards of operational integrity.</li> </ul>	<p><b>The preservation and protection of the long term health, function and viability of the natural environment is a key objective.</b></p> <p><b>We will achieve this by:</b></p> <ul style="list-style-type: none"> <li>• Adopting leading environmental practices and standards throughout all stages of the mining lifecycle, including closure planning;</li> <li>• Working to continuously improve our environmental performance through the reduction of harmful emissions to air, water and land and by improving the efficiency by which we utilize natural resources, energy and materials;</li> <li>• Minimizing our direct greenhouse gas emissions</li> <li>• Preventing the loss of biodiversity and ecosystem function due to our operations;</li> <li>• Minimizing wastes and the toxicity of wastes and ensuring the appropriate management of them;</li> <li>• Working with stakeholders to mitigate the impacts of our products and encourage recycling through the supply chain and product life cycle initiatives;</li> <li>• Identifying and managing environmental risks and opportunities; and</li> <li>• Eliminating, mitigating and remediating the environmental impacts of our activities.</li> </ul>	<p><b>Avalon is committed to being a responsible corporate citizen and contributing to the social and economic well-being of the communities associated with our activities.</b></p> <p><b>We will achieve this by:</b></p> <ul style="list-style-type: none"> <li>• Transparently engaging with local communities and stakeholders at the earliest possible project stages and throughout the life cycle of the operations in a culturally appropriate manner;</li> <li>• Encouraging the development of relationships based on mutual benefit and participation;</li> <li>• Respecting the culture, customs, priorities, values and rights of local communities, especially those of indigenous peoples;</li> <li>• Working with governments, local authorities, non-government organizations and interested parties to develop and provide support to programs or initiatives of benefit to local communities;</li> <li>• Maintaining long term support for key community initiatives with the long term objective of self-sufficiency;</li> <li>• Engaging with stakeholders during all phases of our projects and operations to minimize adverse effects on the communities;</li> <li>• Promoting economic sustainability within local communities and businesses to avoid, to the extent practicable, sole dependence on Avalon; and</li> <li>• Screening suppliers and contractors using sustainability performance criteria.</li> </ul>	<p><b>A workplace based on mutual respect, fairness and integrity is a fundamental component of Avalon's core values. Avalon will create a workplace where employees are encouraged to innovate and grow within the organization over the long term.</b></p> <p><b>We will achieve this by:</b></p> <ul style="list-style-type: none"> <li>• Encouraging, supporting and promoting employees on the basis of merit while supporting diversity in the workplace;</li> <li>• Providing equitable remuneration, appropriate training and professional development opportunities;</li> <li>• Providing open, transparent and timely communications and support to employees, especially during periods of significant organizational change;</li> <li>• Clearly communicating employment requirements and expectations in support of employee engagement, collaboration and accountability;</li> <li>• Protecting the privacy of employees' personal information in a legal and ethical manner;</li> <li>• Operating a drug and alcohol free workplace;</li> <li>• Offering a workplace where discrimination, harassment, violence and bullying are not tolerated;</li> <li>• Implementing an open, fair and reliable workplace issue resolution process; and</li> <li>• Recognizing employees' rights of freedom of association.</li> </ul>

Approved by Board of Directors 24 November 2014.